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**OCC.8 Oxford City Council
response to
Inspectors' questions IC.8**

*Housing
Delivery*

December 2019

Question 1: The correct application of a buffer to the housing land supply calculations

- 1.1. Following the Inspectors' comments, Oxford City Council (the City Council) accepts that only either a 5% or 20% buffer should apply unless the City Council asks to fix its housing land supply for a year. This is reinforced in the PPG "*Housing Land Supply and Delivery*"¹ which makes it clear that had the City Council wished to use a 10% buffer it needed to be clear that they were seeking to confirm the existence of a 5 year supply as part of the plan-making process at draft plan publication (Regulation 19) stage. **The City Council did not do this and therefore is not in a position to seek to fix its land supply through the local plan examination for the purposes of NPPF paragraphs 73(b) and 74.** The City Council accordingly accepts that in principle a 5% or a 20% buffer – rather than a 10% buffer – should be applied for the purpose of calculating forward housing land supply.
- 1.2. Paragraph 73 of the NPPF sets out the scenarios in which the different buffers should apply. The City Council should apply a 20% buffer when the Housing Delivery Test (HDT) indicates delivery was below 85% of the housing requirement. The City Council has forecasted its HDT results forward over the plan period based on the completions trajectory: see Appendix 3. For every year after, but not including, 2020/21, the City Council expects to exceed the 85% threshold, based on a fixed requirement of 544dpa.
- 1.3. As the Inspectors have identified in their questions, the plan is likely to be adopted in the year 2020/21 where the expected HDT result is 75%. This means that a 20% buffer would apply in that monitoring year. For subsequent monitoring years the 85% threshold is expected to be exceeded.
- 1.4. We have presented the impact of the new buffers on the land supply in Appendix 4.

Question 2: The application of a 10% lapse rate

- 2.1. PSD.3 to PSD.5 present a housing land supply scenario that applies a 10% lapse rate from the supply of major housing sites. The City Council agrees with the Inspectors that neither the NPPG nor the PPG contain express guidance about the circumstances in which it may be appropriate to apply such a discount. There is no basis for applying this to the land supply calculations in the NPPF or PPG. This discount was applied in error at the time. The revised trajectory presented in our response to question 3 removes this lapse rate.

¹ Paragraph: 010 Reference ID: 68-010-20190722

Question 3: 5 year housing land supply calculation date, evidence relating to deliverability, and the stepped trajectory

- 3.1. The City Council considers all minor sites with planning consent, detailed or outline, to be deliverable as per the definition in Annex 2 of the NPPF.
- 3.2. The City Council also considers all major development sites that have detailed consent to be deliverable. In sites with outline or hybrid consent, only those homes that have detailed consent would be presumed to be deliverable. Of course, if the City Council was aware of any clear evidence that showed that completions would not occur within the 5 years period notwithstanding the existence of detailed planning permission for these sites then it would not have included forward completions from those sites in the trajectory. However the City Council is satisfied that there are no such sites within this category.
- 3.3. The final category of site is therefore major development sites that do not benefit from detailed consent. The City Council only considers these sites to be deliverable where there is clear evidence that housing completions will take place on the site within the 5 year period.
- 3.4. In light of the Inspectors' questions regarding delivery information, the City Council has revised its trajectory. In summary the following revisions have been made:
 - 20% buffer in Year 1 (2020/21)
 - 10% lapse rate removed
 - Small variations in site delivery as set out in Appendix 2
- 3.5. The revised trajectory is presented at Appendix 1. The City Council has also provided site proformas for each of the 90 major development sites that are within the trajectory, accompanied by any relevant information pertaining to deliverability (Appendix 2). The revised trajectory does not affect the City Council's delivery rates from windfall allowances and committed minor developments. These remain consistent with the information set out in the City Council's response to Matter 4.
- 3.6. This revised trajectory, year on year, is as follows (with the first 5-year period shown in grey shading):

16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26
435	373	351	786	777	544	689	627	851	1191
26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	35/36
1252	759	766	490	574	377	251	228	156	212

Table 1: Revised housing delivery trajectory

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- 3.7. The revised supply will affect the City Council’s forecasted Housing Delivery Test (HDT). As per paragraph 73 and footnote 39 of the NPPF, where the HDT result is less than 85%, the City Council will need to apply a 20% buffer, and 5% in the event that the 85% threshold is exceeded. We have reforecast the HDT based on this revised trajectory. This is presented in Appendix 3. The table below presents the results for the next five years.
- 3.8. The HDT considers housing delivery over the previous three years. The November 2020 test will assess housing delivery for the period from 1 April 2017 to 31 March 2020. The council is expecting to adopt the local plan in the autumn of 2020 and there is a risk that the HDT will be published before the plan’s housing requirement is adopted. In the absence of an adopted housing requirement which is less than 5 years old, the HDT will be based on the results of the Standard Method². The Standard Method output for Oxford is 746 dpa, while as the proposed annual housing requirement under the plan will be lower, increasing the chances of the HDT being passed.

Year	18/19	19/20	20/21	21/22	22/23	23/24
HDT	99%	70%	75%	94%	115%	123%
Requirement basis	Standard method (746 dpa)	Standard method (746 dpa)	Local Plan – 544dpa	Local Plan – 544dpa	Local Plan – 544dpa	Local Plan – 544dpa

Table 2: Forecast HDT Results 18/19 to 23/24 – FIXED requirement (544dpa)

- 3.9. In the two years 2019/20 to 2020/21 the HDT is expected to fall below the 85% threshold and the City Council will need to apply a 20% buffer to its housing requirement for the purposes of establishing a five year land supply. The housing land supply calculations, based on the revised trajectory and a fixed requirement of 544dpa are given in Appendix 4. The table below presents the results for the next five years.

Year	19/20	20/21	21/22	22/23	23/24	24/25
Buffer	20%	20%	5%	5%	5%	5%
5YHLS	4.3	4.9	6.7	8.1	8.5	9.0

Table 3: Forecast 5YHLS 19/20 to 24/25 – FIXED requirement (544dpa)

²

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/72852/3/HDT_Measurement_Rule_Book.pdf

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- 3.10. The Council's ability to deliver a sufficient supply against a linear apportionment of need is marginal in the first two years of the plan after adoption. The nature of the Council's supply means that there is a residual element of uncertainty regarding lead in times for each site. While the Council has given its best indication and assessment of what these will be, it is inevitable that some sites may not come forward in line with our assessments. We have exercised our judgement on the most likely time of delivery, but there is a risk to being too reliant on these assessments. In effect while we have exercised judgment as to the most likely delivery scenario for each site, there is still a spread of uncertainty around that figure. The stepped trajectory therefore reflects the specific delivery circumstances on each site, and the prospect that there may be unforeseen circumstances leading to a delay in delivery.
- 3.11. Against a fixed trajectory of 544pda, the council cannot demonstrate a five year housing land supply in the year 2020/21 when the plan is expected to be adopted. Furthermore, as per Paragraph 215 of the NPPF, from November 2020 the HDT will need to exceed 75% or the presumption in favour of sustainable development will be applied. Table 2 shows that in the year 20/21 (the year of November 2020) the council is expecting a HDT result of 75%. This would mean within a year of adoption the plan would be at high risk of being rendered ineffective by the application of Paragraph 11 of the NPPF. The lack of a land supply in the year of adoption, and the potential failure of HDT in the subsequent year justify a stepped trajectory.
- 3.12. The Council has reassessed the nature of the stepped requirement as a result of the revised supply assumptions. To determine an appropriate step, the Council has sought two objectives (1) to identify a stepped requirement that exceeds the Core Strategy housing requirement of 400dpa in any given year, and (2) to deliver a housing land supply of six years or more to ensure flexibility due to the nature of a constraint-based housing requirement.
- 3.13. A housing requirement of 475dpa in the first five years of the plan period (2016/17 to 2020/21) stepped up to 567dpa for the remainder of the plan would allow the Council to achieve a 6.1 year land supply in the year of adoption. It achieves the objective of exceeding the housing requirement identified in the Core Strategy (400dpa). Furthermore, the step is less dramatic than that identified in the previous trajectory (PSD.3 to PSD.5)³ and is held at a lower level of housing delivery for less time, stepping up in 2021/22 as opposed to 2023/24.
- 3.14. Table 4 below identifies the forecasted housing land supply against a stepped requirement of 475/567, while the detailed calculations are presented in Appendix 4. It reflects a much healthier and robust housing land supply position than a stepped trajectory, and critically allows the council to demonstrate in excess of 5 year's housing land supply in the year of adoption.

³ 415 to 614

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Year	19/20	20/21	21/22	22/23	23/24	24/25
Buffer	20%	20%	5%	5%	5%	5%
5YHLS	5.4	6.2	7.5	8.7	9.3	9.8

Table4: Forecast 5YHLS 19/20 to 24/25 – STEPPED requirement (475/567dpa)

- 3.15. Table 5 below identifies the forecasted HDT against the same stepped requirement for the ten years after the adoption of the plan. As the HDT assesses delivery in the past, there is little the council can do to address the position for the year 2020/21.

Year	18/19	19/20	20/21	21/22	22/23	23/24
HDT	99%	70%	75%	94%	115%	123%
Year	24/25	25/26	26/27	27/28	28/29	2030/31
HDT	114%	133%	164%	202%	196%	170%

Table 5: Forecast HDT 18/19 to 30/31 – STEPPED requirement (475/567dpa)

- 3.16. The council therefore recommends a proposed modification to Policy H1 of the Local Plan:

<p>Provision will be made for at least 10,884 8620 new homes to be built in Oxford over the plan period 2016-2036. This equates to a delivery of 431 dwellings per annum. To reflect anticipated delivery over the plan period the housing target per annum reflects a stepped trajectory, as follows:</p> <p>2016/17 – 2022/23 415 dpa 2023/24 – 2035/36 614 dpa</p> <p><u>2016/17 to 2020/21: 475 dpa</u> <u>2021/22 to 2035/36: 567 dpa</u></p> <p>This will be achieved by:</p> <ol style="list-style-type: none"> Making site allocations in this Plan (see Chapter 9 site allocations) Promoting the efficient use and development of land/sites, including higher Ensuring that all new housing developments contribute to the creation and/or maintenance of mixed and balanced communities. <p>Housing will be delivered from the following sources:</p> <p>Deliverable sites from the HELAA.....7,600 Windfalls 60pax17 =1,020 Total 2016-2036.....8,620</p>
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Modification proposed July 2019 (PSD.3)

Modification proposed December 2019