

To: City Executive Board

Date: 9 February 2017

Report of: Housing Panel (Panel of the Scrutiny Committee)

Title of Report: University Housing Needs

Summary and Recommendations

Purpose of report: To present the recommendation of the Housing Panel on University Housing Needs

Scrutiny Lead Member: Councillor David Henwood, Chair of Housing Panel

Executive lead member: Councillor Alex Hollingsworth, Board Member for Planning and Regulatory Services

Recommendation of the Scrutiny Committee to the City Executive Board:

That the City Executive Board states whether it agrees or disagrees with the recommendation set out in the body of this report.

Introduction

1. The Panel convened a discussion with representatives of both universities to hear their plans for accommodating students in the city and consider the impacts of the council's current adopted planning policies on their growth proposals. This meeting took place on 9 November 2016 and the Panel would like to thank William James and Carolyn Puddicombe from the University of Oxford, and Paul Large and Sue Holmes from Oxford Brookes University. The Panel would also like to thank Councillor Alex Hollingsworth, Board Member for Planning and Regulatory Services, David Edwards (Executive Director for Housing and Regeneration) and Mark Jaggard (Planning Policy and Specialist Services Manager). The Panel also held an informal follow-up meeting with the Board Member and Executive Director to reflect on the evidence provided.

Summary of discussions with the University of Oxford

2. The Pro Vice-Chancellor for Planning and Resource Allocation at the University of Oxford said that the University has over 10,000 under-graduate students who

are mostly housed in university-provided accommodation, plus about 10,000 graduate students including 4,500 postdoctoral researchers. The University is within its planning policy target of having no more than 3,000 full-time students living in the city outside of university-provided accommodation (Core Strategy Policy CS25). The Panel heard that the University of Oxford has two asks of the City Council:

- a) That postdoctoral researchers be exempt from Oxford University's target of having no more than 3,000 students living in the city outside of university-provided accommodation.
 - b) That the development of employee housing schemes (including purpose built accommodation for postdocs) be exempt from planning policies requiring the delivery of new affordable housing (either onsite or via financial contributions).
3. The Pro Vice-Chancellor said that postdocs are typically young professionals from around the world who need to live close to their research for 3-4 years, and should be treated differently from taught students because their accommodation requirements are different, for example they are more likely to live with a partner or have a family. Postdocs are the group most adversely affected by the housing situation in the city, spending up to 60% of their earnings on housing costs. The Panel heard that the University is looking to develop 2,000 new units of purpose built accommodation for postdocs to rent at affordable rates. The only impediment to doing so is the council's current affordable housing policy, which makes such schemes unviable by requiring the delivery of at least 50% of the proposed new dwellings as affordable housing to meet wider needs such as social rent.
 4. The Executive Director for Housing and Regeneration said that the adopted affordable housing planning policy includes a mechanism for reducing affordable housing contributions if the proposal demonstrates in a clear and transparent way why the requirement makes the scheme unviable. The University's proposals to develop 2,000 units have not been tested against this policy or proper viability evidence provided. There is no impediment to the University of Oxford entering into pre-application discussion to look at viability or submitting a planning application if it has the evidence to justify departing from the policy. The Board Member for Planning and Regulatory said that during the Core Strategy period (2006/07 to 2015/16), affordable housing completions have accounted for 30% of all net dwellings completed; a significant achievement given that small scale developments have been exempt.
 5. The Panel commented that the delivery of new affordable housing is a key priority for the City Council and questioned whether the University of Oxford could use some of its own land to support affordable housing delivery, given that staff members employed by the University are also affected by the high cost of housing. The Pro Vice-Chancellor said that it would not be in the University's interests to provide loss-leading social housing that would be subject to Right to Buy after a period of time. However, the proposed developments totalling 2,000 units would have wider benefits for the housing sector in the city because they would free up private market rented homes for the wider market, relieving some of the pressure on the lower end of the private rented sector. The University and its partners have land available and can access very competitive interest rates to

finance the delivery of 2,000 units across multiple locations in the city, with the first tranche at Osney Mead. The University would not be seeking to make a profit from these schemes but where university-owned land is sold for commercial development the affordable housing policies would be applied to developments on those sites.

6. The Panel asked whether 2,000 new units will be sufficient if the number of postdocs in the city continues to grow (the number of undergraduates at the University has remained steady since 2000/01). The Pro Vice-Chancellor said that this sector has grown by about 7% per year since the global financial crisis, and that this growth had not been anticipated in the early 2010s. Further expansion is expected and 2,000 units should be seen as a start. Lenders are keen to finance these types of developments and if they are successful, more schemes could come forward in time.

Summary of discussions with Oxford Brookes University

7. The Director of Infrastructure Investment at Oxford Brookes University said that Brookes is currently breaching the target of having no more than 3,000 full-time students living in the city outside of university-provided accommodation. While the number of undergraduates at Brookes has been on an upward trajectory since 2000/01, the increase in students living in houses of multiple occupations (HMOs) was not what Brookes wanted to see because HMO accommodation was expensive and often of poor quality. Brookes has three asks of the council:
 - a) The allocation of additional sites for university student housing and the recognition that Brookes would need to develop/fund new student accommodation in partnership with private sector developers, as Brookes does not have the same extensive level of land ownership as the University of Oxford does.
 - b) That nursing and teaching students be exempt from the council's planning policy target to have no more than 3,000 Brookes students living in the city outside of university-provided accommodation.
 - c) Tougher regulation to improve standards in the HMO sector.
8. The Panel heard that Oxford Brookes University is focused on investing in its academic estate over the coming decade following years of under-investment. Brookes wants to provide an attractive accommodation offer to its students but the lack of land availability and high cost of housing presents a double whammy. Land values in the city are incredibly expensive and Brookes have no land or significant capital to fund the construction of new student accommodation.
9. Brookes plan to decamp from the Wheatley campus over the coming 10 years and redevelop their facilities at Harcourt Hill Campus (in the Vale of White Horse). A Student Residences Strategy (2016) has recently been published by Brookes which sets out the aims of increasing the capacity and improving the quality of older halls, but without available new sites or capital then Brookes would need to work with private sector developers. The 3,000 target is seen as a blunt instrument that should be revisited to ensure there are no perverse impacts on local services. For example, Brookes could train their share of the government's planned 10,000 additional nurses, who would spend half of their

time working in local placements. In 10 or 20 years' time Brookes may be in a position to consider new developments that include a proportion of social housing.

Conclusions and recommendations

10. The Panel support the continued success and expansion of the two universities and note the positive contributions that students from the two universities make to the city, and in particular groups such as postdocs and nursing and teaching students.
11. The Panel recognise that the housing situation in Oxford is now affecting everybody including university staff and students. The continued growth of the city needs to be carefully managed, with a package of policy measures that encourage and balance new student and keyworker accommodation as well as new social housing. The Panel agree that while the current planning policies have generally been effective in helping to deliver much-needed affordable housing, they are fairly rigid and there is a strong case for reviewing how the policies could be improved and strengthened to ensure they are fit for the future as we move forward with the new Oxford Local Plan 2036. The Panel support strong regulation of the private rented sector and the proposed extension of licensing to non-HMO private rented sector accommodation.
12. The Panel note that some land-owning colleges have taken a very commercial approach to new developments in order to maximise their profits. This contrasts to the approach taken to developing new student and keyworker housing in Cambridge. The Panel also note that the University of Oxford had prioritised private residential developments at the Wolvercote Paper Mill site, taking the view that it was too far away from research sites to be suitable for student or postdoc accommodation. The Panel also noted that one of the Colleges has an option to develop one of their City centre sites for speculative student accommodation, rather than using it for University of Oxford student or key worker accommodation.
13. The Panel suggest that officers discuss potential alternative policy positions with the universities at an early stage in the local plan review process. Given that a number of colleges have significant land holdings outside of the city, there is also a need to engage with neighbouring authorities and where possible, agree cross-border policies that incentivises colleges to bring forward land for development to help meet Oxford's housing needs including student accommodation.

Student accommodation

14. The Panel would wish to encourage flexibility on both sides in respect of new developments of student accommodation for the two universities, given that increasing supply would help relieve pressure on the wider housing market in the city. The Panel is mindful however that that new student accommodation should not be built at the expense of new general needs housing.
15. The Panel note that the council's planning policies set criteria for determining which locations are suitable for student accommodation. This limits new student

accommodation to district centres or areas adjacent to main thoroughfares or existing academic or research sites. The Panel suggest that specific sites should be allocated for new university student accommodation during the local plan processes.

16. The Panel suggest that consideration should be given to exempting post-doctoral researchers and nursing and teaching students from the planning policy target of having no more than 3,000 full-time students from each university living outside of university-provided accommodation in the city. This may require the 3,000 figure to be reviewed at the same time, through the Local Plan review. Any exemptions should be balanced by a decrease in the target figures and careful consideration would need to be given to the new levels of those targets. The Panel support maintaining the existing sanction, which is that the universities are unable to increase their academic floor space without complying with the policy.
17. The Panel note that the targets for no more than 3,000 full-time students from each university living outside of university-provided accommodation in the city do not apply to other large educational institutions based in the city that have significant numbers of students living in private rented accommodation. The Panel suggest that consideration should be given to options for extending this policy to other educational institutions if it is considered that there is a strong case for extending these obligations as the best means of reducing pressure on the private rented sector. This approach would need to be balanced against placing restrictions on the usage of new student accommodation by such organisations.
18. The Panel understand that the previous Local Plan limited the use of new student accommodation only to the University of Oxford and Oxford Brookes University. The Planning Inspector for the Oxford Core Strategy considered this policy to be elitist and removed this requirement. The Panel suggest that the new Oxford Local Plan 2036 could seek to reintroduce this policy given the constrained nature of the Oxford, and the competing demands on the limited availability of sites. (Note: all student accommodation needs to make an affordable housing contribution). The Panel heard that covenants could restrict the use of new student accommodation to university students and this would prevent them being out-priced by language school students for example.
19. The Panel note that there is an increasing trend for private developers to build speculative student accommodation and rent units to students of various educational institutions including but not limited to the two universities. University students housed in private student accommodation are counted as living outside of university-provided accommodation because those units are not always guaranteed as available to the university. Consideration should be given to the case for addressing this anomaly when the policy is reviewed and refreshed.
20. The Panel heard that it may be desirable to prioritise accommodating more students of the two universities in any new private developments of student accommodation, to manage the competition from other institutions. Consideration should also be given to how private developers could be encouraged to work more closely with the universities and where possible, for the

universities to collaborate as co-developers to help ensure that developments meet their students' needs.

Key worker housing

21. Local areas are allowed to define what constitutes a key worker. The current definition used by the City Council includes employees of the universities who are lecturers, academic research staff or laboratory technicians, as well as qualified teachers and all NHS clinical staff (apart from doctors and dentists) and a range of other professional occupations. This definition could be broadened to include additional specific groups such as post-doctoral researchers, nursing and teaching students, and university support staff.
22. The Panel recognise that there is a case for doing more to encourage employee housing schemes, including but not limited to the postdoc accommodation schemes proposed by the University of Oxford. Currently the council's policies support key worker housing where its provision is in addition to the required level of social rent affordable housing (set at 80% of the 50% affordable housing target), so there may be a case for allowing some flexibility to substitute some of the social housing obligations with key worker housing obligations on some specific sites. Any changes to affordable housing contributions would be applied across the board to all residential development proposals, not just to the two universities, so the degree of flexibility and precise mechanism for enabling this flexibility would need to be carefully considered and balanced with the need to continue to encourage new social housing and other forms of affordable housing for wider needs in the city than just the two universities.
23. Encouraging key worker housing schemes could also involve making changes to the balance of dwellings policy, given that there is likely to be less demand from larger properties amongst groups such as postdocs. There may be a case for stipulating separate and more flexible balance of dwellings requirements for key worker housing schemes.

Recommendation – That options are explored through the new Local Plan 2036 processes which relating to student accommodation, and that early discussions are sought with the two universities and neighbouring authorities to inform the local plan review. Consideration should be given to:

- a) ***Allocating specific sites for new student accommodation for the two universities; (paras. 7a & 15)***
- b) ***Exempting groups such as post-doctoral researchers and nursing and teaching students from the target of no more than 3,000 students from each university living outside of university-provided accommodation in the city, balanced by a reduction in the target figures; (paras. 2a, 7b & 16)***
- c) ***Extending the targets for students living outside of provided accommodation to other large educational institutions based in the city; (para. 17)***
- d) ***Limiting the use of new student accommodation to the two universities; (para. 18)***
- e) ***Whether university students housed in non-university provided student housing should count towards the 3,000 target figure; (para. 19)***

- f) Encouraging private developers of student accommodation to work closely with the universities; (para. 20)**
- g) Reviewing the local key worker definition to potentially include post-doctoral researchers, nursing and teaching students and university support staff; (para. 21)**
- h) Providing some flexibility to substitute some of the social rent planning obligations with key worker housing obligations in order to encourage key worker housing schemes (including accommodation for post-doctoral researchers); (para. 22)**
- i) Providing additional flexibility in the balance of dwellings policy specifically for key worker housing schemes. (para. 23)**

24. It is noted that these recommendations would also need to be supported with action from the universities to address the housing needs of key workers and students, as discussed earlier in this paper. For example using university or college-owned land to provide key worker accommodation, rather than selling it for private residential development.

Name and contact details of author:-

Andrew Brown on behalf of the Housing Panel
Scrutiny Officer
Law and Governance
Tel: 01865 252230 e-mail: abrown2@oxford.gov.uk

List of background papers: None
Version number: 1.0

This page is intentionally left blank