

To: City Executive Board

Date: 10 September 2015

Report of: Head of Planning and Regulatory Services

Title of Report: Oxford Growth Strategy

Summary and Recommendations

Purpose of report: To update Members on progress of the Oxford Growth Strategy and identify future financial pressures which may arise as a consequence of it.

Key decision Yes

Executive lead member: Councillor Alex Hollingsworth

Policy Framework: Corporate Plan Priority 'Meeting Housing Need' in particular sub-objective 3, 'Reviewing the Green Belt'.

Recommendation: That the City Executive Board resolves to:
note the contents of this report, in particular the potential need to identify additional resources of £310,000.

Appendices to report

Appendix 1 Oxford Growth Strategy Route Map: Investing in Oxford's Future
Appendix 2 Risk Register

Summary

1. The Oxford Growth Strategy links a series of interrelated workstreams aimed at promoting and delivering sustainable urban extensions to Oxford, by way of a Green Belt review needed to deliver the huge unmet housing need within the City. Linked to this is the City Council's joint working with the other Oxfordshire authorities and stakeholders to address Oxford's unmet housing needs.
2. This report sets out background and progress to date on the Oxford Growth Strategy, and also reports on the progress of joint working with stakeholders. Additionally it identifies future resourcing issues.

Background to Oxford Growth Strategy and Post-Strategic Housing Management Assessment Process

3. In April 2014, the five District Councils in Oxfordshire published the new Strategic Housing Market Assessment (SHMA). This identified an 'objectively assessed need' for around 100,000 homes to be delivered in Oxfordshire during the period 2011-31, to address both future and existing unmet housing need. Of this, 24,000 - 32,000 homes were identified as needed to meet the needs of Oxford. However a recently prepared Strategic Housing Land Availability Assessment ('SHLAA') indicates that there is only capacity in Oxford to sustainably provide around 10,000 further homes within the City's boundaries, thereby demonstrating that some 14,000 - 22,000 new homes for Oxford will need to be provided within neighbouring local authority areas. The deficit of homes that cannot fit within the City's administrative boundaries is referred to as the 'Oxford unmet need'. It should be noted that a defined number for this has not yet been agreed by neighbouring local authorities.
4. In response to the SHMA, the Oxfordshire Growth Board (which replaced the former Spatial Planning and Infrastructure Partnership) set in train a series of jointly-commissioned studies to arrive at a sustainable distribution of housing in the neighbouring local authority areas to address the unmet Oxford housing need. This is referred to as the Post-SHMA Process, and includes technical work to inform an agreed Oxford unmet need figure; a joint Green Belt study/review, a County-wide 'Assessment of Spatial Options' against sustainability criteria, and an Infrastructure Study to inform and then test the deliverability of the preferred spatial strategy. In November 2014, the (then) Shadow Growth Board agreed that all reasonable endeavours would be used to complete this work, and agree an apportionment, within 12-18 months.
5. The post-SHMA process has been challenged by some of the Districts despite previous commitments by all to adhere to the process. Reflecting the urgency of the housing crisis, the City Council has progressed its own work to robustly demonstrate the potential for sustainable urban extensions to Oxford (see Corporate Plan – Meeting Housing Needs, Issue 3), whilst recognising the need for a balanced housing growth strategy. Professional planning and transport consultants were commissioned to make this high-level case. A 'Route Map' entitled Investing in Oxford's Future: Deciding on Strategic Growth Options was published in August 2014 setting out how this could be achieved, through a staged process of evidence-building.

Milestones achieved

6. The Post-SHMA Process has taken longer to progress than the timescale agreed by the Growth Board. The timetable to complete the technical part of this work by September 2015 has slipped by 6 months. A Green Belt Study was commissioned in May 2015 and has been progressing, with completion due in October 2015. However, other workstreams that have slipped include:
 - Agree Oxford's unmet need: Discussions with neighbouring local authorities ongoing. Estimated 6 month slippage.
 - Strategic Growth Options Development: Deadline of March 2015 missed by Vale of White Horse and South Oxfordshire Councils who have to date not to date submitted long list of growth options for their area. 5 month slippage.

- Assessment of Options against sustainability criteria: Vale of White Horse and South Oxfordshire Councils have recently formally questioned the robustness of the agreed process, therefore commissioning is currently on hold. Estimated 6 month slippage.
- 7. It should be noted that the City Council has met all key deadlines for this process, and its officers have consistently urged that the timetable is adhered to.
- 8. The Oxford Growth Strategy has on the other hand achieved the following milestones:
 - Informal assessment of Oxford Green Belt, completed May 2014
 - Growth Strategy Route Map, published Aug 2014
 - Oxford Strategic Growth Options High Level Review of Opportunities, published Oct 2014
 - Oxford Housing Land Availability and Unmet Need Assessment, published Dec 2014
 - Draft Development Frameworks for Urban Extensions North and South of Oxford, to be published in 2015
 - Oxford Growth Options Report of Findings and Delivery Statement, to be published 2015
- 9. In summary, the conclusions of this work is that there is good potential to deliver significant sustainable urban extensions to the north of the City in Cherwell district, and to the south of the city in South Oxfordshire district. All of these reports can be found on the Oxford Growth Strategy web pages at <http://www.oxford.gov.uk/PageRender/decP/OxfordGrowthStrategy.htm>.

Next steps for the Oxford Growth Strategy

- 10. The Oxford Growth Strategy is an on-going project. An important first stage has been to prepare a high-level case for sustainable urban extensions.
- 11. The Vale of White Horse Local Plan and West Oxfordshire Local Plan have been submitted. Both are predicated on the joint work of the Growth Board feeding into respective early Plan reviews to address the Oxford unmet need. Senior City Council officers have advised these local authorities that it is not acceptable, in the City Council's view, to defer the Oxford unmet need to future Plan reviews, as this substantially delays the delivery of housing for Oxford and adds to the worsening housing crisis. The City Council will therefore be making strong representations at both these local plan examinations. The Vale of White Horse examination is underway with hearings scheduled for late September 2015. The West Oxfordshire examination is in its early stages, with a timetable for hearings yet to be confirmed. It is anticipated that the City Council will be instructing Queen's Counsel to represent them at both of these examinations. This will require budgetary provision, for both examinations, of up to £50,000.
- 12. Work is also progressing on the South Oxfordshire Local Plan review. It is understood that a Preferred Options consultation will take place towards the end of 2015. Whilst the Preferred Options stage is not the final stage of consultation, it is nevertheless an important one which precedes finalisation of the South Oxfordshire District Council Local Plan.

13. With this in mind, the City Council is liaising with other landowners in the area identified by the Growth Strategy (south of Grenoble Road). Because of the importance of the site in helping to meet the future housing needs of Oxford, a collaborative approach with the landowners is anticipated in order to ensure that an appropriate site within this area is promoted through the South Oxfordshire Local Plan.
14. It is recognised by all parties that a significant amount of work is needed to demonstrate beyond reasonable doubt that a site south of Grenoble Road is suitable in terms of impacts on landscape, Green Belt function, ecology and transport, and that it is deliverable taking into account required infrastructure. Without this detailed work, other sites could be concluded by the relevant local planning authority, or other decision-makers, to be more suitable for meeting Oxford's unmet housing needs, particularly bearing in mind the significant barrier posed by the existing Green Belt designation. The Council will also be making strong representations at the South Oxfordshire local plan examination and instructing Queen's Counsel. This will require budgetary provision of up to £40,000.

Financial Issues

15. The City Executive Board will be aware that Council has agreed a budget allocation of £80,000 to support (the strategic planning work relating to) Housing Growth. These funds go some way to supporting the work required to ensure that a site south of Oxford is successfully promoted.
16. However, significant further work is anticipated to be needed to further the objective of the Oxford Growth Strategy. Most immediately, studies to identify issues around the constraints set out in paragraph 13 and propose mitigation strategies, are required. Whilst these costs can be shared between landowners, the City Council can reasonably be expected to pick up some of the costs. In particular, it should be noted that the City Council in its corporate assets capacity is a significant landowner in this area.
17. Further to scoping discussions with the other landowners and their agents, it is anticipated that the City Council will be asked to contribute £300,000 towards this work, the total cost being shared between the landowners. This is based on the advice of planning consultants to cover the technical work required to maximise the likelihood of a site south of Oxford coming forward.

The total budget identified is therefore £300,000 for technical planning work south of Oxford; £50,000 for Vale of White Horse and South Oxfordshire Examinations, and £40,000 for South Oxfordshire examination. The current budget allocation of £80,000 is insufficient to support this further work. The City Executive Board are therefore asked to consider providing additional resources as part of its annual Medium Term Financial Plan refresh. The £310,000 identified would provide for both a shortfall in funds available to make legal representations at the three Local Plan examinations, and for planning work relating to the land south of Oxford.

Legal Issues

18. The Planning and Compulsory Purchase Act 2004 as amended by the Localism Act 2011 places a legal duty to cooperate on local planning authorities to engage constructively, actively and on an on-going basis on cross-boundary planning matters, towards achieving an effective spatial strategy. This effectively places a

duty on Oxford to make representations to its neighbouring local authorities to deliver housing within their areas to address unmet housing needs identified in Oxford (most recently in the SHMA 2014) which cannot be accommodated within the City's administrative boundaries.

Environmental Impact

19. As the contents of this report are for information only, there are not considered to be any environmental impacts. However should at any stage the Council decide to formalise proposals for development either North or South of Oxford, there will be clear environmental impacts that will need to be assessed in the relevant report(s).

Level of Risk

20. The principal risk is that further detailed studies and analyses will be required if District Council partners seek to depart from the agreed post-SHMA process. However, the Councils are aware that if this arose this would present strong grounds for failing to meet the duty to co-operate and would place proposed Local Plans at risk.

A detailed risk register is attached at Appendix 2.

Equalities Impact

21. There are not considered to be any direct impacts on equalities. Should the Council formalise its joint working arrangement in respect of one or more sites on the edge of Oxford, there would be clear positive impacts arising through enabling the significant address of housing need, including future development of significant levels of affordable housing.

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List of background papers:

None

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