

Investing in Oxford's future

Deciding on strategic growth options

A route map



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Building a world-class city for everyone



Oxford is an international city. It is the focus of a world-class knowledge economy with one of the most important concentrations of high-value businesses in Europe.

However the City's continuing housing crisis through the lack of housing availability, choice and affordability, is significantly undermining its future and contributing to social inequality.

This document is prepared by Oxford City Council and summarises the planning issues being faced by the City and sets out the process and strategy the Council is following in seeking to address these issues. This includes the consideration of development opportunities around Oxford.





Starting point

76 housing and growth

In the search for growth, policymakers from all political parties are increasingly recognising that cities are vital to the economic future of the country. Yet the challenges facing UK cities including Oxford are immense.

In particular, it has been clear for some time that housing supply is not keeping up with demand. Reasons for rising demand include improved life expectancy rates and a growing number of one-person households. There are almost 1.8 million households on English local authority housing registers and significant levels of overcrowding in the private and social housing stock.

Poor housing impacts directly on residents' health and educational attainment, while difficulties in accessing affordable housing can also limit the ability of people to move to find work. The need to increase the supply of housing and tackle affordability issues is a key housing policy issue.

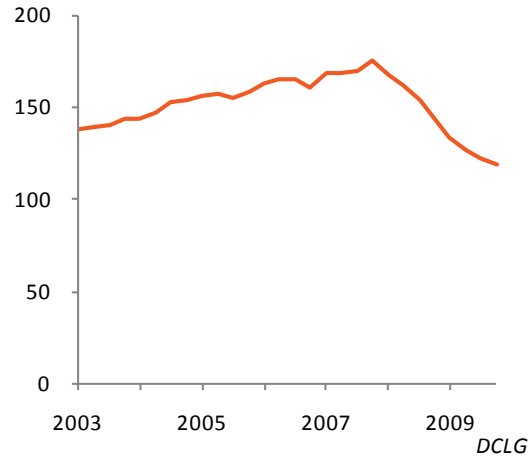
In 2007 the Government set a target of increasing the supply of housing to 240,000 additional homes per year by 2016. There was debate over whether this target would meet the demand for new housing and deal with the backlog of unmet housing need.

In fact, the onset of the credit crunch in 2007 put the achievement of even these targets under serious pressure. Despite rising demand, the collapse in mortgage advances meant that private builders reduced the supply of new housing.

Falling house prices in the recession have not solved the problem of affordability as they have been accompanied by tighter lending criteria, particularly larger deposit requirements.

Housebuilding has fallen sharply

Housing completions, England, 000s, four-quarter rolling total



Indeed, the National Housing and Planning Advice Unit (a non-departmental public body) has said that the recession has increased the requirement for house building to make up for the fall off in construction rates.

It has advised that up to 290,500 additional homes may be needed in each year to 2031.

Supporting Oxford's Success

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Oxford is a global brand, known the world over for its academic excellence and historical significance.

It is home to around 4,000 businesses providing around 120,000 jobs. It is the fifth most visited City in the UK by international visitors, with approximately 9.5 million visitors per year, generating £770 million of income for local Oxford businesses.

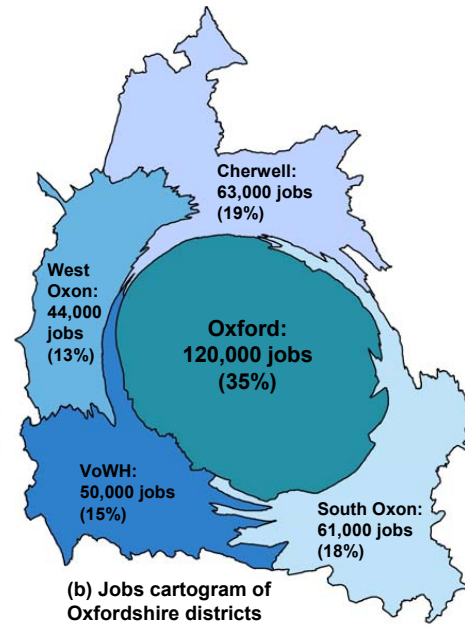
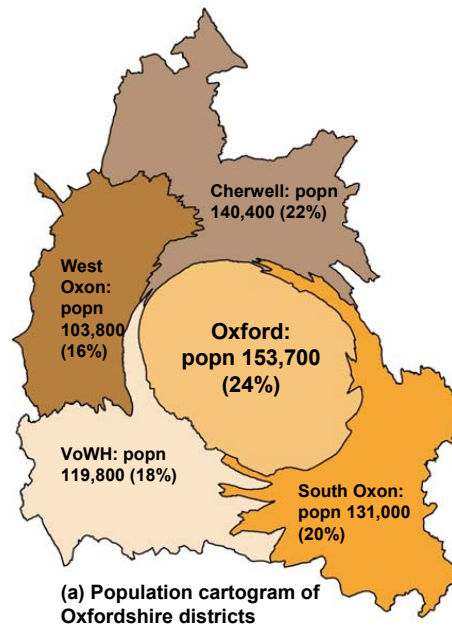
The area is amongst the top five technology innovation locations in the world, with 1,500 high tech firms employing around 43,000 people.

Our Universities and science institutes support the unique grouping of 'big science' and other research facilities in the area. Together with Oxford's global profile, this provides an outstanding environment for foreign direct investment and businesses to spin out and grow.

Oxford is also strategically located between the two largest cities in the UK, London and Birmingham, at the heart of the national rail and road network. Its strategic location supports the growth of business, such as the MINI Plant Oxford, with the company exporting vehicles to 110 countries using transport links to Southampton docks. Rail electrification and the new East-West Rail line further strengthen the City's location.

Oxford's close proximity to London Heathrow Airport also makes it an attractive place to do business.

Oxford contributes £4.7bn to the national economy. Its GVA per head is £30,800, the fifth highest Gross Value Added (GVA) per capita of any City in the UK, and significantly higher than the national average of £20,300. Its success is therefore essential to the sub-region and wider success of the UK



economy, and it regularly has the top rankings as a successful place to grow (Demos/PWC).

The success of Oxford has seen the City's population increase by some 10% (17,600) between 2001 and 2011 creating additional demand and pressure on housing. This will continue to increase. The City has a quarter

of the population but provides over a third of jobs in the county, and half the workforce travels into the City from the surrounding districts and beyond. This employment in turn supports further local employment and services across the county. The continuing success of the City is essential to the wider local, regional and national economy.

Facing the challenges

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Despite a wealth of assets, Oxford has not reached its full potential when compared with other internationally renowned areas around world-class universities, including Cambridge.

The recently published Oxfordshire Innovation Engine report found that between 1997 and 2011 Oxford's economy would have increased by a further £0.5bn GVA if it had matched Cambridge's growth. Our universities and business need space to develop to remain leaders in their field. The report identified that the City needed to grow to accommodate housing, employment and research needs and that greater priority should be given to this objective.

The report also found that the growth in Oxford and in the county had been constrained by insufficient public transport, an at-capacity road network, under-developed business networks and an acute shortage of housing.

Our leading businesses report severe difficulty in the recruitment and the retention of staff at all levels, because of a lack of housing choice and affordability.

Similarly, the Universities identify they are being held back in the global competition for the best research talent, and services in hospitals and schools are being compromised through the lack of available affordable housing for key staff; for example the high turnover of teaching staff is adversely affecting pupil attainment. Poor and overcrowded housing is impacting on some of the most vulnerable in the City.

Most of the employment growth in the county between 2001 and 2011 was in the City where high technology firms chose to locate; particularly those who require close links with the Universities. There is also clear evidence that seeking to force these enterprises to locate elsewhere is ultimately unsuccessful, and potentially increases commuting and other costs.

Census 2011 data shows that 6.2% of households in Oxford are classed as overcrowded compared with an Oxfordshire average of 3.3%. There are increasing breaches of Housing in Multiple Occupancy (HMO) Regulations and instances of 'beds in sheds'. This is despite Oxford's housing stock increasing at a rate of 10.4%; faster than the comparable rate of development in Oxfordshire (9.5%), the South East (8.6%) or England as a whole (7.6%).

Oxford has overtaken London as the UK's least affordable City for housing in the Centre for Cities Outlook 2013. House prices in Oxford continue to increase at a rate well above most people's salaries; an increase of over 20% is predicted in City house prices over the next five years.

Oxford average house price

£340,864



Many in our communities know that they and their families cannot continue to live and work locally unless more homes and more choice of affordable homes become available.

Recruitment in the hospitals and clinical centres is increasingly based on extended commuting or sharing overcrowded accommodation. The City Council has needed to offer mortgage subsidies for teachers to improve recruitment to support raising educational attainment in City schools.



Oxford average salary

£30,299

A feature of the lack of housing in the City is extended commuting, with work journeys needing to jump the Green Belt, and beyond. Around 50% of Oxford's workforce commutes by car into the City, which is unsustainable. But for those living in the City we have some of the highest levels of sustainable transport use in the country: bus, bicycle and pedestrian.

Responding to the challenges

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The six Oxfordshire authorities, the Local Enterprise Partnership, Oxford University and Oxford Brookes University and the big science facilities at Culham and Harwell are committed to addressing the issues being faced.

The Oxford Strategic Partnership's Economic Growth Strategy sets the framework for the City's economic development and has been adopted by the City Council and endorsed by partners, including business, the Universities and further education colleges. This strategy was carried forward into the 'City Deal' agreement.

Following the strategy an independent study, the Oxfordshire Innovation Engine, commissioned by Oxford University and the Local Enterprise Partnership (LEP) confirmed the Oxford Strategic Partnership's analysis and recommendations.

Government Ministers and the Local Authorities signed a 'City Deal' in 2014 which promotes new investment and growth in the City and county, including £95m public sector investment and £600m private sector investment creating a further 18,600 new jobs focused on the knowledge sector and 500 new apprenticeships together with the necessary skills, training, housing and infrastructure to support growth. Some of this growth is already evident: for example Mini Plant Oxford is increasing its workforce, Oxford University is expanding its research facilities at the Old Road campus, and there are plans for development at Westgate, Oxpens, Oxford Station and Northern Gateway.

Central to the City Deal are the commitments by the Oxfordshire Authorities to enable housing growth in the City; to accelerate the delivery of 7,500 new homes across the county and to ultimately deliver the housing need requirements identified in the independent Oxfordshire Strategic Housing Market Assessment (SHMA) (commissioned jointly by the Local Authorities and published in April 2014). These commitments are critical in supporting balanced growth which supports our economic success and avoids a deepening housing crisis.

The SHMA was endorsed by all the Local Authorities and concluded that 100,000 new homes were needed in Oxfordshire by 2031, which includes making good some of the shortfall of housing delivery from recent years. As part of the overall total some 28,000 new homes are required in Oxford City. Most of this growth arises from trends such as people living longer and smaller households, and in the case of the City net in-migration is not forecast to increase, but we have a young population and growth in families.

The latest Strategic Economic Plan promoted to Government by the LEP, the Local Authorities and partners in June 2014 confirms the City Deal and seeks further funding for infrastructure and skills to enable the planned growth.

In conclusion, the City Council and partners recognise both the opportunities for growth and the challenges which have to be addressed if we are to continue to have a successful economy and meet our housing needs, and have committed to the homes and infrastructure required.

The destination

84 meeting housing needs

Meeting the City's housing need is critical for everyone living and working across the sub-region. It is clear that due to its tightly confined boundary, Oxford City will not be able to meet its housing needs (28,000 additional homes) in the period to 2031.

The City Council as a planning authority and land owner is actively supporting development and new homes, including innovative partnerships such as Barton Park, and is expected to deliver over 1,500 new homes over the next five years, but initial assessments of housing capacity in the City suggest that there is only a limited supply of further development sites.

A further capacity study is currently being undertaken to ascertain whether further potential to deliver more new housing can be identified. However it is inevitable that a large proportion of Oxford's housing requirements will need to be accommodated in the surrounding authorities, but in locations where it is capable of meeting the needs of the City. This requirement sits alongside surrounding authorities' requirement to meet district housing needs.

The intention of this document is to provide a guide to the decision making that will ensure that informed decisions can be reached as to how best to accommodate the housing growth identified in the SHMA in and around Oxford.

The planning decisions will be taken by the Oxfordshire authorities and through the process of individual Local Plans. However, Government has placed a requirement on Local Authorities to work together collaboratively on these issues and not to ignore issues which extend across individual boundaries.

The need to address this housing need is very pressing and cannot be deferred, and the lack of housing is already now having profound adverse consequences for our economy and our communities.



The journey

88 identifying the best locations for new homes

In order to ensure informed decisions are made in relation to accommodating housing needs, Oxford City Council has embarked on a programme to objectively consider the various growth options in and around the City.

The City Council has asked itself the following questions:

- How should growth be accommodated in and around Oxford?; and
- If through urban extensions, where should these be?

In answering the first question, the City Council's view is that there should be a balanced approach to the delivery of housing and the City Council must work with surrounding districts to accommodate this housing need through a mix of solutions including development within the existing City boundary; planned extensions to the City, as well as growth elsewhere. This pattern of growth has been successfully adopted in similar cities, such as Cambridge.

New housing locations need to be based on sustainable development criteria. These include access to employment and services in the City, landscape and environment, and other considerations. Oxford has good public transport, cycling and pedestrian networks, together with established schools and services. Locating new homes at a distance from the City will potentially increase and extend commuting.

The Green Belt boundary is drawn extremely tightly around Oxford's urban area and flooding and other constraints limit the options for growth beyond the existing boundaries. This has frustrated the ability of the City to grow its housing stock sufficiently to meet the housing need. The proportion of Green Belt needed to meet Oxford's total housing need until 2031 is likely to be no more than around 1.1-1.4% of

the current designated Green Belt land in the county.

The City Council is suggesting a balanced approach which means that up to half its housing need could be met without requiring Green Belt land. This means that an area equivalent to less than 1% of the Green Belt in the county might be needed, and there may be no net loss if Green Belt land is swapped or extended in areas elsewhere in the county. The areas released for development would be where land has a lower amenity and environmental value.

The City Council supports the principle and purposes of the Green Belt, and has a robust policy in its Local Plan (Core Strategy) to reflect this. There is also the potential to extend the Green Belt to afford rural areas more protection, and in other parts of the country, areas have been swapped to get a better balance.

However, the Oxford Green Belt boundaries were established in the 1950s, and it is appropriate to review policies over time to ensure that their purpose is still valid and that there is a reasonable balance between competing housing, environmental, economic and other priorities. Already there are proposals to change the Green Belt in adjoining districts to meet local need, but these are being pursued outside a strategic assessment and ignore the City's needs.

The City Council is supported in this view. The Oxford Strategic Partnership's Economic Growth Strategy published in early 2013, based on independent research by consultants Shared Intelligence, identified the urgent need to enable housing and employment growth through urban extensions. The Oxfordshire Innovation Engine Report by consultants SQW also recommends housing and

employment growth to the north and south of the existing area with necessary Green Belt adjustments. Every strategic review in recent years has acknowledged Oxford's need for housing and employment growth and endorsed the option for growth through a sustainable urban extension.

Balanced strategy



The principle of an urban extension to Oxford is not a new concept. Successive Government Inspectors have acknowledged that the City's housing needs cannot be met within Oxford's administrative boundaries because of the lack of suitable development land.

The Panel of Inspectors considering the South East Regional Plan also supported an urban extension to accommodate housing in the longer term. Specifically they concluded that land to the south of Grenoble Road should be allocated for 4,000 homes.

The Panel did not come to this conclusion lightly. It considered the importance of the Green Belt and also whether the concept of a new settlement close to Oxford could relieve pressure for growth on the City

However, it concluded that there were exceptional circumstances to justify a Green Belt review and that an urban extension would provide a more sustainable solution than a new settlement, particularly on travel patterns (given that homes and jobs are already supported well by a well-developed network of public transport, cycling and pedestrian routes which removes the need for car based commuting).

The City Council supports these views. It also notes the example of Cambridge, where over a decade ago the Local Authorities agreed a balanced strategy which includes protecting Cambridge's historic character and allows sustainable urban extensions rather than dispersing housing and employment growth and creating unsustainable patterns of development.

Significant progress has been made in Cambridge in understanding the interaction between existing employment locations, new housing, public transport and other policy and practical issues in determining the most appropriate locations for new development. This has led to a Green Belt review and the identification of key strategic sites on the Cambridge fringe and beyond.

In Oxford, the transport infrastructure cannot sustain the current planning policies which fail to address the balance of employment and housing growth in the City and continues to rely on extending market towns and villages and increased and longer commuting.

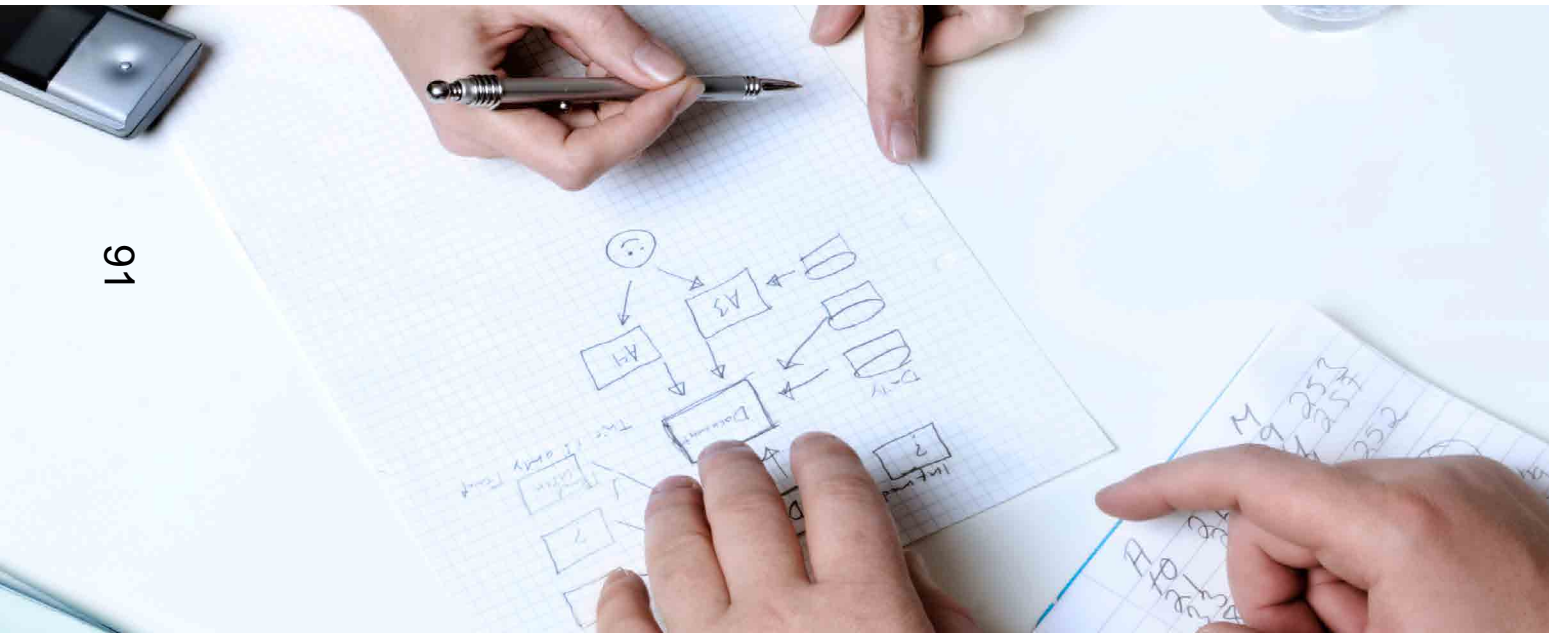
It is neither practical nor sustainable to try to provide improvements to the transport infrastructure to support all additional housing beyond the Green Belt. The problems arising from adopting this strategy over recent decades are evident on the current road network, and for many where home or work is not convenient for public transport the car will remain the predominant mode of transport. An urban extension which gives enhanced public transport accessibility must therefore form part of a balanced wider growth strategy.

The process plan

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Having concluded that an urban extension(s) around Oxford is desirable as part of a balanced approach to addressing housing needs, the City Council has embarked on a five stage process for determining where the urban extension(s) should be.

The process could be undertaken within around six months if there was support from adjoining authorities. As the existing housing pressures are becoming even more acute, and delivering the solutions will take time, the City Council believes that it is now urgent for this process to proceed with adjoining authorities.



Stage 1

Review of capacity of Oxford to accommodate growth (update of SHLAA)

The initial stage (Stage 1) has already commenced and seeks to fully assess the capacity of Oxford to accommodate the housing needs of the SHMA, without adversely affecting the important historic character of the City. The conclusions of this assessment will help to inform how much development would potentially need to be accommodated through urban extensions.

Stage 2

Review of constraints and opportunities for growth around Oxford (including Green Belt Review)

Stage 2 has also commenced. The City Council has already undertaken an initial assessment of the Green Belt ('Investigation into the potential to accommodate urban extensions in Oxford's Green Belt - Informal Assessment, May 2014) and identified areas of the Green Belt that merit further consideration for possible release for development.

This identified six possible areas for urban extensions:

- South of Grenoble Road
- Wheatley
- Wick Farm
- North of Oxford/South of Kidlington
- Yarnton
- North of Abingdon

Of these, south of Grenoble Road, North of Oxford/South of Kidlington, and North of Abingdon are considered to have good prospects for achieving sustainable development, whilst maintaining the Green Belt function (and in particular the protection of the historic character and setting of the City).

This information will now be considered alongside other constraints and opportunities such as:

- Highway and infrastructure capacity
- Environmental and heritage considerations
- Landscape value and visual impact
- Proximity to jobs and public transport

Stage 3

Appraisal of growth options (including Sustainability Assessment)

This will allow the positive and negative attributes to be fully considered through a Sustainability Appraisal (Stage 3). The Sustainability Appraisal process will allow each possible location to be scored against sustainable development indicators and conclusions to be drawn as to where the best locations for accommodating development exist.

Stage 4

Capacity assessment of preferred growth options (reconciled with SHMA requirements)

Once this has been completed in early Autumn 2014, preferred growth options will be announced and the capacity of these location(s) to accommodate development needs will be examined (Stage 4). This will involve high level masterplanning to consider:

- Site specific constraints
- Landscape and mitigation requirements
- Transport and access (including pedestrian and cycle linkages)
- Density and land use
- Drainage strategies

Stage 5

Deliverability Assessment of growth options

Further assessment in terms of infrastructure requirements and development viability (Stage 5) would then be undertaken to ensure that the preferred option(s) can be delivered in a credible and timely manner.

The process is expected to take some six months to complete and will finish with the publication of an Urban Extension submission document. The City Council will use this document to inform discussions in agreeing development strategies in Oxford and the surrounding districts.

Conclusion

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The lack of opportunity for housing and employment growth is now undermining the City and the wider economy to a significant degree.

Unless the need for new homes and affordable homes is addressed increasingly families will not have the choice to live and work here and our services and communities will suffer.

Previous county-wide planning policies based on allocating the City's housing needs to market towns across the county have not delivered and have overburdened the road infrastructure. The solution requires sustainable urban extensions to the City as part of a balanced housing strategy.

This document summarises the issues and seeks to set out a plan to consider the constraints and opportunities around the City to determine the best locations to accommodate urban extensions.

Working with the surrounding districts and the county council, the City Council seeks to deliver the new homes and quality development which are essential both to the City's future and that of the wider area.



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