

Growth Board 25 June 2015
Agenda item 3
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The Cherwell Local Plan

Introduction

Following the Examination into the submitted and modified Cherwell Local Plan in December 2014, the Inspectors Report was published on 12th June 2015.

The Inspector has found the Cherwell Plan to be 'sound' and he endorses the strategy proposed and agrees with the approach taken to the critical issues on which all plans are developed, namely the Duty to Cooperate, reliance on an up to date SHMA and the Sustainability Assessment.

His finding of 'soundness' is subject to Cherwell District Council making a number of main modifications to revise the Plan, which are essentially those proposed by the Council in October 2014.

Cherwell District Council proposes to adopt the Local Plan at its Full Council on 20th July 2015.

Issues of interest to the Growth Board

The detailed and complex report on the Cherwell Local Plan includes five inter-linked areas of commentary and findings which are of interest to the wider Growth Board including:

1. Duty to Cooperate – where the Council's approach and the on-going Countywide approach to working to address the unmet need of Oxford are endorsed (para 10).
2. Soundness – where he endorses the Councils proposed approach to addressing the unmet needs of Oxford (para 17 & 18) including a commitment to a Partial Review (para 18) once the Oxford 'needs have been fully clarified/confirmed'.
3. Strategy – where the focus of the Cherwell Plan on directing development to Bicester and Banbury is endorsed (para 20 & 22); with the importance of the Infrastructure work with the County and others recognised, together with the viability assessments.
4. The SHMA – where he endorses the Councils conformity with an up to date SHMA, the Oxfordshire SHMA published in April 2014. This is an extensive section of his report (para's 43 – 63) and is reproduced in full.
5. Green Belt – where the approach to the Oxford Green Belt is endorsed (para's 52, 54 & 240) including a recognition of the wider strategic countywide review (para 63).

Annex 1 (attached) quotes in full the Inspectors Report to ensure the full context for what he said can be understood.

Adrian Colwell
Head of Strategic Planning and the Economy
June 2015

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Annex 1 – The Cherwell Local Plan Inspectors Report

Issue 1 - Assessment of Duty to Co-operate

‘7. Section 20(5)(c) of the 2004 Act requires that I consider whether the Council complied with any duty imposed on them by section 33A of the 2004 Act in relation to the plan’s preparation. It is a requirement that the Council engages constructively, actively and on an on-going basis with the County Council, neighbouring local authorities and a range of other organisations, including Highways England (former Highways Agency) (HE), the Environment Agency (EA) and Natural England (NE). All relevant bodies listed in Regulation 4 have been engaged, albeit some more than others depending on the extent of their involvement in the plan’s proposals.

8. In the Duty to Co-Operate Topic Paper (TOP 1) and elsewhere, including in para 149 of the plan itself, the Council has satisfactorily documented where and when co-operation has taken place, with whom and on what basis, as well as confirming that these discussions have influenced the plan preparation process. This includes regular contacts with Oxfordshire County Council (OCC) and Oxford City Council, amongst others, the outcomes of which demonstrate constructive engagement by the Council on an on-going basis, including in relation to the proposed modifications and on future development prospects in the county. They have also provided later evidence that positive engagement has continued since submission. The plan now includes a firm commitment together with other relevant Councils to help meet any needs for new housing arising in the city that cannot be met within its present boundaries.

9. As made clear at the examination and through Inspector Notes 1 and 2, the publication of the new 2014 countywide Strategic Housing Market Assessment (SHMA) (HOU 12d) helped to confirm that there were serious soundness issues regarding the submitted plan, particularly in respect of the level of new housing proposed for Cherwell district. However, its emergence as important new evidence did not affect the Council’s compliance with the duty to co-operate up to that point in time, or indeed since, as the necessary on-going co-operation with all relevant parties, including Oxford City Council, had been continuing as expected by the duty and is suitably evidenced to that effect.

10. The formal arrangements now in place between the various Oxfordshire Councils to fully address the results of the 2014 SHMA (HOU 12d) for the county, including the needs of the city, as now referred to in para B.89b of the plan, as modified, reinforce my conclusion that the duty to co-operate has been met by the Council in relation to this plan. Moreover, I also consider that these arrangements should materially assist satisfactory on-going co-operation. This is so notwithstanding that that there is as yet no final agreement on how or where the new housing needs of the city that cannot be met within its boundaries, whatever they may be once finally assessed, would be met, as the duty to co-operate is not a duty to agree.

11. For the time being at least, with the important exception of Oxford City Council as referred to above, none of Cherwell’s neighbours has sought help in meeting their local housing or other needs and Cherwell has not asked any other authority to help them; nor does it intend to. Furthermore, no other significant cross boundary strategic issues relating to co-operation with neighbouring Councils or Reg. 4 bodies remain unresolved. Any future request that may come from London for help in regard to the capital’s needs would be a

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matter for a new or reviewed plan to consider at the appropriate stage(s). Therefore, I am satisfied that the duty to co-operate has been met.'

Issue 2 - Soundness

'13. Many respondents expressed serious doubts about the Council's overall approach to new housing in the submitted plan, not least regarding the initial assessment of need. I have shared some of those concerns during the examination process, as reflected in my initial findings following the first hearings in June 2014. The Council has responded positively by reconsidering their figures, particularly in respect of using the full, up to date, levels of objectively assessed need (OAN) in the 2014 Strategic Housing Market Assessment (SHMA) (HOU 12d), in producing the proposed modifications in August 2014, in accord with the guidance in the NPPF.

14. Consequently, these now include a significant increase in the level of new housing provision from 16,750 (2006 – 2031) to 22,840 (2011 – 2031) net new homes over the plan period and the allocation of additional strategic sites, as well as extensions to others, to meet the full OAN for the district. Together with the other relevant authorities, the Council has also chosen to make a firm commitment to a joint review of Green Belt boundaries around Oxford in order to help deliver the necessary new homes to meet the city's identified local needs that cannot be met within it in the near future. This should ensure that the overall needs of the countywide housing market area are fully addressed.

15. For further justification of the logic and merits of the Council's decision to select the high growth option, as many respondents pointed out, it is relevant to consider comparisons with Cambridgeshire, with its equally pre-eminent university city, and the economic growth that has taken place there recently and which will continue in the overall national interest. Therefore, I endorse this important policy decision by the relevant Councils, including Cherwell, as appropriate, reasonable and realistic in the current context.

16. The Council also expects to make other new housing land allocations in the Part 2 LP below the strategic site size level and there will also be a continuing contribution from "windfalls" (para 48 NPPF), as well as from sites brought forward through neighbourhood plans. The plan's vision, objectives and overall strategy of concentrating most new development at Banbury and Bicester, together with some provision at Upper Heyford and Kidlington, remains essentially unchanged. Therefore, I am fully satisfied that the Council's proposed modifications are not so extensive or so significant as to constitute a complete re-write of the originally submitted version or, effectively, a new plan and that they are, essentially, sound.

17. It is unrealistic to expect that this district could reasonably provide for all of any unmet need arising from the city of Oxford's lack of capacity to meet all of its own requirements, as set out in the 2014 SHMA. Clearly, a joint approach involving all the relevant Councils is required on a co-operative basis to fully address the OANs of the whole county as one overall strategic housing market area. Such a process could only be harmed by Cherwell not meeting its own full district OAN, but if it does then that will at least mean that the pressures on the city of Oxford will not be made any worse by a failure to deliver the necessary level of new housing in this district and the sustainable development of the county as a whole will be materially assisted.

18. Accordingly, I am satisfied that it is appropriate for this plan to proceed on that basis, provided that there is a firm commitment from the Council to play its part in addressing the needs of Oxford city through that joint process in the near future, once those needs have

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been fully clarified/confirmed. In my judgement, the Council's modifications, notably in para B.89.b, are intended to and should help achieve that important objective.'

Issue 3 - Strategy and Vision

'20. The plan sustainably focuses new development in the district's two main market towns of Banbury and Bicester, with their good transport connections, including by rail and on the M40 to London and Birmingham, and where most major services and facilities are located. The majority of local employment opportunities are also sited here. These two large towns are clearly the most sustainable locations in the area.

In para. 22. he observes *'....A plan strategy that focussed most of the new growth needed on the edge of Oxford rather than Bicester and Banbury would simply not have been a "reasonable alternative", due to the scale of the loss of GB around the city contrary to the guidance in the NPPF and the PPG, as well as the likely infrastructure and environmental implications.'*

23. In contrast, delivery of the selected strategy and the vision for the district is properly linked with the provision of the necessary supporting infrastructure, involving close working with Oxfordshire County Council (OCC), as set out in the Infrastructure Delivery Plan (IDP) (App 8), especially in respect of transport and education, but also for other necessary community services and facilities. This takes into account already planned enhancements of the area's transport network, including the East/West rail scheme and M40 junction improvements, as well as the implementation of the Oxford/Oxfordshire City Deal (2014) that has secured funding for new investment locally to help deliver the economic growth of the county envisaged in the Strategic Economic Plan (SEP) for Oxfordshire (ECO 09) (March 2014). The 2013 LP Viability Study (PWE 02) and 2014 update (PWE 03) provide firm evidence that the policies and proposals of the plan are realistically and economically deliverable in terms of on and off site infrastructure provision, as envisaged in the plan'.

Issue 4 - The SHMA

Policy BSC 1

43. The submitted plan included provision for 16,750 new homes (670 per year) in the district from 2006 to 2031. This was largely based on a 2007 countywide Strategic Housing Market Assessment (SHMA), as supplemented by a 2012 update and review for Cherwell district only. However, following the hearings in June 2014, my preliminary findings were that this figure did not represent the full, objectively assessed, local need for new housing.

44. This was largely because it essentially relied on an out of date evidence base. This had not been properly reconsidered in the light of current needs and circumstances, including not only the guidance in the NPPF, but also the 2011 Census results, amongst other things, such as more recent DCLG/ONS population and household projections providing the necessary inputs on migration and demographic change. Nor did it represent an unconstrained initial assessment of needs, including for affordable housing, to which relevant constraints and market factors could later be applied, as required by the NPPF.

45. The Council responded positively by reconsidering their figures, particularly in respect of using the full, up to date, levels of objectively assessed need (OAN) in the 2014 Oxfordshire SHMA (HOU 12d), in producing the proposed main modifications in August 2014. Importantly, as a starting point, the 2014 SHMA figures are not affected by considerations of possible constraints to capacity or to delivery, in either policy or practical terms, in accord with the NPPF's requirements in this regard.

46. *This re-assessment has led to a net new housing requirement of 22,840 homes for the district, equivalent to an average of 1,140 units per year from 2011 to 2031 to meet local needs. It is based on the Council's conclusions, supported by other relevant Councils, that the district's sustainable development can realistically only be fully met through the very positive "Committed Economic Growth" scenario set out in the SHMA. As a policy decision by the Council over and above the numbers needed to meet population and demographic projections alone, this takes into account the present level of employment commitments in the district and nearby, the very positive prospects for the county's economy, the relevant county and district Strategic Economic Plans, the Oxford/Oxfordshire City Deal (2014) and the objectives of the two Local Economic Partnerships involved.*

47. *Criticisms of the 2014 SHMA and the Council's decision to adopt the higher "Committed Economic Growth" scenario outcome as the basis for the new housing figures focus on both the process undertaken and the factors taken into account. However, the process was defined and the methods agreed and monitored by all the Councils commissioning the work from independent consultants, at each relevant stage, as being consistent with the requirements set out in the NPPF, such as paras 47 and 159, and appropriate for the task. In common with all the relevant councils at the hearings, I am fully satisfied that the methods used in, and the scenario outcomes arising from, the 2014 SHMA are consistent with the requirements of the NPPF and the PPG.*

48. *Other criticisms of the SHMA are essentially based on alleged inadequacies and inconsistencies in national policy and in relation to the potential implications that might arise. For example, it is argued that developers will simply sit on land once allocated and ration delivery of new housing according to their own financial interests alone. However, neither individually nor collectively do these criticisms amount to a justification for finding the SHMA or the modified new housing figures unsound, still less the plan or its strategy, vision and objectives, given their consistency with the NPPF and PPG.*

49. *Forecasting of new housing needs is not an exact science. It has been particularly difficult of late with complications arising from the recent recession, particularly in respect of new household formation, and short term variations in international migration into this country that are difficult even to accurately record, let alone project forward with confidence for a number of years. Notwithstanding, I have concluded that the Council's revised total, based largely on the 2014 SHMA, is essentially consistent with national guidance as to best practice in this regard, and suitable for the purpose in this particular instance, having regard to the local circumstances referred to above.*

50. *As required by the NPPF, it also properly reflects current "market signals" confirming the strong level of demand in the area given its location. For instance, Oxford has recently been identified in the property market as the "least affordable location in the country" to buy a home. The evidence for the very positive economic growth prospects in the county in general and the district in particular is robust and realistic, bolstered by the national economic recovery now underway. It has therefore been acknowledged by the relevant Councils, including Cherwell, as the most suitable and appropriate basis on which to plan for their new housing needs up to 2031.*

51. *This enhanced level of growth significantly above the baseline requirement necessary for population growth and demographic trends alone would take full account of the robust economic evidence, as well as the strong "market signals". It would help to deliver*

sustainable development by taking advantage of the good opportunities for new employment growth in the district and nearby to benefit the local, regional and national economies as a result. It would also take advantage of important transport improvements locally, especially for rail services and facilities.

52. In the Council's judgement and as demonstrated in the modified plan this can be done without the need to release land from the OGB for new housing, compromise the appropriate protection of the small area of AONB in the district or build on areas of significant flood risk. Suitable infrastructure provision can also be viably and realistically delivered to facilitate that level of development over the plan period.

53. None of the alternative proposals produced by representors would provide a more suitable basis for new housing provision, taking into account all the evidence submitted, including that with the proposed main modifications and the comments thereon. In short, a "business as usual" scenario, continuing previous levels of new housing delivery in the district or just meeting local population growth and demographic trends alone, as advocated by some, is simply not realistic or reasonable in current circumstances and would not be compatible with the requirements of the NPPF (e.g. para 158).

54. In contrast, the 2014 SHMA and the modifications arising from it now properly address the NPPF's requirements for a "significant boost" to new housing supply and to meet the full OAN, including for affordable housing, as well as take account of "market signals", which the submitted plan did not. The Council's work on the modifications, including the SA Addendum (2014), has confirmed that the full OAN for Cherwell can be met over the plan period without the need to remove land from the OGB for new housing or to compromise any other policies of the NPPF, such as in respect of nature conservation sites of European importance or flood risk. Thus, there are no significant national or local policy constraints that preclude the Council's ability to plan for meeting the full OAN in the district over the plan period.

55. Moreover, the revised IDP also indicates that the necessary levels of infrastructure can be viably delivered alongside the new homes and related development, particularly given the promised government funding to help with delivery in Bicester as a new "Garden City". All of the above strongly reinforces the conclusion that the higher level of new housing is reasonable and realistic, particularly as the plan's strategy concentrates the vast majority on Bicester and Banbury with an overall reduction in the annual rate in the rural areas of the district so that their character and appearance need not be materially harmed. The plan, as modified, should also help to reduce pressures for development in and around Oxford city, albeit not to the extent necessary to meet all of its needs that seem likely to be unmet within its present boundaries, such as through the major growth at Bicester, which is not far away and with significantly improving public transport links to Oxford and elsewhere.

56. All the available evidence, including the recent viability update (PWE 04PM) indicates that both the timing and total of new housing would be largely viable and essentially deliverable over the full plan period, albeit challenging for all concerned given that this level has only been achieved in one previous year (2005/6) in recent times. Notwithstanding, the Council's evidence in the IDP (App 8) is essentially robust, up to date and credible in these respects, with no insurmountable barriers (or "showstoppers") apparent in relation to the strategic sites.

57. Whilst this conclusion is based on the current position, continuing strengthening of the national and local economy could only reinforce this judgement. I therefore conclude that the

plan, as modified, would be effective in this regard. Moreover, there are also no phasing restrictions in the plan that might hinder an enhanced rate of delivery should that prove viable on any strategic site, or elsewhere. In the light of all of the above, there would be no justification for any such measures in any event.

58. Overall, and taking into account all the available evidence, statements and submissions, I conclude that, as modified, the plan is based on a full and up to date objective assessment of housing need in the area to 2031, taking account of reasonable population and household projections, having regard to all relevant local factors, including current market conditions in the district. The modified new housing total and revised housing trajectory represent a reasonable and realistic, deliverable and justified, basis for meeting local needs over the plan period. In particular, there are no national or local policy constraints that significantly and demonstrably outweigh the benefits of complying with the other relevant parts of the NPPF in terms of meeting the full OAN for new housing, including affordable housing, in Cherwell to 2031.

59. The plan would be consistent with the objectives of the NPPF in providing a significant boost to new housing delivery and in terms of helping to provide a rolling 5 year supply of sites across the area. In particular, this would be assisted by the allocation of the strategic sites that are critical to overall delivery, in direct accord with the first point in para 47 of the NPPF. Through its policies, the plan would also confirm the general suitability of other sites, encouraging their early development.

60. The proposed main modifications were subject to public consultation and SA/SEA and I have taken all the responses fully into account in reaching these conclusions on this important issue. They also include a new housing trajectory to help ensure that the plan is effective and up to date (MM 168). Nevertheless, it can only be a broad estimate of likely new housing delivery, including on the strategic sites, and will have to be regularly reviewed through the plan's monitoring process.

61. Overall, I conclude that, subject to appropriate main modifications that are essential for soundness, including provision of 22,840 net new homes (MM 34), as well as the identification of additional and extended strategic sites, the plan suitably and sufficiently addresses the full OAN for housing, including affordable housing, in Cherwell to 2031.

62. Much of the supporting text to policy BSC 1 also needs to be modified to accord with the above (MMs 30-33). It is also essential for clarity and soundness that the Council's firm commitment to help meet the needs of Oxford city as part of the countywide housing market area, jointly with other relevant authorities including through the Oxfordshire Growth Board, as well as in respect of the Oxford and Oxfordshire City Deal (2014), is formally recorded in the plan as in new paras B.89.b and B.90 (MMs 28-29).

63. This joint review of the boundaries of the OGB, as distinct from any "in principle" consideration of the need for its existence, will have to take into account the important objectives that underpinned its initial designation, as well as the OANs of the city of Oxford that cannot reasonably be met within its present built up area. However, the fact that it was first designated and defined very many years ago now supports the conclusion that a review of its boundaries is at least timely, if not necessarily overdue.

Issue 5 - Green Belt

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See earlier comments in Issue 4 SHMA in particular para 52, 54 & 63 on the future review of the Oxford Green Belt above, plus also his comment:-

'Policy ESD 14 – Oxford Green Belt

240. The first two parts of policy ESD 14, dealing with the OGB, are entirely in accord with the NPPF and PPG and sound. The third part also refers first to the OGB boundary review at Kidlington to meet local employment needs, in accord with policy Kid 1 (see above).'