



HOUSING NEED ASSESSMENT AND ECONOMIC FORECASTS FOR OXFORDSHIRE TO 2050

INVITATION TO TENDER – FINAL (7 Dec 2018)

Background and Context

1. The Councils in Oxfordshire¹ have agreed to produce a Joint Statutory Spatial Plan (“the Oxfordshire Plan”), building upon the existing joint working and partnership arrangements through the Oxfordshire Housing and Growth Deal. The Oxfordshire Plan will provide a strategic policy framework for Oxfordshire to 2050. This recognises and reinforces the commitment to the Housing and Growth Deal to deliver up to 100,000 homes over a 20 year period by 2031.
2. The Oxfordshire Plan will be prepared in partnership with Oxfordshire County Council, which has a key role given its responsibilities for the delivery of key infrastructure and services such as transport and education; and the Oxfordshire Local Enterprise Partnership which is leading on the production of a Local Industrial Strategy.
3. The Oxfordshire Plan will identify the number of new market and affordable homes, the level of economic growth and related infrastructure that is needed across Oxfordshire to 2050. It will then seek to place the required growth in a cohesive and sustainable spatial planning framework that will set the scene for a future round of Local Plans. This approach will allow district local planning authorities to subsequently establish detailed planning policies and site allocations at a local level.
4. The Oxfordshire Plan will include a housing target figure for the Oxfordshire area. For the final draft plan this will be broken down into housing growth areas and/or district level targets. However, the inputs to enable an Oxfordshire housing target figures under low, medium and high growth scenarios need to be in place ahead of the Regulation 18 consultation in February/March 19 as that will set the scene for the growth options.
5. The Oxfordshire Growth Board therefore wishes to appoint a consultant to complete a report that assessing housing need to inform the development of scenarios for Oxfordshire’s housing targets to be used in the Regulation 18 consultation. This work should include economic modelling for Oxfordshire for the period 2020-2050.

Scope

6. The Report will assess housing need in Oxfordshire for the period 2020-2050 using the Government’s standard methodology as set out in the National Planning Policy Framework² (July 2018) and the Planning Practice Guidance³.
7. The NPPF sets out the simplified methodology for the calculation of the OAN based on:
Step 1: Setting a baseline using National Household Growth⁴ projections;

¹ Cherwell District Council; Oxford City Council; South Oxfordshire District Council; Vale of White Horse District Council; West Oxfordshire District Council

² National Planning Policy Framework <https://www.gov.uk/government/publications/national-planning-policy-framework--2>

³ Planning Practice Guidance <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

⁴ Household projections <https://www.gov.uk/government/collections/household-projections>

- Step 2:** An adjustment to take account of affordability using the most recent median workplace-based affordability ratios⁵, published by the Office for National Statistics at a local authority level;
- Step 3:** A cap on the level of increase which limits the increase in the minimum annual housing need figure.
8. The PPG also states that *“the housing need for the defined area should at least be the sum of the local housing need for each local planning authority within the area.”*⁶
 9. The methodology also allows for setting of a housing target above that given by the proposed approach. It is specifically mentioned that the following are circumstances which may result in an uplifted need figure:
 - Strategic infrastructure project;
 - Increased employment ambition as a result of a LEP strategy;
 - A bespoke housing deal with the government;
 - Delivery of the industrial strategy.
 10. The Oxford to Cambridge Expressway⁷ is a national infrastructure project to support the creation of an integrated corridor between Oxford and Cambridge to stimulate housing and economic growth.
 11. The Oxfordshire Housing and Growth Deal⁸ provides £215 million of additional Government funding for Oxfordshire to deliver the key infrastructure required to bring forward 100,000 homes by 2031, additional funds to increase the supply of affordable housing and proposals to support economic growth in key industry sectors.
 12. The Strategic Economic Plan⁹ for Oxfordshire 2016 is based on the scale of growth set out in each of the District and City Council’s adopted and emerging Local Plans, which for Oxfordshire as a whole involves an additional 85,600 jobs between 2011 and 2031 and approximately 100,000 new homes.
 13. Oxfordshire LEP is delivering one of only three Government-backed Local Industrial Strategies to be adopted by March 2020. The LIS¹⁰ will position Oxfordshire as one of the top-three global innovation ecosystems, building on the region’s world-leading science and technology clusters and to be a pioneer for the UK for emerging transformative technologies and sectors, as part of the wider ‘Oxford-Cambridge Corridor’. The LIS will include a recommended growth scenario for Oxfordshire.
 14. Oxfordshire is clearly in a position to consider an uplift from the basic demographic and affordability-based OAN and therefore a range of scenarios needs to be developed to inform consultation and subsequent Plan making.

Requirements

Demographic forecasting

15. The basic housing need according to the Government’s standard methodology should be assessed. The 2014 Oxfordshire SHMA made some adjustments to the household projections to add robustness to the evidence regarding the impact of students. This ought to be investigated for its continued relevance. Furthermore, a discussion should be included about the relevance of the Government’s new 2016 household formation projections, with a figure provided related to this, but also an alternative approach suggested and worked through.

⁵ ONS House price to workplace-based earnings ratio

<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian>

⁶ Planning Practice Guidance, Paragraph: 018 Reference ID: 2a-018-20180913

⁷ <https://highwaysengland.co.uk/projects/oxford-to-cambridge-expressway/>

⁸ <https://www.gov.uk/government/publications/oxfordshire-housing-deal>

⁹ <https://www.oxfordshirelep.com/sites/default/files/uploads/Oxfordshire%20SEP.pdf>

¹⁰ <https://www.oxfordshirelep.com/lis>

Assessment of affordable housing uplift required

16. The Oxford housing market is particularly unaffordable and there is significant housing need. An assessment is required of the amount of uplift that could be applied to the basic OAN in order to help address the affordable housing need. This may help inform medium and high growth scenarios above standard methodology levels.

Jobs forecasting

17. There is a strong drive from all Oxfordshire districts for economic growth in the county, as evidenced by the commitments of the Oxfordshire Growth Deal. The Oxfordshire LEP are currently working on the production of a Local Industrial Strategy (LIS) for Oxfordshire. This has a clear implication for the Oxfordshire Plan, as the Growth Deal delivery plan commits the JSSP to being aligned with the LIS. PwC were commissioned to produce the strategy for economic growth for a 20 year period. Part of the PwC work involves using the same modelling methodology as the government used on the National Industrial Strategy to produce the local targets for the LIS. The recommended growth scenario of the LIS will need to be one basis for uplift to the housing target.

18. In addition, employment modelling (covering the period 2020-3050) is needed to inform other growth scenarios. The intention is that low, medium and high economic growth scenarios would be produced, with related housing targets for each scenario. The economic modelling may need to be a sub-commission. The updated jobs forecasting will be needed by the JSSP team to inform the Economic Land Assessment update, and also its policy approach in terms of the options for a global housing target.

Assessment of employment land needed

19. The economic forecasts should be taken forward into a labour-demand-based assessment of employment land need for Oxfordshire to 2050. This is likely to require calibration of a labour demand model to take account of local data on the proportions of full-time jobs, sectoral split by employment use class, employment densities, and plot ratios to identify employment land needs. The assessment should include an assessment of all of the Oxfordshire Councils' AMR data from the last few years to assess the amount of employment land lost to other uses and thus identify a replacement demand to re-provision losses. It should also take into account estimated provision for employment land in current Oxfordshire Local Plans, in order to factor in any existing unmet need.

20. In addition to the employment land modelling analysis, a light-touch commercial property market assessment should be undertaken, primarily comprised of a desk-top review of current property market literature, a review of the latest market data, and interviews with local commercial property agents, to draw more qualitative conclusions on demand by property type, size, and quality.

Other linked work

21. The assessment should be aware of, and consider the relevance of, information within the following other documents:

- *Gypsy, Traveller and Travelling Showpeople Accommodation Assessment* (June 2017)¹¹ produced on behalf of the City Council, Cherwell, South Oxfordshire and Vale of White Horse District Councils and the *West Oxfordshire Gypsy and Traveller Accommodation Assessment* (Oct 2016)¹² produced on behalf of West Oxfordshire District Council.
- The *Oxford Student Housing Report* (Jan 2017)¹³. This assesses anticipated growth in student population of the universities in Oxford and the related need for student accommodation, and this should also be considered.
- *Cherwell Local Plan 2011-2031 (Part 1)*¹⁴ – adopted 20 July 2015
- *Cherwell Local Plan 2011-2031 (Part 1) Partial Review*¹⁵ - at Examination stage

¹¹ <https://www.cherwell.gov.uk/downloads/download/318/gypsy-traveller-and-travelling-showpeople-accommodation-assessment-oxford-cherwell-south-oxfordshire-and-vale-of-white-horse-june-2017>

¹² <https://www.westoxon.gov.uk/media/1572215/HOU20-West-Oxfordshire-Gypsy-and-Traveller-Accommodation-Assessment-October-2016-.pdf>

¹³ https://www.oxford.gov.uk/downloads/file/3758/student_housing_report

¹⁴ <https://www.cherwell.gov.uk/info/83/local-plans/376/adopted-cherwell-local-plan-2011-2031-part-1>

- *Oxford Local Plan 2036*¹⁶ - Regulation 19 consultation closing on 28 Dec 2018
- *South Oxfordshire Local Plan 2011-2033*¹⁷ - second Regulation 19 consultation early 2019
- *Vale of White Horse Local Plan 2031 Part 1 Strategic Sites and Policies*¹⁸ – adopted 12 Dec 2016
- *Vale of White Horse Local Plan 2031 Part 2 Detailed Policies and Additional Sites*¹⁹ – at Examination stage
- *West Oxfordshire Local Plan 2011-2031* - adopted on 27 September 2018

Content of the report

22. The final report should include all of the elements outlined earlier in this brief. The report should include an explanation of the approach used.
23. The assessment of housing need will need to:
- i) Use the latest ONS population projections and revised household formation forecasts for each authority and the Government’s standard methodology and collate these to understand basic housing needs in Oxfordshire;
 - ii) Advise on whether any demographic adjustments should be considered to strengthen the evidence;
 - iii) Update the analysis of ‘market signals’ where new data is available, ie to consider changes in house prices, sales volumes, affordability ratios and housing completions;
 - iv) Understand affordable housing need across the County and use this understanding to inform the development of housing targets in medium and high growth scenarios;
 - v) Produce economic forecasts to 2050 and the recommended growth scenario of the LIS to inform the setting of options for housing targets. These should cover low, medium and high growth scenarios;
 - vi) Convert the growth forecasts to need for employment land.
24. The consultants will be asked to conclude how the housing target for the Oxfordshire Plan might vary from the basic demographic housing need calculated, because of other factors assessed such as anticipated economic growth and to improve housing affordability. Recommended housing targets for low, medium and high growth should be included.

Key stages

25. The appointed Consultant will be responsible for producing their own detailed programme for carrying out the work and for completion of stages by key target dates. This programme should include a detailed, step-by-step timed plan describing methodology, specific tasks, responsibilities and estimated time / resources to complete each step.
26. Set out below are the key headline milestones which suppliers will need to consider as part of their proposals.

Headline milestones

- Fri 7 Dec - formal publication on consultancy brief
- **Wed 12 Dec, 4pm – deadline for submission of tenders to laura.higgins@oxfordshire.gov.uk**
- Fri 14 Dec - interviews and appointment of consultants
- w/b 17th - inception (in person or by telephone) to agree the scope, methodology, progress reporting and timetable

¹⁵ <https://www.cherwell.gov.uk/info/83/local-plans/215/partial-review-of-cherwell-local-plan-2011-2031-part-1-oxfords-unmet-housing-need>

¹⁶ https://www.oxford.gov.uk/info/20067/planning_policy/743/the_local_plan

¹⁷ <http://www.southoxon.gov.uk/services-and-advice/planning-and-building/planning-policy/emerging-local-plan>

¹⁸ <http://www.whitehorsedc.gov.uk/services-and-advice/planning-and-building/planning-policy/new-local-plan-2031-part-1-strategic-sites>

¹⁹ <http://www.whitehorsedc.gov.uk/services-and-advice/planning-and-building/planning-policy/local-plan-2031-part-2>

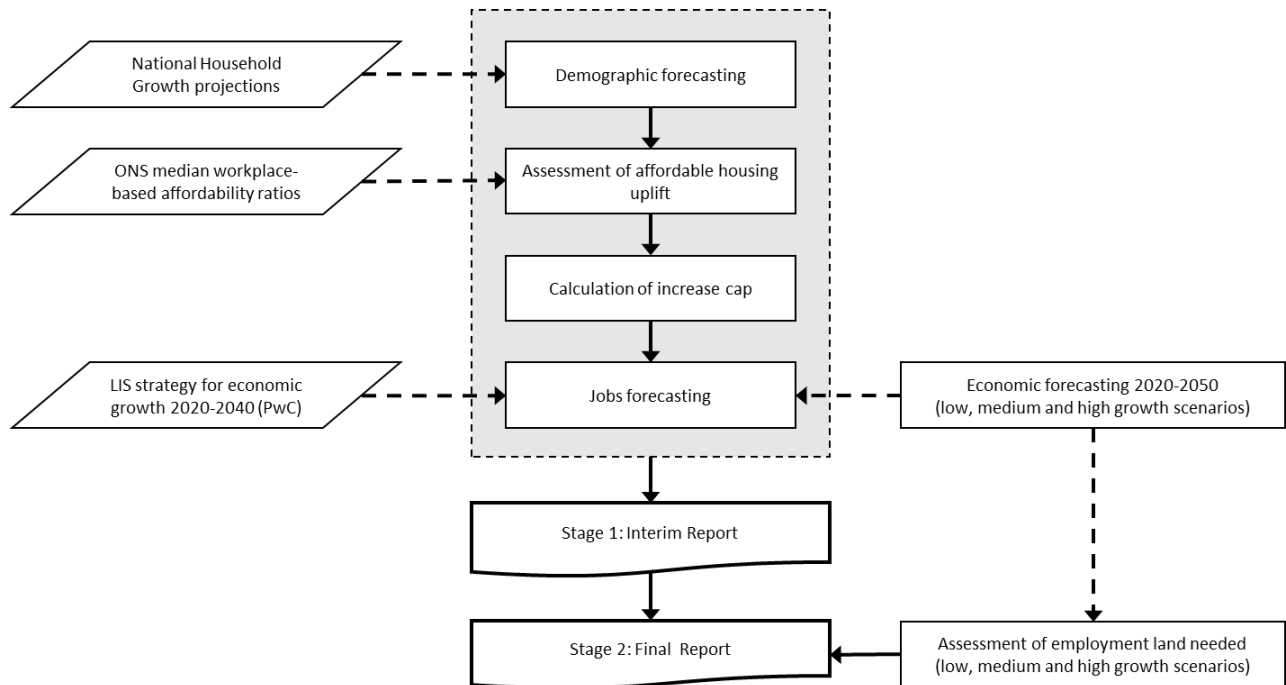
- Mon 7 Jan - First draft of Stage 1 Interim Report
- Thu 10 Jan - feedback to consultants on first draft
- Tue 15 Jan - Final version of Stage 1 Interim Report
- tbc – submission of Stage 2: Final Report

Stage 1

- Interim report to contain housing need assessment and economic forecasting (demographic forecasting, assessment of affordable housing uplift, cap calculation and job forecasting)
- To include low and high growth scenarios as a minimum at this stage
- Sufficient commentary for a Regulation 18 public consultation that identifies issue and develops options

Stage 2

- As Interim with low, medium and high growth scenarios and any other relevant and justified intermediate scenarios
- An assessment of employment land needed under the low, medium and high growth scenarios
- Full commentary



Core outputs

27. The following should be provided as part of the commission:

- A freestanding interim report to be produced in MS and PDF format;
- A freestanding final report to be produced in MS Word and PDF format including the provision of (xno. – tbc) colour hard copies, high resolution print format;
- Any additional technical work commissioned, such as economic modelling;
- Digital material, infographics and collateral which can be used on social media, online and digital platforms

28. The Oxfordshire Growth Board shall hold copyright of all presented material. The Oxfordshire Growth Board shall be able to distribute the material in part or whole to any organisation or individual it determines, at no extra cost, and any proceeds of sales will belong to the Oxfordshire Growth Board.

Submission of tender proposals

Please send all tender submissions to:

laura.higgins@oxfordshire.gov.uk by **4pm on Wednesday 12th December**. Late submissions will not be considered.

All tenders should clearly state the key point of contact for the supplier and their contact details.

Evaluation of tender proposals

The evaluation of submissions will be based upon two stages:

- selection criteria; and
- award criteria.

Those submissions that pass the selection criteria will then be evaluated against the award criteria. Those deemed not to meet the selection criteria requirements will not be considered further.

Suppliers should note that regardless of a quotations overall merits, in the event that evaluating officers (acting reasonably) consider there to be a fundamental weakness which is likely to impact adversely upon the supply of the goods and/or services, then grounds will exist to exclude the bid from further consideration.

Ref:	Selection criteria	Assessment
2.	Financial standing*	Pass / Fail
3.	Insurance^	Pass / Fail
4.	Acceptance of the Council policies (payment of a Living Wage, Avoiding Bribery & Corruption)	Pass / Fail

*Financial standing takes into consideration a suppliers credit score, the estimated value of the contract, and the suppliers turnover. Any supplier who does not achieve a credit score of at least 81 and/or or whose minimum yearly turnover is not at least twice the estimated value of the contract may be subjected to a more detailed assessment as to their financial standing. Any supplier who provides less than satisfactory accounts/figures or documentation which therefore give rise to concerns that cannot be satisfied regarding their financial standing, will fail.

^Suppliers must have in place the levels specified or be willing to have the levels stated if they are successful on being awarded the contract.

The following award sub-criteria and their weighting for the quality aspect of the tender review will be used to evaluate the tenders received and select a supplier to award the contract to.

Ref:	Award criteria	Weighting
1.	History and Outline of organisation	Information only
5.	Relevant information to inform the study	10%
6.	Methodology/ approach to the study	10%
7.	Understanding the brief	10%
8.	Risk Management and mitigation	5%
9.	Managing change	5%
10.	Report format	5%
11.	Staffing for the project	5%

12	Outline project plan	5%
13.	Effective communication	5%
14.	Case studies	Informaiton only
	Qualitative Total	60%
	Price	40%
	Overall Total	100%

The scoring framework below will be used to evaluate submissions. The potential suppliers response to each question will be scored and the total pro-rated to give a percentage score out of the maximum percentage for that section.

0 Unacceptable	Nil Response, or Proposal is so incomplete or irrelevant that it is not possible to form a judgement
1 Poor	Almost unacceptable, response is limited or proposal is inadequate or substantially irrelevant.
2 Unsatisfactory	Below expectation, proposal does not fully address the requirement and gives rise to a number of concerns about its potential reliability.
3 Satisfactory	Satisfactory, proposal generally meets requirements, gives minor reservations about meeting some of the requirements.
4 Good	Good, meets expectations, proposal provides detail that is directly relevant, gives confidence as to reliability to meeting all key aspects of the requirements.
5 Excellent	Comprehensive, proposal exceeds expectations, gives high confidence that all key aspects of the proposal may be relied upon without reservation, offers added value and innovation that is relevant to requirement.

The final scores for the qualitative and price elements of the tender will be combined to give an overall final score for the submission.

Financial criterion scoring system

Each submission will be awarded a weighting based on its relationship with the lowest priced quotation on the basis of the submitted lump sum fee. The quotation with the lowest lump sum fee will be awarded the full weighting available. Each of the remaining submissions will be awarded a weighting on a pro-rata bases according to the following calculation:

Lowest quotation price
 _____ x 40 % of weighting to be allocated
 Potential supplier price

Worked example:

Potential supplier	Lump sum price (£)	Pro rata weighting (based on 40% being allocated to the price criteria)
A	£1,000,000	40%
B	£1,250,000	32%
C	£1,500,000	27%

If a potential supplier is successful in its bid the fee submitted as part of this tender will form part of the contract. Fees are to remain fixed for the duration of the contract.

Acceptance of tender proposal

Unless otherwise stated, any contract or order placed as a result of this Invitation to Tender will be on Oxford City Council's Standard Terms and Conditions of Contract, bespoke where necessary.

The successful supplier's submission together with relevant information will be binding and will form part of the contract together with Oxford City Council's Statement of Requirements and Conditions of Contract.