



Planning for Real **NEED** not Speculator **GREED** in Oxfordshire

Coalition Secretariat, c/o CPRE Oxfordshire, First Floor, 20 High Street, Watlington, Oxon OX49 5PY

www.neednotgreed.oxon.org.uk E: info@neednotgreedoxon.org.uk

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By email to: planningpolicy@oxford.gov.uk

NNGO response to Oxford Local Plan Consultation Reg 18 Part 2, 27/3/23

OVERVIEW

Overriding issues around the environment and carbon zero are not simply to be addressed after a level of growth has been chosen (after more or less ignoring both) – but rather the determination of the properly sustainable level of growth should be *absolutely focussed* on them. We see no evidence of this having taken place, either in the consultation document or any of the housing methodologies described.

NNGO finds it completely unacceptable that projections for other local authorities have been produced and published without apparently involving or consulting them. How would Oxford or Cherwell respond, if the three other districts had collaborated without consulting, to produce figures for them?

The planning landscape is changing, as evidenced by the recent government consultation on national planning policy. This may significantly affect how housing needs are assessed and also related planning processes.

Only a little Census 2021 information had been released when the HENA was produced. More information is now available and it would be better if this was reflected in the housing need scenarios.

NNGO understands the affordability problems associated with the housing market but building large numbers of expensive new houses will demonstrably *not* solve the affordability problem.

Our response to your specific questions is supported by our Annex A, which provides an overall detailed criticism of the HENA (Housing & Economic Needs Assessment) on which this consultation is based.

NNGO notes that you have chosen as the most appropriate scenario an option that requires less new house building than two others. However, you still assume a high rate of continuing net migration into the County for a very long time into the future. This will be detrimental to other places and is not in line with the government's levelling up agenda.

Projections suggest that growth in the number of households will taper off in the future. **Allowing for that and projecting from the last ten years of net migration, as opposed to the last five years, reduces net migration by over 27% (See Annex B).** More Census data is emerging, along with decisions about key changes in the planning system. Constraints on our transport network, water supply and sewage treatment cannot be ignored. The effects of development spilling out from the City into other areas are damaging to its setting. As plans are reviewed every five years, NNGO believes that a more cautious approach on housing need should be taken. NNGO would also like the City to review its capacity to find room for more housing and in particular its ongoing policy of allocating land for employment purposes instead of housing. **The City's ambition should be to live within its means, with no overspill onto surrounding Districts.**

1. Are there other ways of identifying housing need that should have been considered?

Yes.

The scenarios developed by Cambridge Econometrics (CE) on behalf of the ambitions of Oxford City and Cherwell District Council are based on the outdated premise of growth - whatever the long-term cost. A completely different mindset is now required in order to develop scenarios to protect the well-being of future generations. Any perception that the other district councils can be easily persuaded to adopt the scenarios proposed by CE may be misplaced.

The draft Oxfordshire Net Zero Route Map & Action Plan Final Report directs us to ‘embed climate change into decision making across Oxfordshire’s local authorities’. This is especially relevant to plans to build houses and to build roads where the scope 1,2 and 3 carbon emissions must be calculated and minimised. This will act as a limiting constraint to the amount of development we can allow; but there are other approaches to increasing the number of homes within the city and surrounding districts. Much of the predicted population growth, whether it be the inflated numbers proposed by Cambridge Economics, or smaller numbers based on other more up-to-date projections, may be accommodated by increasing the number of people who live in existing buildings and encouraging conversions and extensions to achieve this. Where new builds are required, these should be from the less well- off and smaller in size to reduce the carbon impact. GDP driven scenarios to maximise the number of larger more expensive market value houses are no longer a viable option.

NNGO notes that we await the outcome of the government consultation on the approaches that should be used for forecasting need. The government has also committed to reconsider use of the 2014 based household projections – on which the HENA is based. The consultation says:

16. The government does not propose changes to the standard method formula or the data inputs to it through this consultation. However, the government has heard representations that the 2014-based household projections data underpinning the standard method should no longer be relied on. The government continues to use these data to provide stability, consistency and certainty to local planning authorities. Once we have considered the implications of new 2021 Census based household projections, planned to be published by the Office for National Statistics in 2024, the government will review the approach to assessing housing need, to make sure the method commands long-term support based on the most relevant data.

From: Levelling-up and Regeneration Bill: reforms to national planning policy
Published 22 December 2022:

<https://www.gov.uk/government/consultations/levelling-up-and-regeneration-bill-reforms-to-national-planning-policy/levelling-up-and-regeneration-bill-reforms-to-national-planning-policy>

It is clear from this that local authorities apart from Oxford and Cherwell will almost certainly be calculating their housing need based on quite different approaches to those used by your consultants.

These other local authorities are likely to review the HENA calculations of in the light of revised government guidance. In addition, they will have more 2021 Census information to consider than the few details that were available when the HENA was written.

NNGO believes that Oxford City Council, rather than proposing spurious ‘exceptional circumstances’ in an attempt to justify the use of its own methodology, should wait for and use the government’s new proposals which will be based on the 2021 Census.

The deadline for using the old system is 30 June 2025. See Chapter 9, para 4 of the consultation document at:

<https://www.gov.uk/government/consultations/levelling-up-and-regeneration-bill-reforms-to-national-planning-policy/levelling-up-and-regeneration-bill-reforms-to-national-planning-policy#chapter-9---preparing-for-the-new-system-of-plan-making>

Other changes that are likely include changes to the Duty to Cooperate which may be removed and replaced with a new alignment policy (Chapter 12, para 2, ‘Plan making’ section). This would secure appropriate engagement between authorities where strategic planning considerations cut across boundaries.

NNGO welcomes this proposed change to the Duty to Cooperate because this policy has resulted in houses being planned or constructed in less accessible sites away from good transport links and other facilities in Oxfordshire. In this context NNGO agrees with the government’s consultation (Chapter 4, para 4) which notes that:

- *some major urban centres are not meeting, or proposing to meet, their housing need in full, with the prospect of it being ‘exported’ to surrounding areas, contrary to the objective of delivering need in those areas with the best sustainable transport links and infrastructure, and with the greatest brownfield opportunities.*

It is also possible that Housing Targets may be softer and less rigidly applied than in the past (see comment on para 7.2.2 in our longer note on the HENA). NNGO would welcome this approach being adopted in Oxford and Cherwell.

NNGO generally welcomes the government's proposals to change the system because existing policy produced arbitrary agreements behind closed doors in Oxfordshire. Districts had to zone more land and produce secondary plans to cope with Oxford's claimed unmet needs.

When considering their needs, other districts will no doubt assess whether they will, or should have to, accommodate large numbers of new houses. This pressure is partly because Oxford does not use all the land that it could for housing, nor does it carefully consider more densely populated solutions.

The number of new homes to be built should be modified by plans to encourage the occupancy of existing buildings and residential areas. The practice of taking in lodgers for unoccupied bedrooms has to be encouraged. Generating more homes through the enlargement of existing buildings can reduce the number of new builds. Even the encouragement of existing dwellings in gardens as in the pilot 'We Can Make' Bristol Social Housing Project to provide homes for the homeless should be included in the plans for new houses.

2. Do you have any comments on the methodologies used in the HENA?

Yes, we do. Please refer to Annex A.

In summary, the main points are:

- We are concerned that Oxford and Cherwell have colluded to produce housing need and apportionment calculations for other local authorities who were seemingly excluded from this process;

We would also see the following as flaws in the HENA methodology:

- More Census data is becoming available since the report was produced, for example, details of the student population. It would be preferable to take this into account;
- Assumptions are made that the propensity of the population to form households will increase (these are called the Household Representative Rates or HRRs). This won't just happen if we keep building expensive new houses.

- The standard method for calculating housing need is likely to be only advisory and not mandatory in future, reducing pressures to allow growth on unsuitable sites. There is a consultation about this and other changes to the planning system (including no more five-year supply requirement and no more 'buffer' added to increase figures);
- There has been a lot of growth, but economic conditions and prospects are uncertain and seem poor at present; and
- Net migration is assumed to continue at the rate during the last five years (plus a correction for the Census figure). We would prefer to see a more prudent method that bases net migration on the last ten years and allows for tapering off in the second decade of the plan. This would reduce it by almost 28%.

Overall, the relationship between housing development, carbon budget and biodiversity must be recognised in the method used to calculate the required number of homes. The Council has recognised the climate emergency. A close watch must be kept on the Scope 3 carbon emissions from building homes as well as construction methods to reduce the Scope 1 and 2 emissions during occupancy. Balancing the number of new homes to achieve the ambitious objective of a 27% growth in the population of Oxfordshire by 2040 against the City's plans to be net zero by 2050 is not easy. The total scope 1, 2 and 3 carbon impact of such developments must be taken into consideration.

3. Do you have any other comments on the Scenarios?

The Scenarios cannot be considered valid unless they take into account local constraints including the carbon budget, biodiversity, the need for less expensive, smaller houses and the ability to encourage greater occupancy of existing buildings and residential areas. Other constraints of our transport network, water supply and sewage treatment cannot be ignored.

The CE method seems to be to increase the numbers to fulfil the ambitions of the City to grow in size and deliver GDP measured growth with no regard to the wellbeing of the present population and future generations, and ignoring the constraints of our environment. This approach is out-dated.

The HENA presents four scenarios. The Standard Method figure of 3,388 is rejected because it is based on inaccurate 2014 based household projections. It is then adjusted by taking into account limited data from the 2021 Census figures but NNGO doesn't believe that the claimed exceptional circumstances being used to justify this are either valid or exceptional. The Standard Method is still the government's target.

Standard Method

The government's Standard Method builds in a very large allowance to address affordability. The HENA (Table 7.4) says for Oxfordshire, this increases predicted household growth from 2022 to 2032 of 2,391 per year to 3,482. However, the Oxford City figure is capped, bringing the Oxfordshire total down to 3,388. Thus, an extra 997 houses per year are added to correct the local affordability problem – this is enough. It already increases the total by 41.6%. Adding extra growth on top of these figures should not further increase the amount of affordable property required.

Future Standard Method figures from the government may be softer targets than they have been in the past (see comment on para 7.2.2).

NNGO also notes that in the 2014 based projections, growth in household numbers tails off over time, as shown by the following figures:

2014 Based Household Projections for Oxfordshire

	2019	2029	2039	Change each decade		Change in Decades
				2019-29	2029-39	
Cherwell	58,449	66,997	71,920	8,548	4,923	-42%
Oxford	57,781	66,477	71,717	8,696	5,240	-40%
South Oxfordshire	55,721	61,968	65,857	6,247	3,889	-38%
Vale of White Horse	51,361	59,073	63,333	7,712	4,260	-45%
West Oxfordshire	44,997	51,095	54,617	6,098	3,522	-42%
Oxfordshire	268,309	305,610	327,444	37,301	21,834	-41%

The 2014 based figures showed fairly rapid growth from 2019-29 of 37,301, but this tails off rapidly to 21,834 in 2029-39.

This growth in household numbers is 41% lower in the second decade. But the HENA, assumes that the second decade will see the same growth as the first. This failure to reflect the tapering off of the 2014 based projections is just one example of how the HENA inflates figures thereby grossly exaggerating housing need in a way which is unacceptable to NNGO.

Census Adjusted Standard Method

The Census adjusted Standard Method figure is 4,721, 39% more than the 3,388. We have seen more rapid growth up to the 2021 Census, but what evidence is there that it will continue every year for the next 20 years?

As the standard method is set by the government to meet their target of 300,000 houses a year. NNGO doesn't think it is necessary or appropriate for Oxfordshire to promises more.

High economic development Option

The extremely high economic development led option is rejected on the grounds of the downside risks to economic growth. NNGO welcomes this.

Two options remain

This leaves two options, the Census adjusted Standard Method and the Cambridge Econometrics Baseline. They propose annual housing needs figures for the County of 4,721 and 4,406. The difference is 315 houses per year – about 6%. The consultation therefore gives us a choice between two quite similar but high figures. NNGO does not think that is much of a choice! There should be a lower net migration option for example and/or other adjustments to the figures as discussed throughout our response.

NNGO cannot accept the figure of 4,721. This Census Adjusted Standard Method figure uses average net migration in the five years up to 2020 (2,752pa HENA Table 3.11) as representative of the rate of growth that Oxfordshire is likely to experience in the future up to 2040. But these five years were higher than the previous five years. NNGO considers that the ten-year average, of (2,287pa HENA Table 3.10) would be preferable when forecasting 20 years into the future. This

would reduce net migration by around 9,300 people over 20 years (by about 17%).

NNGO expects ONS to issue revised annual net migration figures for our districts from 2011 to 2021, based on the 2021 Census, in due course. These would help to make a more informed decision and NNGO would like a decision on housing need delayed until these figures are available.

These two remaining scenarios for Oxfordshire are also not consistent with levelling up the rest of the Country. The high levels of net migration into Oxfordshire that are assumed are very unlikely to be sustainable, as the UK's immigration policies are changing to make migration from abroad, particularly from the EU, more difficult. If the migrants that increase growth here come from other parts of our country, then this is likely to be detrimental to the economy of those areas.

Summary of growth options

We can compare growth in the number of households in Oxfordshire between the 2011 and 2021 Censuses with the various HENA options for household growth in Oxfordshire as follows:

Extra households, 2011-21 Census	29,253¹	
Standard Method		% more
HENA projection 2022 to 2032	23,910	
HENA above figure +41% affordability	33,880	+15.8%
Other projections		
HENA Cambridge Econometrics	44,060	+50.6%
HENA Census adjusted growth	47,210	+61.4%
HENA Economic development led	58,300	+99.3%

The HENA standard method, including the affordability allowance is 15.8% more than the amount of growth we experienced up to the 2021 Census. NNGO questions whether this is a reasonable approach

¹ From 258,855 in 2011 to 288,108 in 2021

because we believe it is unlikely. ‘The Cambridge Econometrics Baseline Trends’ is 50.6% more. This is the option which the consultation document concludes is the most appropriate housing need scenario.

The ‘Economic development led’ option would be double the growth between the 2011 and 2021 Censuses and it is right that this has been discounted.

We can illustrate what the options mean by comparing the total growth they suggest with the number of households in Oxford itself in 2021, as follows:

What does each option mean?

There were 55,238 households in Oxford in 2021	Standard Method	Cambridge Econometrics Baseline	Census adjusted Standard Method	Economic Development Led
1 year	3,388	4,406	4,716	5,830
20 years	67,760	88,120	94,320	116,600
How many Oxfords	1.227	1.595	1.708	2.111

The government’s standard method requires another one and a quarter Oxfords to be built in the County. But the CE Baseline Trends option which is considered to be the most appropriate, would require over one and a half Oxford’s to be built in Oxfordshire. This is far too much.

4. Do you have any comments about the reasoning for selecting the most appropriate scenario of housing need?

NNGO is pleased that you have removed the highest ‘Transformational’ option. NNGO always considered the high economic development led option, put forward in the Oxfordshire 2050 plan, to be wildly optimistic about our economic future, to the detriment of nature and residents.

That option would have urbanised the whole County (with one new house being built for every two we have now). We strongly opposed this and it is right that it has been rejected. But NNGO believes the projections are still too high.

NNGO does note that you favour the Cambridge Econometrics Baseline figure of 4,406. This is less than the Census Adjusted figure of 4,721. But both are greater than the Standard Method and should be rejected.

One further comment on this is the statement in paragraph 2.15 of the consultation document: “The two middle scenarios- the Census-adjusted Standard Method and the CE Baseline Trends forecast- give very similar results. The robustness of these scenarios is demonstrated by their similarity”. NNGO disputes the logic of this statement. A similarity between figures calculated on entirely different bases does not give comfort that they are both robust or provide any justification for using either of the figures.

Overall, all the scenarios are based on the out-of-date economic model of GDP driven growth. New scenarios must be drawn up firstly to safeguard the wellbeing of future generations and then to support a sustainable level of growth.

5. Do you have any comments about the methods for dividing the Oxfordshire housing need between the districts, leading to the need figure of 1,322 for Oxford?

NNGO repeats that Oxford and Cherwell are over-stepping their remit by unilaterally looking at methods of allocating housing to other districts.

NNGO thinks that the question refers to the options in the following tables:

- Table 7.10 Distribution using the 2014 based Standard Method
- Table 7.11 Distribution by Employment figures for 2021
- Table 7.12 Distribution by Employment figures for 2040*

*Table 7.12 is the ‘Table 2.1’ (after para 2.19) in your consultation document

The percentages used by the three different approaches are shown in the following table, as they are not in your consultation document:

HENA Sharing out housing need

	Table 7.12 Employment 2040	Table 7.11 Employment 2021	Table 7.10 Standard Method
Cherwell	22.9%	21.5%	21.9%
Oxford	30.0%	26.7%	22.5%
South	18.0%	19.5%	18.9%
Vale	16.2%	18.5%	19.5%
West	12.8%	13.8%	17.2%
Oxfordshire	99.9%	100.0%	100.0%

NNGO's notes that the using 2040 employment to share out housing, gives the largest share to Oxford at 30.0%. A capacity figure for housing development in Oxford is mentioned in the Conclusion.

Using the 2040 employment pattern maximises the size of the overspill from Oxford to the other four districts. Using the Standard Method base would have reduced Oxford's share to 22.5%.

However, the effects of using the three different allocation methods on the final housing figures, for the Cambridge Econometric baseline, for each district are as follows:

Effect of Allocation Method & Overspill

	2040 Employment	2021 Employment	Standard Method
Cherwell	1,292	1,160	1,116
Oxford	457	457	457
South	1,016	1,048	964
Vale	915	999	994
West	722	742	875
Oxfordshire	4,402	4,406	4,407
Overspill	865	719	534
Source	Table 7.12	Table 7.11	Table 7.10

The table allocates the Overspill figure from Oxford shown above, to each of the other four districts. This is done for the three different options. The disaggregated overspill figure is then added to the existing allocation for the districts.

The table highlights the highest figure for each district. Cherwell's figure is maximised by using the 2040 employment distribution. South and Vale are maximised by the 2021 employment distribution. West's highest figure is if the Standard method is used.

The figures above keep Oxford's contribution the same for all options and the overall total is the same (slight differences in the table are due to rounding). That means that the total pressure on other districts is the same, it is just spread around differently.

Only by reducing the overall total AND reducing estimated need in Oxford can the total pressure on other districts be reduced. These reductions are what NNGO wants to see reflected in the final housing need figures.

6. Do you have any comments about the housing mix including the need for specialist housing and affordable housing?

We would also support housing that has lower CO2 emissions. A close watch must be kept on the Scope 3 carbon emissions from building homes as well as construction methods to reduce the Scope 1 and 2 emissions during occupancy.

- The housing requirement must be focussed on the need for smaller social dwellings. The planning and house building scenario has been established to enable developers to make maximum profit by building expensive market value housing. Often planning permission includes the condition to build a proportion of 'affordable' homes but the definition of affordable at 80% or market value means that these are still unaffordable to the less well off, first-time buyers and average income families.
- The principal housing shortage is for social rental or to-buy smaller homes. Any method to calculate the number of homes must focus on fulfilling this need for inexpensive dwellings.

- We have noted that in government household projections, much of the increase in demand is due to increases in the number of elderly households. They have particular needs from their homes such as fewer and easier stairs, not being spread across more than two floors, allowing for easy and wheelchair access, and having easy access to facilities such as shops and healthcare. More attention needs to be focused on this trend when considering plans for new estates.

7. Do you have any comments about the assessment of housing capacity?

Housing capacity in Oxford is briefly mentioned in the HENA para 7.6.15 and 7.6.16. Para 7.6.16 notes the *'reducing trend in the rate of population growth in Oxford'*. No figures are given, though falling average household sizes may be a factor. Reducing population growth may be due to other activities crowding out housing development – something that seems to have been encouraged by Oxford City.

NNGO strongly dispute the projections for office floorspace that will be needed. NNGO thinks that if the tendency to work at home (37.9% in the 2021 Census, not the 30% mentioned in the HENA, para 7.4.28) continues as seems likely and maybe even grows, then need for office workspace in Oxford could reduce and free up space for housing. Working at home also seems likely to mean that people are more likely to accept a longer commute to work. Similarly, retail floorspace need seems to have reduced as more goods are delivered direct to customers.

The Conclusion of the Consultation document (on page 14) notes that of the 1,322 houses needed each year, 457 can be delivered in Oxford (9,147 over 20 years). It follows that in each of the 20 plan years, 865 houses outside Oxford are 'needed' for the City. Over 20 years, that is 17,300 houses. To get some idea of the scale of that, the following is an early plan for the North Abingdon site, which will hold around 1,000 houses – 18 similar sites would be needed to fulfil Oxford's requirements:

This site is more than a mile from West to East:



The following table shows the overspill figures for all four options:

HENA Totals and Oxford Need

	Housing Need PA	Oxford Need PA	Oxford Need as % of Total	Oxford Capacity	Capacity as % of Need	Oxford Overspill per year
Standard Method	3,388	1,016	30%	457	45%	559
Census adjusted Standard Method	4,721	1,416	30%	457	32%	959
Cambridge Econometrics Baseline	4,406	1,322	30%	457	35%	865
Economic Development Led	5,830	1,749	30%	457	26%	1,292

Housing Need PA Table 7.12 of the HENA

Using the proposed Cambridge Econometrics Baseline, Oxford's need is 1,322 (30% of the total). Just 457 of this can be met by the City, which is only 35% of the City's need. This leaves the overspill of 865 per year. The Standard Method would reduce the overspill to 559 – by 35% which is better.

However, NNGO believes that the correct ambition for the City is to live within its own boundaries and not create *any* over-spill. The solution lies primarily in prioritising City sites for social rent housing, rather than employment, and carefully increasing housing density.

8. Do you have any comments about this conclusion to our approach to assessing housing need and setting a housing requirement in the Oxford Local Plan 2040?

Yes.

We note that as recently as 2018, the objectively assessed **need** for Oxford City was 93 dwellings per annum, with any figure above this being a 'policy choice'.²

This consultation:

- a) Fails to make clear what has changed so dramatically since 2018
- b) Fails to distinguish adequately between 'need' and 'requirement'.

The CE figures are automatically presented as the housing 'requirement' but there has been no balancing exercise undertaken to assess the environmental and social impacts of this approach.

NNGO thinks the figures are too high and would require migration to Oxfordshire on a scale which would be inconsistent with levelling up, and inconsistent with zero carbon targets and would place intolerable pressure on infrastructure such as health care and water & sewage treatment facilities.

To re-iterate this fundamental point: We also think it is completely unacceptable for you to produce and publish projections for three other districts, apparently without consultation or involvement.

For our specific and overall comments on the HENA, please see Annex A.

² Oxford City - Objectively Assessed Need Update Oxford City Council Final Report October 2018



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Coalition Secretariat, c/o CPRE Oxfordshire, First Floor, 20 High Street,
Watlington, Oxon OX49 5PY

www.neednotgreed.oxon.org.uk E: info@neednotgreedoxon.org.uk

ANNEX B - NNGO Notes on Housing and Economic Needs Assessment for Cherwell and Oxford

General points

Cherwell and Oxford say (para 4.19 of the draft LP):

"This approach does not seek to impose an approach on other Oxfordshire authorities, it is for the other authorities to identify an appropriate housing requirement for their own areas and to identify an appropriate contribution for contributing towards Oxford's unmet need."

Cherwell and Oxford have decided to commission this report. Accepting or rejecting this report is their decision.

The report is written 'as if' it is a report agreed by two districts that applies to the whole County. Nearly all information in the report is given for all five districts and the County. But there are more districts who are not involved in this report than the two that are.

The other three districts have had no apparent role, involvement or control. So, it surely follows that the other three districts will in no circumstances be bound by this piece of work. They will have to develop and consider their own figures – maybe together?

If, wrongly, there is pressure on the other three districts to accept whatever Oxford and Cherwell decide, the other districts might think it best to hold back on further development in their areas, to protect the Green Belt, AONB and so forth. Much land has already been zoned for housing and acceptable and suitable sites are hard to find.

One example of the previous overspill from Oxford is that it resulted in a large part of Abingdon Airfield being zoned for development. This site is not well connected and is separated from the rest of the town by the A34. It can only be developed if the MOD release it.

The rest of this report criticises the HENA. It is long, so a summary of main points made listing paragraph or other references follows:

- There are many cases where figures from the 2021 Census are now available instead of those in the report. It was too early to fully understand the results of the 2021 Census at this point. There are many references in the following note, including Paras 2.1.8, 3.17, 3.4, 3.1.10, 3.2 3.4.8, 3.3.5, Figure 3.2, 3.6.1, 3.6.2, 3.6.4, 7.4.19, 7.4.23, 7.7.9
- NNGO is concerned about the assumptions made about Household Representative Rates. 3.6.2, 3.6.4, Annex 1

- The HENA Lacks comprehensive detail and clarity in some places and there are some apparent errors. 4.2.7, 7.4.28, 3.17 and 3.4.8
- The projections straying off their territory by considering 3 other districts - Chapters 5 and 6
- Growth rate figures that have been considered and rejected were resurrected - 7.1.6, 7.2.1, 7.2.12, 7.7.4
- The standard method of calculating housing need will be '*an advisory starting-point to inform plan-making – a guide that is not mandatory*' 7.2.2
- There are also likely relaxations of government planning rules planned, notably removing the 5yr housing land supply requirement and the extra buffer added to growth, 2.1.8, 7.2.2
- Recent years have seen a lot of growth driven by Local Plans. But existing economic conditions are poor. Will rapid growth continue? 3.17
- Migration rates in the past 10 years of 2,287 per year is almost 17% below the last five years which the HENA relies on (2,752). The ten years of evidence from Census to Census is more relevant and accurate than just the last five years. Also, where will all the migrants who are needed to support the growth come from? 3.3.5, 3.4.16, 3.4.19, 7.1.6

NNGO Paragraph by Paragraph Comments

2.1.7 – The ‘Standard Method’ is not ‘*a minimum level of housing need*’ as stated in the report. It is set so that the government might meet its arbitrary high target of building 300,000 houses a year. A target that has not been met.

2.1.8 – The Standard Method uses the 2014 based household projections. Lower growth rates were found in subsequent projections in 2016 and 2018, but these were ignored and no corrections were made to the 2014 figures.

A recent government consultation (with a deadline of 2 March 2023) says:

16. The government does not propose changes to the standard method formula or the data inputs to it through this consultation. However, the government has heard representations that the 2014-based household projections data underpinning the standard method should no longer be relied on. The government continues to use these data to provide stability, consistency and certainty to local planning authorities. Once we have considered the implications of new 2021 Census based household projections, planned to be published by the Office for National Statistics in 2024, the government will review the approach to assessing housing need, to make sure the method commands long-term support based on the most relevant data.

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It is too early to reliably consider all the implications of the 2021 Census – which is still being published - let alone the likely effect on the household projections. We do know that the 2014 based figures are now at least seven years out of date.

On the standard method, paragraph 4 and 5 of the consultation comments as follows:

We have heard that:

- there can be confusion about how and when it is acceptable to bring forward a plan that does not meet housing needs in full due to recognised constraints such as Green Belt. As a result, some local authorities are not progressing plans, or are struggling to make their case at examination.*
- some major urban centres are not meeting, or proposing to meet, their housing need in full, with the prospect of it being ‘exported’ to surrounding areas, contrary to the objective of delivering need in those areas with the best sustainable transport links and infrastructure, and with the greatest brownfield opportunities.*

- *delivering more homes than expected in the early years of a plan can create a “ratchet effect” as local authorities have to find more land for homes, even if overall they have delivered on expectations, thus disincentivising ambitious plans.*
- *some authorities are subject to consequences through the Housing Delivery Test due to developer behaviour when they are granting more than enough permissions.*
- *areas with recently made neighbourhood plans can find that those plans are overridden and open to unplanned development because the local planning authority cannot demonstrate a sufficient supply of housing, or their plans are set aside due to low performance in the Housing Delivery Test.*
- *there are concerns about the pace at which some sites, which have been granted planning permission, move through to construction and completion of new homes.*

Most of these issues have been experienced in Oxfordshire. We particularly note the point about urban centres that don't meet their need in full, which leads to pressure on surrounding areas and development in areas with no brown field land or with poor transport links.

The consultation then goes on to propose changes to the National Planning Policy Framework (NPPF) as follows:

5. The combined effect is to inhibit plan-making, fuel opposition to development and ultimately hinder the supply of high-quality homes where they are needed. To address this, we propose making changes to the current National Planning Policy Framework and associated guidance on local housing need and the Housing Delivery Test. These changes are designed to support local authorities to set local housing requirements that respond to demographic and affordability pressures while being realistic given local constraints. Being clearer about how local constraints can be taken into account and taking a more proportionate approach to local plan examination is intended to speed up plan-making. Since we know that areas with up-to-date local plans have higher levels of housing delivery compared to authorities with an out-of-date local plan, or no plan at all, this is an important part of boosting housing supply...

So, the need to be realistic given local constraints has been recognised by the government and is likely to be emphasised in forthcoming guidance.

2.2.1 – This emphasises the need for innovation and high levels of productivity in Oxfordshire. However, it is increasingly obvious that this country will not develop unless these targets are acknowledged in all areas. ‘Levelling up’ across the country might best be achieved by other areas catching up on Oxfordshire.

3.17 – Census 2021 does show that growth has been higher over the last ten years than was predicted by ONS figures rolled forward year by year from 2011. However, growth in the past is not necessarily a guide to growth in the future. Economic prospects at the moment seem particularly dim considering:

- The continuing war in Ukraine and more concerns about China;
- Sudden high levels of inflation and higher interest rates;
- Low growth compared to other nations;
- Lower imports and exports, supply chain problems and de-globalisation;
- Obvious signs that even just over 1 degree of global warming is leading to more extreme weather across the globe and record temperatures in the UK;
- Continuing low investment and related productivity growth;
- Concerns that housing is overvalued; and
- Shortage of workers. This is partly as people have left the labour market during Covid and not returned. Often older workers or due to increasing poor health...

Also, it is worth noting that ONS have recently (21 December 2022) released population estimates for mid 2021, based on rolling the Census figures forward a few months. These show a little more growth at the County level. They also show net migration out of Oxford within the UK of -2,204 as follows:

Oxford - From Census data to mid-year 2021

Census 2021	162,080
Births	359
Deaths	220
Births minus Deaths	139
Internal Migration Inflow	2,580
Internal Migration Outflow	4,784
Internal Migration Net	-2,204
International migration Net	6
Other	0
Estimated Population mid 2021	160,021

The net emigration of 2,204 people from Oxford may have been due to students leaving Oxford to return home – but this is not certain.

The mid 2021 population estimate for Oxfordshire is 726,530.

Table 3.4 - The figure of 162,100 shown in this table is the rounded first release population figure from the 2021 Census. Since then, more precise unrounded figures (162,080 for Oxford for example) have been released. On 7 February 2023, more precise details of the numbers of students in Oxfordshire were released (39,625).

ONS have also announced that they will review the mid-year estimate series from 2011 to 2021. It will be interesting to see the resulting path of change.³

So overall, these projections use early figures from the Census which are being replaced by unrounded figures. More details are emerging as time passes.

3.1.10, Table 3.6 Table 3.7 – The consultant contrasts 2014 based projections with the Census figures. The Census was in 2021, which was ten years after the start of many Local Plans in Oxfordshire (for example the Vale Plan period was 2011 to 2031 and it was adopted in 2016). The plan was based on assumptions that there would be a lot of growth, so there has been five years during which the adopted plan affected growth before the 2021 Census. So, it is not surprising that the 2021 Census shows more growth than the 2014 based figures – that was planned! The question posed by this report now is whether that growth is continuing and whether it will continue in the years from 2031 to 2040.

We also note that the projections show reductions in the population of Oxford. With apparently 4,300 less people and 6,900 less households compared to the 2014 based sources. This paints a picture of an area in decline, which can no longer house as many people or households as it once did – or maybe one where other uses have crowded out people and households. Census 2021 was affected by the Covid lockdowns and this may have produced this effect. Alternatively, it now seems possible that the 2014 based figures started from too high a base? Revised mid-year estimates for 2011 to 2021, which ONS are preparing, may help to give a clearer picture of what happened in Oxford.

3.2 – Students. This is a difficult area. Broadly, students arrive and spend maybe three years at university then generally, leave the area. Some stay on to find work, so are no longer students. This means that the age structure of the student body is relatively stable over time. They should be excluded from population projections – otherwise they age into later years and are not replaced by younger students. That is unrealistic and incidentally tends to drive up the need for housing!

Census 2021 results has given us quite different figures for Student numbers in Oxfordshire:

58,299 in the Socioeconomic classification
59,733 in the Economic activity tables
39,625 in the Student Dynamic Population Model

The first figure initially seemed to be the most reliable, as the second includes people who said they were studying in the week before the Census, but who were not necessarily full-time students. This distinction was identified recently following

³ See Section 5 of:

<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/bulletins/annualmidyearpopulationestimates/mid2021>

advice from ONS. However, the third and much lower figure of 39,625 is apparently the most accurate one. So overall there are around 40,000 students in Oxfordshire. This number may have grown since 2011. It is not clear what the HENA has assumed about student numbers or whether they are excluded from the projections. They may have been included in the 2014 based projections.

ONS also advise that for 2021:

Identifying the number of people in Oxfordshire who aren't students will also be possible using datasets for the out-of-term population when they become available. [Alternative and small population](#) data will be released as part of Phase 3 of our Census 2021 [release plan](#)

So, we probably need to wait and see before we have more population data for Oxfordshire that excludes students. Note that some students who attend Oxford University (for example) will have a home in the County. They will be included in the 'out-of-term' figures for Oxfordshire.

Also, Covid is likely to have affected student numbers as they were sometimes sent home to learn remotely...

Looking back to the 2011 Census, results are similar but with a much larger gap between two sources for the number of full-time students:

Table number	Oxfordshire students	Oxford students
KS611EW Employment	53,909	32,803
KS501EW Qualifications	27,904	22,968

These figures are very different, with the lower figure for the County around half the other. It has not been possible to reconcile these figures, but if student numbers were much lower in 2011, then some of the population growth would be explained by that.

See further comments on paragraph 3.6.1

3.4.1 – 3.4.3 Fertility – It is difficult to comment on these and subsequent paragraphs as general descriptions are given, but there are no figures. But we note the overall downward adjustment to fertility rates used in the projections.

3.4.4 – 3.4.6 Mortality – Similarly it is difficult to comment. But we note that mortality rates in the projections are increasing.

3.4.8 – Migration – We now have 2021 mid-year figures based on the 2021 Census so no need to estimate if from the SNPP. As follows:

	Mid 2021 Population
Cherwell	161,837
Oxford	160,021
South Oxfordshire	150,024
Vale of White Horse	139,487
West Oxfordshire	115,161
<hr/>	
Total	726,530

3.3.5, 3.4.12 & Table 3.10, 3.11 – Net In-Migration – The key past trend net migration figure of 2,752 per year, in Table 3.11, is based on estimated net migration flows in the five-year period 2015-2020. However, earlier, in paragraph 3.3.5, the consultant noted that:

The use of a 5-year period is consistent with projections typically developed by ONS (although in more recent releases they have also looked at different time periods, e.g. 10-year trend)...

Alternatively, net in-migration figures in the 10-year period 2010-2020 average 2,287, over 16% lower than the figure of 2,752. These figures are likely to be changed when ONS produces a revised series of mid-year estimates between the 2011 and 2021 Censuses. It seems likely that the higher levels of net in-migration in recent years arises from the effects of the local plans – in the longer term there is more uncertainty and a lower figure would be more reasonable. There is no long-term evidence that Oxfordshire sustains continuing high net in-migrant flows. Low figures were experienced late in the period – in 2016/17 (1,802) and 2018/19 (2,235).

As usual, there is no information about where the migrants will come from. Will they be drawn from other parts of the UK – in which case will those areas be affected economically by losing their working population to the SE of England? People leaving other areas also frees up housing there...

3.4.16 In-migration – Age structure. Here the consultant notes that an aging population would be less likely to migrate. As the whole of the UK is aging, that seems to imply lower migrant flows in future?

3.4.18 – In-migration – We don't see the consequences of this rather complicated set of assumptions. For example it is *'considered with an increasing population that levels of in-migration will increase over time, but at a reducing rate'??*

3.4.19 – Out-migration – Again, no consequences of the assumptions are shown. It is as unclear as the above. Saying ‘a changing age structure (increasing older person population) will to some extent moderate any changes, as older people are less likely to be migrant’??

Figure 3.1 – Natural change – We are moving from a positive natural change towards a negative one (where deaths exceed births).

Figure 3.2 – This shows the variability of net migration in past years and the amount added based on the Census results (though this seems to have been added to every year, instead of being spread out over the period. Also, it shows the effect of assuming that high net in-migration rates since 2011 will continue indefinitely into the future (purple line).

3.5.2 – Population projections – We note that there is a 7.6% increase planned, rather lower than the 10.9% growth up to the 2021 Census.

Table 3.12 – Population projections – This shows 7.6% growth between 2022 and 2032. A particularly noticeable feature is the 27.1% growth in the numbers of people aged 65+ in just 10 years from 2022 to 2032! So 65% of the total growth may be due to having more old people (36,221/55,594) The number of under 16s reduce. More houses suitable for the elderly are likely to be needed!

Only limited details of the population forecasts are given – just the three age groups in this table. More details would have allowed more scrutiny of what is projected.

Table 3.13 – Change in the number of households and dwellings 2011-2021– The table shows that households (groups of people) have increased a lot more slowly than dwellings (the properties they live in). Households increased by 29,300, dwellings by 35,700.

Dwellings as a percentage of households has increased from 104.1% to 105.9%. So, whereas about 4.1% of empty dwellings were empty, now there are 5.9%. If the percentage had not changed, there would have been 5,200 fewer dwellings. Thus, over the ten years, Oxfordshire now has 5,200 more dwellings with no household living in them.

This gap might be explained by an increase in the number of second homes, houses undergoing comprehensive repairs that make them uninhabitable, or just more empty houses. These suggest that the housing market has become more inefficient than it was. Vacancy rates of around 3% - even lower than the 4% in 2011 - should be sufficient to allow the housing market to operate efficiently.

3.6.1 – Communal population – This paragraph notes that the communal population (people living in army camps, colleges etc) need to be discounted before making household forecasts. This is correct, but it is not clear what deductions have been made or whether they were made before the population projections were run.

The communal population generally needs to be taken out of the population before it is aged on into the future in the projections. This prevents – for example - the

university student population aging in the projections when in the age structure of that population will not change. The 2021 Census results may eventually be able to give a good idea of the communal population and eventually of the 'at home' population, where all students are moved from their term time addresses back to their home address. At this stage there are some concerns about the number of students – see previous comments on paragraph 3.2.

3.6.2 – 3.6.4 Household Representative Rates (HRR) – These paragraphs justify the use of household formation rates from the 2014 based Household Projections. In particular questioning treatment of people aged 25-34. There is little detail at this point. We have previously commented at length on this issue, in response to the consultation about the 2050 Oxfordshire plan, figures for which came from the same source. Our comments are shown in Annex 1. In summary, our arguments are that:

- The existing housing supply system has had rising house prices for many years – often pushed up by very low interest rates. Also, various government interventions such as help to buy, and stamp duty holidays supposedly increase affordability. But in practice, buyers can afford more so sellers increase prices to absorb this;
- This is compounded by worsening conditions in the jobs market, with stagnant wages, insecurity, low pay, zero hours contracts and low-quality self-employment. Recent widespread strikes in the public sector have not, as yet, earned pay rises in line with inflation, so employees are hard pushed and worse off;
- Recently, interest rates have risen, increasing the costs of many mortgages. This is coupled with rapidly rising prices, so there is a cost of living crisis for many families;
- One outcome is that there has been increasing use of the rental sector by younger people;
- Many big changes in housing and employment market would be needed to move away from this broken system;
- NNGO thinks it is very unlikely that increases in headship rates will 'just happen' as projected by the consultant. NNGO thinks that significant changes would need to be made to both the existing housing and labour markets.
- Building more expensive new houses will not make housing and home ownership more accessible to younger people;
- Higher HRRs in later age groups may compensate for the economic issues facing people aged 25-34. There may be a 'swings and roundabouts' effect, with no clear overall pattern that 2016 based HRRs are lower or higher than the others; and

- Applying higher HRR rates to the projections will increase the projected number of households. So, subsequent considerations of the local housing market to allow for affordability for example, need to beware of double counting need. Increasing HRRs would have reduced the scale of the need;
- Finally, more information about HRRs may be available from 2021 Census results. Quite a lot of information on housing was released on 5 January 2023 for example⁴

3.6.4 Communal population – As noted earlier in para 3.2, The 2021 Census should eventually give more up to date information about the ‘communal’ population - students, armed forces and so forth. Also, about the HRRs.

3.6.5 Household projections – the projected growth of 3,274 households per year is noted. As explained above, NNGO thinks this is too high.

4.1.1 House prices – As well as being affected by inflation and the balance of supply and demand, house prices are affected by interest rates as noted later. They are often pushed up by government schemes such as help to buy and changes in stamp duty.

4.1.5 Help-to-Buy – We think that this scheme has in practice pushed up house prices. Buyers can afford to spend more, sellers know that and take the benefits by pushing up prices. See comments above in para 3.6.2.

4.1.6 Low recent house price increases in Oxfordshire – This compares Oxfordshire’s increase over the last five years of 2.1% compared to 3.3% for the SE region and 3.7% nationally. This is correlated to ‘*stronger housing supply across the County*’. But it could be due to lower demand. Or other factors may be affecting the SE region or locally. New house prices now seem to be falling due to the higher interest rates.

Figure 4.8 – New-Build sales – Not really a surprise that new-build sales have been a higher percentage of sales in Oxfordshire in 2017-22. These were times when sites in the 2011-2031 based plans came on stream. Builders don’t tend to build houses unless they are sure they can sell them.

4.2.7 and Table 4.3 – Affordability ratios – This says ‘*The ratio in all Oxfordshire authorities is above the South East average.*’ But this is not the case as in 2018 and 2021, both Cherwell (9.77, 10.28 respectively) and Vale of White Horse (9.87, 9.96) are below the averages for the SE region (10.37, 11.12).

4.2.9 First time buyers, Mortgage payments relative to take-home pay – The increase is explained as *the ‘pandemic effect on house prices’*. But it could more directly be the effect of raising of interest rates. That was in response to price

4

<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/housingenglandandwales/census2021>

increases driven supply problems as Covid lockdowns and restrictions were removed, but more directly by the fuel price increases as a result of Russia invading Ukraine. Whether it was wise for the Bank of England to raise interest rates when a recession seemed to be on the horizon, remains to be seen.

4.3.1 Market outlook – The ‘mini budget’ of September 2022 nearly had catastrophic effects on bond prices and the Bank of England had to intervene. It also pushed up the interest rates we were expected to pay as international financial confidence in the UK reduced.

4.3.4 Long term – We think there are long-term embedded problems with the housing market and they are set out in section 3.6.2 above.

4.4.1 Median rents – Table 4.4 does not show the England averages, so it is difficult to say if the statement ‘*Median rental costs in Oxfordshire overall, as well as all local authorities, within it are higher than both the South East and England averages*’. For the SE region this is only the case for the ‘Overall’ figures. In various cases, the average in one district is the same as the South East figures:

Room	- Cherwell
Studio	- West Oxfordshire
1-bed	- West Oxfordshire
2-beds	- Cherwell
3-beds	- Cherwell
4-beds	- Cherwell

4.4.2 Figure 4.11 Median rental costs over time – This notes that median rents have increased by £100 in Oxfordshire (10%). This rate is higher than that of the South East (8.6%) but lower than England (11.4%). So, there are some signs of rent affordability differentials abating.

4.4.3, 4.4.4, 4.4.5, 4.4.7 We note that rents in Cherwell increased, but not as fast as in the other districts. Demand for rental properties is seasonal and in 2020, 2021 and 2022 has generally been higher than in 2019 (hardly surprising as 2020 was the first year with lockdowns). Increasing working at home and energy prices have increased demand for larger properties and for more energy efficient properties respectively. Buy to let has become less profitable due to loss of mortgage interest relief and higher Stamp Duty, but this seems likely to make more property available for sale to owner occupiers. There is evidence of increasing demands in subsequent paragraphs.

Chapter 5 – Office and R&D Market Review

All the figures and tables are for Oxfordshire and often all other districts, though this is a document considered and decided upon by Cherwell and Oxford, so straying off their territory:

- Figures 5.1, 5.2, 5.3, 5.6, 5.7, 5.8, 5.9, 5.10
- Table 5.1, 5.2, 5.3, 5.4

- Figure 5.4, 5.5 (A34 corridor)
- Figure 5.9 (Botley, Abingdon, Milton Park)

There seems likely to be less demand for Office space as more people work from home for at least part of the week (5.2.1). More intensive use of office space also seems to be a trend (5.1.4). There does seem to be a shortage of Grade A office and laboratory space in central or ring road locations in Oxford (5.3.4). The Oxford North development may provide suitable space and seven other locations are mentioned (5.4.1)

- Oxford Business Park
- Oxford Science Park
- Oxford North
- Begbrooke Science Park
- Abingdon Science Park
- Harwell Campus

The last two are not in Cherwell or Oxford, again, straying off their territory...

Oxford and Cherwell are not responsible for planning the whole County...

Chapter 6 - Industrial Market Review

All the figures and tables cover Oxfordshire and often all other districts, though this is a document considered and decided upon by Cherwell and Oxford, so they are straying off their territory again.

- Figure 6.1, 6.2, 6.3, 6.4, 6.6, 6.7, 6.8, 6.9, 6.10
- Table 6.1, 6.2, 6.3, 6.4, 6.5, 6.6
- Figure 6.5 (A34 corridor)

Oxford and Cherwell are not responsible for planning the whole County...

6.1.4, 6.1.5, Figures 6.2, 6.3 Considers industrial floorspace in Oxfordshire. There was a sharp rise to a peak in the latest year for which data is available 2020/21. This has been driven by industrial development in Cherwell.

6.1.6, Table 6.1 Cherwell and the Vale of White Horse have the highest percentages of 4 to 5-star floorspace whilst Oxford, South Oxfordshire and West Oxfordshire have very little of this high quality floorspace. However, Oxford has a very low percentage of 1-2 star floorspace.

Figure 6.4 Shows the Industrial floorspace taken up by Sector. Out of 7 years, in 6 the main take up is for 'Distribution'. So warehouses – these are increasingly automated, so do not provide many jobs. Jobs in the unautomated versions tend to be low paid and physically challenging. Science & Technology took up most space in 2018 (not in the pandemic then) and has been second largest in the three following years. Both trends may be linked to the pandemic (where buying online

became a major option as well as vaccine development). It is not clear if these trends will continue – has the need for them been filled?

6.4.1 One of the five 'Key Development Sites' listed is Tungsten Park, Whitney (Sic). On the West side of Witney, Tungsten Park is some way away from both Cherwell and Oxford...

PART B: Reviewing and Refreshing Oxfordshire's Growth Scenarios

Growth scenarios are either pushed by demographic/housing growth or pulled along by predicted growth in job numbers. Both are built on stacks of assumptions about what will happen in the future. NNGO thinks the future is more unpredictable and unstable – who would have projected the events of the last few years? Brexit, Austerity, Covid, the invasion of Ukraine, the Truss prime ministership, growing inequality and poverty, widespread strikes...

7.1.6 and 7.1.7, Table 7.2 NNGO very strongly disagreed with the 2021 OGNA report, which we felt took every opportunity to assume that there would be growth, growth and then a bit more growth. It was part of the 2050 Oxfordshire plan.

In particular, the so called 'Transformational' option (Table 7.2, where it is shown as 148,329 more houses in thirty years) meant building one new house for every two houses that we now have in Oxfordshire. This was equivalent to building a new Oxford and Banbury and Abingdon and Witney and Bicester and Wantage. Construction on that scale would urbanise the whole County. The amount of construction, infrastructure, roads, railways, water supply, disruption, CO2 emissions, pollution, damage to the environment, Green Belt ... resulting would be incredible.

NNGO estimated that around 11,000 net migrants to the County would be needed every year to reach that unacceptable future.

Table 3.10 shows the past trend net migration figures. As we noted earlier, net migration averaged 2,287 per year in the last ten years. Adding 2,674 say (Table 3.11) to that to correct for the 2021 Census figure gives an average net migration in the last ten years of 4,961. This is not quite half of the 11,000 we would need, every year for the next 30 years.

But where would all these people come from? The government has tightened up on immigration from abroad, so most might have to come from other parts of the UK. But where? And which areas would be happy for their young/employable people to move to Oxfordshire? It would put a very serious dent in the idea of Levelling up the UK.

For this reason, NNGO was relieved when the 2050 Oxfordshire plan was abandoned. Now we are seriously disturbed by the resurrection of this most unlikely scenario.

7.2.1 This is an attempt to resurrect the previous figures. NNGO does not think we should build Oxfordshire's future on the ruins of a previous overly-ambitious plan. Nevertheless, the consultant continues this process...

7.2.2 In the light of the recent government consultation about the standard method calculation will be '*an advisory starting-point to inform plan-making – a guide that is not mandatory*'

7.2.6 We note that the consultant goes on to say that in 2021 the standard method produced a figure of 3,383 dwellings per year, 756 in Cherwell and 762 in Oxford. The total was revised to **3,386** (67,720 houses over 20 years).

7.2.12, 7.2.13 These reintroduce the 'Business as Usual' and 'Transformational' scenarios. Business as usual extrapolated jobs growth 2008-18 to 2050 (so projecting 32 years forward from a ten-year base, ambitious to say the least). This increased the numbers of houses needed to **4,113** per year. The Transformational option was based on the view of the Local Enterprise Partnership (an unelected, unaccountable body). Using a 'go for growth' scenario this expected Oxfordshire's GVA to double by 2040. This needed **5,093** houses per year – over 30 years, one for every two that we now have.

7.3.4 Table 7.4 These show the calculation of the standard method housing need figure, which is 3,388 for Oxfordshire. Note that this is based on 2014 based household projections – somewhat out of date.

7.3.8 Table 7.5 This takes the projected figure of 3,274 – from para 3.6.5 and Table 3.14 that we have criticised earlier. Adding 44% for affordability, based on median the house price to income ratio in the area, this gives a figure of **4,721**.

We are not shown the median house price to income information, so it is difficult to comment and we can't check the figures shown...

7.3.11 This argues that high levels of growth can continue for long periods:

In response, it can be said that as a general rule, the factors that lead to strong economic performance in a local economy such as access to high skill labour markets, and high rates of innovation and investment, once established, tend to remain and support ongoing growth,

7.3.13 Then a new projection from Cambridge Econometrics is introduced, as follows:

'The new projection, while accounting for the County's strong past performance, also reflects negative GDP shock of the Covid-19 pandemic and subsequent recovery, plus the economic uncertainties surrounding 'Brexit'.'

So, they go from saying growth can continue for long periods, whereas within a year there were unpredicted shocks from Covid-19 and economic uncertainties surrounding Brexit, which meant that the figures had to be revised. So much for long

accurate long-term projections of continuing growth that we can depend on! NNGO also notes that:

- The 'subsequent recovery' from Covid was weaker in the UK than other countries; and
- The UK is short of labour, partly due to older people leaving the workforce as a result of the pandemic and not returning. General levels of ill-health have risen.
- We now have a very serious higher interest rate and inflation problem with waves of strikes due to inequality – many workers in the public sector and notably the NHS have seen their real wages reducing for years and years, and are now faced with rocketing fuel prices, inflation across the board and higher mortgage costs.

Figure 7.2 Compares the different economic scenarios. The red line is the 'Economic Development led' figure now noticeably higher than the black line which is the 2022 baseline. Nevertheless, the '*Economic Development led*' scenario is now repurposed as a replacement for 'Transformational economic growth'

7.3.16 Recently proposed amendments to the NPPF will have a more nuanced and flexible approach, for example (proposed additions are highlighted):

Para 1 – a framework within which locally-prepared plans can provide for sufficient housing and other development in a sustainable manner.

Para 7 - The purpose of the planning system is to contribute to the achievement of sustainable development, including the provision of homes and other forms of development, including supporting infrastructure in a sustainable manner.

Para 20 - Strategic policies should set out an overall strategy for the pattern, scale and design quality of places, (to ensure outcomes support beauty and placemaking),

Para 61 - To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance. The outcome of the standard method is an advisory starting-point for establishing a housing requirement for the area (see paragraph 67 below). There may be exceptional circumstances relating to the particular characteristics of an authority which justify an alternative approach to assessing housing need; in which case the alternative used should also reflect current and future demographic trends and market signals.

So, in brief, be sufficient (not excessive), sustainable, support beauty and placemaking and the standard method is an advisory starting point...

7.3.22 This makes the following very sensible statement:

However, it remains possible that macro-economic events and public funding constraints may slow projects down or lead to some not progressing. Equally there are potential downside risks to economic growth associated with the global geopolitical and macro-economic circumstances in 2022. These are considered in more detail later in this section (7.7.21).

To bring these comments together, Para 7.7.21 says:

7.7.21 As of the end of 2022, global geo-political events, following on from the economic disruption of the Covid-19 pandemic, are indicating a prolonged period of economic weakness. This is reflected in recent Bank of England forecasts that predict a UK recession throughout 2023 and into early 2024. While history shows that recovery from economic downturns is often strong, as was the case in the period after the 2008 Financial Crisis, it is difficult to speculate about the path of recovery in the UK and global economy over the next 20 years.

So why are we being asked to pin the environment and economic future of the whole County on a projection 20 years into the future???

7.4 Table 7.6 There is little justification for using fixed ratios over a long period. Drastic changes in home working occurred as a result of the unexpected pandemic for example. Technology also drives changes in the workforce, for example in warehousing, automation is more common than it was, reducing the labour required.

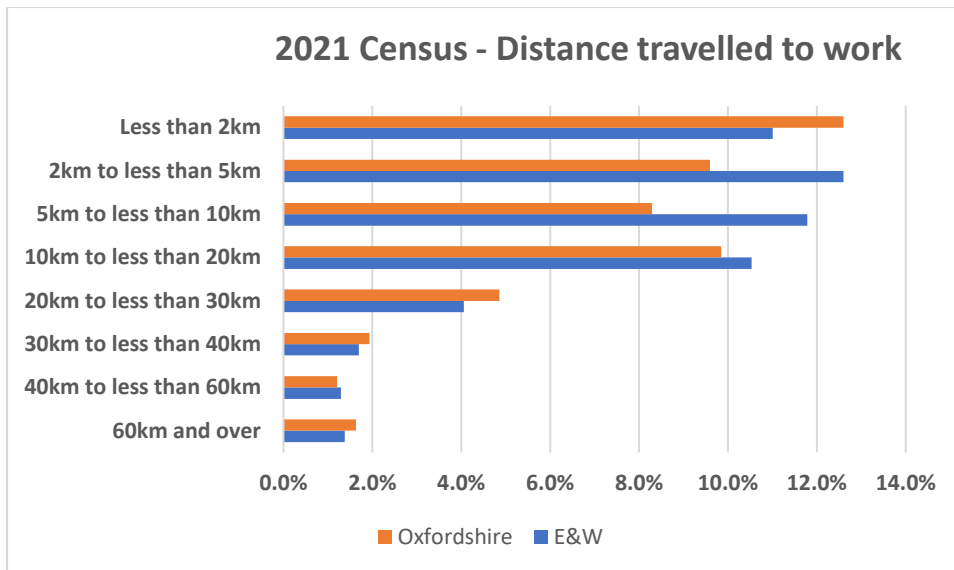
7.4.19 In the original OGNA, Commuting was described as ‘Oxfordshire currently has a net commuting inflow of 20,500 people’. Distinctly variable figures are shown in **Figure 7.4**. We approached ONS to check the source of these figures and they advised that the figures were not suitable for use. So NNGO considers that they are not fit for purpose.

Some commuting figures have recently been released from the 2021 Census – however so far these only show method of travel to work and distance travelled to work (in a straight line)⁵. We should in due course get more detailed figures showing a matrix showing the origins and destinations of trips to work which will give a better net figure for Oxfordshire. Commuting is therefore a prime example of where we think the consultants comments are wrong and it would be better to wait until the full 2021 Census results were available.

The 2021 Census data that has been released is of some use. The chart below shows how far people in Oxfordshire and England and Wales travelled to work (ONS measured the distances in a straight line from origin to destination, actual trip lengths by road would almost certainly be longer):

⁵

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/traveltoworkenglandandwales/census2021>



Large percentages of people in Oxfordshire travel 20Km or less to work. Some worked 60Km or more away – most likely out of the county, for example in London⁶. This was during the lockdowns, so many people were working at home. But at that time, 50% of people were working mainly at home (37.9%, not shown on the chart, plus 12.6% travelling less than 2Km). Home working was roughly three times as high as in 2011 (increasing from 10.3% in 2011 to 31.2% in 2021).

7.4.23 This and subsequent comments suggest that the consultant considers that having a lot of in-commuters is something that needs to be corrected by providing more houses for them in Oxfordshire. NNGO disagrees, for various reasons:

- We don't agree that net in-commuting to Oxfordshire has increased to over 20,000 people in 2019.
- Most people travel short distances (22.2% less than 5Km) and this will be true of people commuting into or out of the County. For example, you might live in Henley but commute to Reading to work (13Km), or travel just across Henley Bridge into nearby Berkshire. These people have made a choice about where they live and are unlikely to want to move into Reading (for example). If they did, that would free up houses in Henley.
- Why therefore should we have to build extra houses in Henley (say) to house people who just cross a bridge over the Thames to work there?
- We have 5,946 people in the 2021 Census who commute more than 60Km to work. Let's say, in London. Again, let's assume they are content with that – everyone makes choices. Does London – a more expensive area – have to build a house for all these people so they can avoid such a long trip? If they did move, that would free up houses in Oxfordshire

⁶ Banbury to Henley on Thames is 80Km by road, so an in-County commute of over 60Km is possible!

The increases in opportunity to work at home further reduces the probability that people will want to move to avoid commuting.

Of all the assumptions made in these forecasts, this is one of the worst. Poor data plus little understanding of reality but nevertheless twisted to increase the number of houses 'needed' and the profits of developers working in Oxfordshire...

Figure 7.5 – There is no evidence that increases in miles travelled is due to increased long distance commuting. It could just be the effect of more car ownership, more miles run by delivery vans, more short trips, more taking children to school, pandemic cutting public transport options in 2019...

7.4.28 From the 2021 Census, Oxfordshire mainly working from home rates were 37.9% (not 30% as in the consultants figures). Cherwell was 32.2% (not 24%) and Oxford was 38.8% (not 28%). Vale of White Horse was 41.3% (correct as 41%). South 42.8%, West 35.0%.

7.4.24 In short, NNGO does not think the commuting figures used are accurate. We think many commuters making short trips to work across the County boundary in either direction, are likely to be content with their current arrangements. So, there is no obvious housing problem to solve. Building thousands more expensive new houses in Oxfordshire is unlikely to help.

Table 7.8 and 7.9 – key information, rearranged

	Standard Method	Housing led 2012 Census adjusted	Cambridge Econometrics (CE) Baseline Trend	Economic Development Led = Transformational
		Recommended see Para 7.7.23		Rejected – 7.7.21, 7.3.22
Housing need	3,388	4,721	4,406	5,830
Workforce/Labour Demand	460,268	460,268	460,268	489,655
Resident workers Labour Supply	425,411	452,926	446,422	475,809
Shortage of workers	34,857	7,342	13,846	13,846
In-Commuting demand / target	22,657	4,773	9,000 *	9,000 *
Population 2040	875,522	932,148	918,763	979,244

Housing market effect supply/demand	9.9%	9.9%	8.6%	10.1%
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Shortage of workers = Labour Demand – Labour Supply
 In-commuting is 65% of the ‘Shortage of workers’ * With home working

These options imply the following Population growth from 2021:

	Standard Method	Housing led 2012 Census adjusted	Cambridge Econometrics Baseline	Economic Development Led = Transformational
Population 2021	726,530			
Population 2040	875,522	932,148	918,763	979,244
Percentage growth, 19 years	20.5%	28.3%	26.4%	34.8%

Assuming that growth rates for the next 20 years are the same as the increase from 2011 to 2021 gives the following set of figures:

Assume that the 2011 to 2021 Growth rate continues

	Start of period	Change	Percentage	End of period
2011 to 2021 Actual	653,798	71,477	10.9%	725,275
2021 to 2031	725,275	79,291	10.9%	804,566
2031 to 2041	804,566	87,960	10.9%	892,526
Change over 20 years	725,275	167,251	23.1%	892,526

So over 20 years a growth rate of +23.1% might be achieved. This is slightly more than the Standard method (20.5%) but some way short of the Housing led figure (28.3%) and a very long way short of the Economic Development led figure (34.8%).

Table 7.10 Presumably, each district will wish to consider its own standard method figure and then make a decision about what its views are, in the light of the changes to the system. Apart from this table, the subsequent discussions and tables (Table 7.11, 7.12) seem pointless and it is hard to see them being of interest or likely to be implemented. NNGO notes the point that these projections imply that Oxford and

Cherwell ‘are projected to represent well over half of the FEMA’s employment by 2040’. Oxford certainly needs to consider how it might absorb more of its supposed needs within its boundaries.

7.7.4 This says that delivering the housing required by the standard method (as calculated in the HENA) will not provide enough labour to support the Oxfordshire economy compared to the CE 2022 based employment baseline projection. NNGO disagrees for various reasons:

- The standard method is supposedly designed to produce 300,000 houses a year – more than are likely to be needed. Once that is satisfied, we don’t need to do more if we consider other issues such as the environment and global warming. This view is likely to be reinforced by the revised NPPF . Will other areas do less if we do more?;
- We think the figures projecting employment are over-optimistic, so can’t be used as a valid criticism;
- Such rapid growth would undermine the national levelling up agenda that is still on the table; and
- The Oxfordshire economy can in any case, respond to labour shortages in other ways – by increasing productivity and efficiency – and hopefully wages.

7.7.7 Referring to the standard method, this says that ‘*it seems unrealistic to assume that this scenario is likely to see affordability improve*’. But NNGO notes that Table 7.8 gives a ‘Housing market effect’ of the standard method, when adjusted for 2021 Census figure of 9.9%. This is more than figure for the ‘2022 CE Baseline’ in Table 7.9 of 8.6%. It also approaches the figure of 10.1% for the ‘Economic Development Led’ or Transformational scenario.

7.7.9 The Census Adjusted Scenario ‘*sets the level of housing 40% higher than the 2014-based standard method, reflecting recent population trends revealed by the 2021 Census*’. That is a considerable adjustment. Too much says NNGO!

The following table shows one estimate of the extent to which Oxfordshire’s population increased by more than estimated from 2011 to 2021:

ONS underestimate of population growth in Oxfordshire to 2021

	Start of period	Change	Percentage	End of period
2011 to 2021 ONS estimate	653,798	46,590	7.1%	700,388

2011 to 2021 Census	653,798	71,477	10.9%	725,275
Differences		24,887		24,887

Source: 2018 based projections for 2021

Overall, population growth was 24,887 more than ONS estimates. The increase was by just 3.8 percentage points, from 7.1% to 10.9%

7.7.21 This paragraph has been mentioned earlier, see comments on 7.3.22

7.7.22 Says:

'It is recommended therefore, on balance, to use the scenarios that derive labour demand from the CE 2022 Baseline, therefore discounting the Economic Development led scenario that is adjusted down to the LIP from the LIS, because there is still over-optimism in that scenario.'

7.7.23 This recommends the two middle scenarios:

- 2012 Census Adjusted
- CE Baseline Trend

Table 7.1 (Page 96) is incorrectly numbered, it should be **Table 7.13**

Table 7.1: Summary of outputs for recommended scenarios

	2021 Census Adjusted Standard Method	CE Baseline Trend
Housing need per annum	4,721	4,406
Total Dwellings 2040	394,978	389,306
Total Population 2040	932,148	918,763
Working Residents 2040	452,926	446,422
Workplace Workers 2040	460,268	460,268
Inward daily commuting	4,773	9,000
Improvement in Housing Supply (relative to demand)	9.9%	8.6%

PART C: Future Employment Land Needs, Affordable and Specialist Housing Need and Mix

NNGO has no comments on these sections.

ANNEX 1 – Comments on HRRs as part of our response to the Reg 18 consultation for the Oxfordshire 2050 Plan

Household Representative Rates (Section 3.10, 3.11, 7.4)

Section 3 considers the 'Household Representative Rates' (HRR). These are multiplied by population figures (broken down by age) to project the numbers of households. The population projections are multiplied by the HRR's to give a projected number of households.

NNGO is concerned that there is no detailed explanation of the changes in HRRs and no justification for changing them for the 35-44 age group. Also, we consider that there is a danger of double counting households needing affordable property. Increasing the HRRs will generate more households, but this does not seem to be allowed for in the affordability calculations made later.

The HRR are based on Census figures. The 2011 Census figures are the most recent figures. HRRs for the last three sets of ONS household forecasts have been estimated as follows:

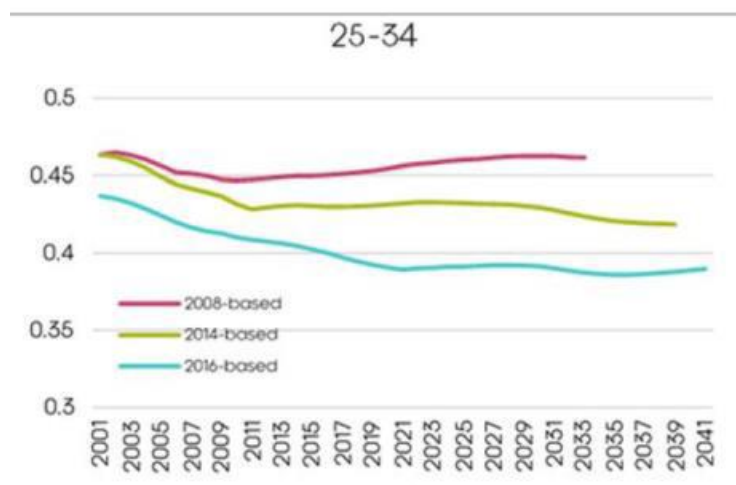
2014 based – Based on trends from the 1971 Census to 2011 (Page 40).

Recommended by the government for HRR projections

2016 based – Based on trends between the 2001 and 2011 Census

2018 based – Based on trends between the 2001 and 2011 Census

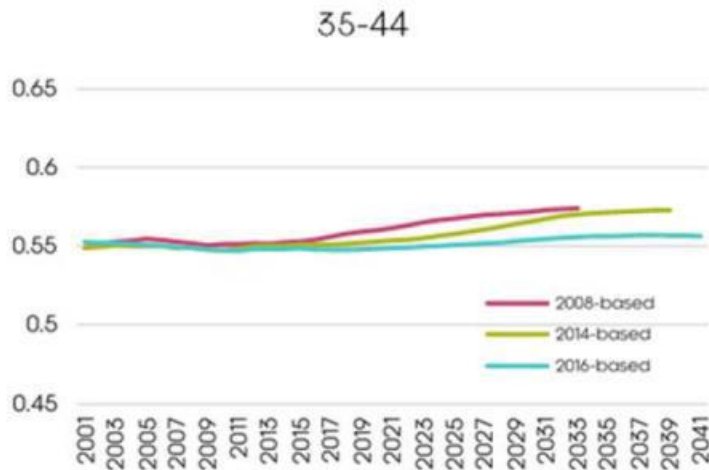
Figure 3.10.1 compares the HRRs resulting for 2008 based HRRs (a much earlier version) with the HRRs for 2014 and 2016 (2018 HRRs are not shown). For the 25-34 age group, changes in HRRs are as follows:



It is reasonably clear that HRRs are lower in the 2014 and 2016 based figures (blue and green lines) than in 2008 (red line). As time passed, it has apparently been more difficult for younger people to form a separate household than it used to be.

NNGO thinks this is partly a result of changes in the jobs market as well as changes in housing supply. The existing housing supply system has rising house prices -

pushed up by low interest rates and stamp duty holidays etc. This is compounded by worsening conditions in the jobs market, with stagnant wages, insecurity, low pay, zero hours contracts and low-quality self-employment. Affordability has been reduced by increasing prices but also by worse jobs for the young buyers. However, in the 35-44 age group, there is less difference in HRRs, as follows:



In other age groups, noticeable differences for the 2016 based figures compared to 2014 and 2008 are:

- Age 45-64 – 2016 based HRRs are higher
- Age 65-74 – 2016 based HRRs are lower
- Age 75-84 – 2016 based HRRs are higher
- Age 85+ – 2016 based HRRs are higher

So higher HRRs in later age groups may compensate for the issues for people aged 25-34. In effect, there is a ‘swings and roundabouts’ effect here, with no clear overall pattern that 2016 based HRRs are lower or higher than the others.

Only by applying the HRRs to a set of population data can the differences in the number of households generated be observed. Tables 3.11.1 and 3.11.2 do this and the overall results for Oxfordshire for 2018-43 are as follows:

Extra households, 2018-2043	Household Representative Rate (HRR) option		
	2014 based	2016 based	2018 based
2018 based population	37,670	35,264	43,479 ⁴
Change	+23,547	+23,084	
2018 based population increased by the consultant	61,217	58,348	Not available

The 2018 based HRR projections apparently produce households that are more than the 2014 or 2016 based HRRs (43,479). No matter, the consultant has increased the population figures by 26,000 in 2020 and 76,000 in 2050 (see previous discussion in our note 'Where do we start from') and then chooses the 2014 based figures giving an even higher figure of 61,217.

These arguments are picked up in Section 7.4 which says what is used: *Household Representative Rates (HRRs) from the 2014-based subnational household projections (SNHP) and a part-return to trend method for the 25-34 and 35-44 age groups*

NNGO has the following criticisms:

- **There is no detailed explanation of the changes made in the HRRs.**
- **There is little justification for changing the HRRs for the 35-44 age group.**

NNGO disagrees with these partial revelations, explanations and manipulations. They all tend to increase the need for more expensive new housing in Oxfordshire – an approach that has failed over several years to solve our housing problems.

NNGO also knows that increasing headship rates means increasing the projected numbers of households. This means making an assumption that as more people aged 25-34 years can form a separate household, so they will – for example - no longer be part of another household. So, using higher HRRs means that the affordability problems mentioned are assumed to be easing, and affordability is increased.

Annex B - An alternative net migration figure

Existing number of Net migrants proposed

	Per year	20 Years
Average 2015-20	2,752	
Adjustment for 2021 Census	2,674	
Total 2020 to 2040	5,426	108,512

Source: Table 3.11 HENA

Revised number of Net migrants

	Per year	20 Years	% change
2030-40 - Average 2010-15	2,287		
Adjustment for 2021 Census	2,674		
Total 2020 to 2040	4,961	99,212	-9%
Reduction for tapering off in household growth in 2nd decade			20.73%
Reduce Net migrant figure to allow for tapering		-20,569	
Net migrant figure on 10-year average & reduced to allow for tapering		78,643	- 27.53%