

## **Supplementary Papers**

### **Scrutiny Committee**

held in the Meeting Room 1, 135 Eastern Avenue, Milton Park, Milton, OX14  
4SB

on Thursday, 30 November 2017 at 7.00 pm

**Open to the public including the press**

**8. Oxfordshire Joint Spatial Plan (Pages 2 - 24)**

To consider the report of the head of devolution and government (attached).

# Scrutiny Committee



Report of Head of Devolution and Government

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To: Scrutiny Committee

DATE: 30 November 2017

## Oxfordshire Joint Spatial Plan

### Recommendation(s)

(a) That the committee notes the contents of this report and makes any recommendations to Cabinet regarding a joint spatial plan for Oxfordshire

### Background and purpose of report

1. On 22 November the Chancellor of the Exchequer announced in his budget speech a housing and growth deal for Oxfordshire. This deal is currently in the form of an outline agreement between the government, all six Oxfordshire authorities, and the Local Enterprise Partnership.
2. A detailed delivery plan is to be developed by the councils with the Homes and Communities Agency (HCA, to be known in future as Homes England) by 31 January 2018 and the deal will then be subject to approval by each council.
3. The deal is positioned by the government in the broader context of growth in the Cambridge – Milton Keynes – Oxford corridor. A government statement regarding the growth corridor is attached as Appendix 1, and the Oxfordshire housing and growth deal is attached as Appendix 2. A letter from the leader of the council to the Secretary of State, dated 21 November, is attached as Appendix 3.
4. Through the deal, Oxfordshire commits to:
  - The submission and adoption, subject to the inspection process, of a joint statutory spatial plan covering all five district councils in Oxfordshire, by 2021
  - Plan for and support the delivery of 100,000 new homes between 2011 and 2031 – backed up with a credible plan for delivery, outlining interim milestones and targets as agreed with the HCA and Government

5. Through the deal, Government commits to:
  - Provide Oxfordshire with up to £215m funding – see below for breakdown
  - Explore options to grant Oxfordshire certain time-limited planning flexibilities, subject to consultation where appropriate
6. Government agrees to provide Oxfordshire with a comprehensive funding package of up to £215m to secure this ambitious housing and growth deal, as follows:
  - Up to £60m for affordable housing, provided this delivers sufficient value for money to be agreed in the forthcoming delivery plan
  - Up to £150m funding for infrastructure to unlock key housing sites, to be administered £30m per annum for five years
  - £5m resource funding to boost capacity to get a joint plan in place and support housing delivery.
7. At a meeting of the Oxfordshire Growth Board on 30 October 2017, the Board resolved to recommend to constituent councils:
  - that they work together to take forward a Joint Spatial Plan; and
  - within the first stages of the project and in discussion with government, seek to agree the most appropriate arrangements to take forward a Joint Spatial Plan; and
  - that the Chief Executives of the Oxfordshire Local Authorities take forward the necessary programme of work to achieve a Joint Spatial Plan.
8. The purpose of this report is to discuss governance options regarding the development of the joint spatial plan.

## **Joint statutory spatial plan for Oxfordshire**

9. Although 2021 might seem a long way into the future, the timetable for preparing a joint statutory spatial plan (JSSP) is actually quite tight, and must be dovetailed with the current local plan timetables in each district.
10. The first milestone in the agreement is the preparation of a statement of common ground by 31 March 2018.
11. A joint development plan can be prepared under Section 28 or 29 of the Planning and Compulsory Purchase Act 2004. Section 37(4)(a) of the Act sets out which bodies are defined as Local Planning Authorities, which is defined as district councils and includes county councils only where there is no district council, so in Oxfordshire the city and the four districts are the local planning authorities.
12. Under Section 28 a joint plan can be progressed using for example a joint steering group, constituted by members from each local planning authority and supported by officers. It cannot have a joint committee, as any decisions are made by each of the participating local planning authorities that the plan covers. In other words, across the plan area, all the relevant planning authorities involved would need to

approve the plan at each relevant stage in accordance with their own constitutions / schemes of delegation. If agreement is delayed or not reached at all, then there is a risk of not securing an up to date development plan with the consequent risks of not having a five year housing land supply or meeting the new housing delivery test.

13. By comparison, under Section 29, a statutory joint committee would be set up to prepare the joint plan as a joint planning authority. Setting up a joint committee requires an order (statutory instrument) to be laid before Parliament defining its scope, remit and membership. Once the plan is adopted by the joint committee it is as if it has been adopted by each of the participating planning authorities. Such a committee fulfils its responsibilities without reference to the predecessor authorities, other than via its membership.
14. It is important to note that under Section 29 the county council plays a role in plan making, which was lost following legislative changes to remove structure plans and leaving counties with only the planning function of minerals and waste. So, under Section 29 it is possible for the county to team up with the districts to produce a plan. Also under Section 29 any changes in the parameters or function of the joint committee including its abolition would require agreement by the Secretary of State and thus modification to the Order. This carries a risk that the Government may not wish or support the changes requested by the participating councils, should they wish to extend the committees remit, or indeed abolish it.
15. A statutory plan allows the councils to control the function and remit of the plan, and requires that the plan must be robust and 'sound' to pass an examination, whereas a non-statutory plan could be less robust and would have limited weight in determining planning applications at planning committees or by an inspector in a planning appeal. The main differences between a statutory and non-statutory plan is the cost of the examination process and its weight given in the determination of planning applications.

## **Financial Implications**

16. In reaching its decision to recommend a JSSP, the Oxfordshire Growth Board considered a business case which estimated the cost at between £2.9m and £3.9m. This cost would be incurred over a period of approximately three years and would be split between the six Oxfordshire authorities.
17. It is expected that there would be some corresponding savings as work done in production of a JSSP would no longer need to be carried out by each individual authority.
18. The housing and growth deal includes a sum of £5m in capacity funding which could in part be used by all of the Oxfordshire councils to fund the production of the JSSP.
19. Further work on the financial implications, fund-holding and governance arrangements is required during the period up to 31 January 2018 in which the delivery plan is to be drawn up for the housing and growth deal.
20. The delivery plan will be subject to approval by full council and the financial implications will be factored into both the budget for 2018/19 and the medium term financial plan.

## **Legal Implications**

21. Legal implications are covered in the body of the report.

## **Conclusion**

22. The housing and growth deal has not specified whether the JSSP is to be prepared under Section 28 or 29 of the Planning and Compulsory Purchase Act 2004. Overall, seeking an Oxfordshire JSSP under Section 28 of the Act is simpler, allows greater flexibilities and gives the ultimate power for deciding where development is planned to each local planning authority.

23. Officers suggest that the Section 28 route to a plan is the most appropriate to retain each council's sovereignty.

24. Alternatively, if a Section 29 route to a plan were to be required, the council still has the power to ensure that its impact is limited to areas that the council is comfortable with, due to the fact that a section 29 committee and plan would require each constituent council to agree to the proposal before the secretary of state considers making an Order.

25. This committee is invited to discuss the options for a JSSP and to make any recommendations to Cabinet.

# Helping the Cambridge, Milton Keynes and Oxford corridor reach its potential

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Alongside Autumn Budget 2017, and following the National Infrastructure Commission's [recent report](#),<sup>1</sup> the government is publishing its overarching vision for the Cambridge – Milton Keynes – Oxford corridor to stimulate economic growth in the national interest. It invites stakeholders from across the region to engage over the next 12 months to turn this high-level vision into a strategy that is capable of being delivered through an integrated programme of infrastructure investments, housing and business growth. The government will respond in full to the National Infrastructure Commission's report, including any formal endorsement of their recommendations within 6-12 months.

## The government's vision for the corridor

**1.1** The Cambridge, Milton Keynes and Oxford axis has the potential to be a growth corridor similar to Silicon Valley that nurtures the UK's innovative industries. Two of its universities are consistently ranked in the global top four and widely recognised as world leaders in key areas of research and innovation. It competes internationally for high-tech and science investment, and contains nationally-significant industry concentrations that can be a springboard for this region to lead the way globally in areas such as medicine, life sciences, autonomous vehicles, biotech and artificial intelligence – with benefits spreading far wider across the UK.

**1.2** Estimates by the National Infrastructure Commission (NIC) suggest that, with the right interventions, annual output of the corridor in 2050 could be £163 billion higher than in 2014<sup>2</sup> – approximately doubling the growth expected without intervention.

**1.3** As the NIC has reported, this growth cannot be taken for granted. The government will respond formally to the NIC's report on the corridor – including any formal endorsements of its recommendations – in the next six to twelve months, but recognises now its central finding that in order to enable the corridor to meet its full economic potential there needs to be an integrated approach to the planning and delivery of infrastructure, homes and business growth.

**1.4** Growth in the corridor must also be sustainable – planned and developed in a joined-up way, with good design, to ensure high-quality outcomes with existing and new communities benefiting from the economic opportunities; and with the protection and enhancement of historic and environmental assets balanced with economic growth.

**1.5** This area is already amongst the most economically successful in the UK. The government wants to build on that success for the benefit of the whole of the nation. It is therefore right that the private sector should play a significant part in delivering this vision, through both direct investment and the reinvestment of land value increases created by strategic infrastructure, for the benefit of local communities. This represents an important announcement intended to have a wide-ranging effect on the delivery of the proposals, and those in the land market should take note.

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<sup>1</sup> 'Partnering for prosperity: a new deal for the Cambridge – Milton Keynes – Oxford Arc', National Infrastructure Commission, November 2017.

<sup>2</sup> 'Cambridge – Milton Keynes – Oxford Corridor: interim report', National Infrastructure Commission, November 2016.

**1.6** This document, published alongside Autumn Budget 2017, sets out an initial package of infrastructure investment, planning and development measures that together are intended to kick-start a process of meeting the area's full long-term potential. The government is also inviting local partners within the corridor to work with it on agreeing a more detailed, ambitious corridor-wide vision in 2018.

## Meeting the area's long-term housing need

**1.7** The government welcomes the NIC's finding that up to 1 million homes will need to be built in the corridor by 2050, if the area is to maximise its economic potential.

**1.8** The government has agreed a housing deal with Oxfordshire, committing to a target of 100,000 homes in the county by 2031 in return for a package of support for infrastructure and economic growth, which could include supporting the growth of employment sites across the county such as Science Vale, one of the most successful science and technology clusters in the UK. This rate of housing delivery would be consistent with a corridor-wide ambition for 1 million new homes by 2050.

**1.9** The government pledges to build on the Oxfordshire deal by working with the central and eastern parts of the corridor in 2018, to realise its housing ambitions.

**1.10** As the NIC has recommended, the government will also consider opportunities for one or more major new settlements in the corridor. It will do so by bringing together public and private capital to build new locally-proposed garden towns, using appropriate delivery vehicles such as development corporations. The government will work closely with the Homes and Communities Agency and local partners to explore such opportunities further.

## Providing the infrastructure needed to support economic growth

**1.11** Although some parts of the corridor have good links to London, the Midlands and the North, east-west road connectivity in the corridor is relatively poor and east-west rail connectivity almost non-existent. When planned in tandem with housing and jobs growth, infrastructure will drive productivity and provide capacity needed to mitigate congestion and enable agglomeration of businesses and jobs. The government:

- commits to developing an **Expressway** of high-quality east-west roads between Oxford and Cambridge, key elements of which will be built in the second Roads Investment Strategy period, from 2020 to 2025. In addition, and in line with the NIC's recommendations, the government will accelerate development work, completing option selection and detailed design work on the 'missing link' elements of the Expressway between the M1 and Oxford so that it is ready to open by 2030. A decision on corridor choice will be made by summer 2018. The government will commission England's Economic Heartland to study how communities not on the Expressway itself can still benefit from it
- confirms funding for Network Rail to deliver phase two of the **western section of East West Rail**, from Bicester to Bedford, and Milton Keynes to Princes Risborough, with the aim of the first passenger services to be running in 2023 and the project to be complete by 2024; and is establishing an independent **East West Rail Company**, which will seek opportunities to accelerate delivery of the central section of East West Rail between Bedford and Cambridge, with the aim for passenger services to begin by the mid-2020s

- announces match-funding of up to £5 million of contributions from the Cambridgeshire and Peterborough Combined Authority, the Greater Cambridge Partnership, and AstraZeneca for the development of plans for a **Cambridge South station**, with possible construction from the early 2020s subject to affordability, meaningful local contributions and a robust business case
- in partnership with Cambridgeshire County Council, the Cambridgeshire and Peterborough Combined Authority, and the Greater Cambridge Partnership, the government is also commissioning Network Rail to report by summer 2018 on **rail growth in Cambridgeshire up to 2043**, and the enhancements required to support this – which could bring rail benefits across East Anglia, including from Cambridge to Ipswich and Norwich
- recognises the NIC’s arguments for a **station at Cowley in Oxford**, and as a first step towards delivery is making available up to £300,000 to co-fund with local stakeholders an **Oxfordshire Rail Corridor study** to explore rail growth in the area, and opportunities for additional services, stations and routes

## Boosting the corridor’s economy

**1.12** Despite the corridor’s economic strengths, as the NIC’s study has found, the area is characterised by separate labour markets and commuting between hubs is minimal.

**1.13** The government wants to enable individual specialisms to thrive, but also to enable cross-fertilisation between areas and local economic planning to be orientated to the success of the corridor as a whole. To help facilitate economic growth:

- the government is inviting Local Enterprise Partnerships (LEPs) across the corridor and the Cambridgeshire and Peterborough Combined Authority to begin the development of ambitious **Local Industrial Strategies**. These strategies will back the corridor’s world-class science and innovation assets, as well as identifying and growing new sectors and business. Key to their success will be ensuring they read across the four LEP boundaries and align with the shared strategic vision for the corridor
- the government is working on a series of **sector deals** with the life sciences, construction and artificial intelligence sectors to boost these key sectors in the corridor
- the government invites local partners to work with the Department for International Trade with the aim of **boosting inward investment and exports**
- as the corridor is a key centre of expertise for **driverless vehicle technologies**, the government recently announced a £6.9 million investment in a joint driverless vehicle testing infrastructure scheme between the Culham Science Park in Oxfordshire, and Millbrook proving ground in Bedfordshire
- Autumn Budget 2017 announces Cambridge is one of eleven **Tech Nation regional hubs** that will be established outside London

## Providing the leadership needed to align economic, infrastructure and housing growth

**1.14** The corridor is governed by a mixture of county and district authorities, unitary authorities and a mayoral combined authority. In order to ensure that planning for jobs, new homes and



infrastructure is aligned across the corridor over the long term, it will be necessary for authorities to work together much more closely going forward.

**1.15** The government invites local partners to work with it through 2018 to agree a long term vision for the whole corridor up to 2050. This will set out how jobs, homes and infrastructure across the corridor will be planned together to benefit existing and new residents, while balancing economic growth with the protection and enhancement of the area's historic and environmental assets.

**1.16** The government believes this long-term vision should be underpinned by a series of joint statutory plans across the corridor which would deliver the vision through the planning system. As a first step, Oxfordshire has agreed, through its housing deal with government, to bring forward for adoption a joint statutory plan across the whole county. The government urges other areas in the corridor to propose how they will work together with a view to adopting a small number of joint statutory plans at the earliest opportunity to ensure that planning for business and housing is coordinated with the delivery of strategic and local infrastructure.

### **Ensuring local communities benefit from economic investments**

**1.17** The government is prepared to invest to make sure the corridor gets the strategic infrastructure it needs to fulfil its economic potential. This means that there will be significant increases in land value across the corridor due to public investment. It is the government's intention that such increases in land value are shared with local communities for public benefit.

**1.18** The government will be consulting on changes to the mechanisms currently available to local authorities (the Community Infrastructure Levy (CIL) and Section 106 agreements) to make them easier to use and more flexible. This will enable local authorities to capture land value uplift taking place in the corridor more effectively. For example, the government will consult on changes to CIL that would make it easier for authorities to capture land value increases around new railway stations.

**1.19** As a starting point, the government expects authorities and delivery bodies in the Cambridge – Milton Keynes – Oxford corridor to use existing mechanisms of land value capture, and the potential new mechanisms announced at Autumn Budget 2017 (subject to consultation) to capture rising land values from the additional public investment in a fair way, having regard to the announcements made at Budget 2017.

**1.20** The government will also encourage authorities to explore the introduction of a Strategic Infrastructure Tariff, in addition to CIL, supported by appropriate governance arrangements. These approaches will require developers to baseline their contribution towards infrastructure into the values they pay for land.

### **Conclusion**

**1.21** The Cambridge – Milton Keynes – Oxford corridor is a national asset that competes on the world stage and fires Britain's economy. The government invites stakeholders from across the region to work with it over the next 12 months to turn this high-level vision into a strategy that is capable of being delivered through an integrated programme of infrastructure investments, housing and business growth.

# **Oxfordshire Housing and Growth Deal – Outline Agreement**

### **Definitions of Terms**

“Oxfordshire” or “the authorities” refers collectively to six local authorities and the Local Enterprise Partnership with whom Government (HMG) has agreed the Oxfordshire Housing and Growth deal, namely:

- Cherwell District Council
- Oxford City Council
- Oxfordshire County Council
- South Oxfordshire District Council
- Vale of White Horse District Council
- West Oxfordshire District Council
- Oxfordshire Local Enterprise Partnership (OxLEP)

### **Interface with transport schemes**

This deal, and any distribution of funds via it, does not constitute HMG endorsement or approval to any transport scheme. In addition, it does not circumvent any design, development or planning processes required by HMG, or any of its agencies/organisations owned by HMG (for example, Highways England or Network Rail).

Nor does it imply any favourable treatment for a transport scheme in any competitive bidding process should funding be requested in addition to that provided by this deal. HMG stands ready to advise Oxfordshire about scheme development, for example on the strategic road network or rail network.

### **Interface with the planning system**

This deal, and any distribution of funds via it, does not constitute HMG weight or approval for any scheme which is subject to the planning system.

In addition, it does not alter any of the statutory functions, duties and rights of HMG or Local Planning Authorities, and in particular the functions of the Secretary of State in relation to plan-making or decision-taking. Nor does it imply any favourable treatment for any specific scheme or plan.

# **1. Introduction**

## **a) Core components of the deal**

1. This document contains an outline agreement for a Housing and Growth Deal between the Government and the local authorities in the Oxfordshire area (Cherwell District Council; Oxford City Council; Oxfordshire County Council; South Oxfordshire District Council; Vale of White Horse District Council; West Oxfordshire District Council) and the Local Enterprise Partnership (OxLEP) - hereafter collectively referred to as 'Oxfordshire'.
2. Through the deal, Oxfordshire commits to:
  - The submission and adoption, subject to the inspection process, of a joint statutory spatial plan covering all five district councils in Oxfordshire, by 2021
  - Plan for and support the delivery of 100,000 new homes between 2011 and 2031 – backed up with a credible plan for delivery, outlining interim milestones and targets as agreed with the HCA and Government
3. Through the deal, Government commits to:
  - Provide Oxfordshire with up to £215m funding – see below for breakdown
  - Explore options to grant Oxfordshire certain time-limited planning flexibilities, subject to consultation where appropriate

## **b) Stages of the deal**

4. The deal comprises two stages. The first is the 'outline agreement' stage - the detail of which is covered by this document.
5. The next stage ('the full agreement') will set out a more detailed delivery and implementation plan (see below). This will be dependent on a full council decision by each local authority, before being agreed between Oxfordshire and Government.

## **c) Approving the deal**

6. The outline deal will be approved via an exchange of letters between DCLG ministers and the constituent councils of the Oxfordshire area (Cherwell District Council; Oxford City Council; Oxfordshire County Council; South Oxfordshire District Council; Vale of White Horse District Council; West Oxfordshire District Council) and OxLEP.
7. Before the full agreement can be approved by either side, HMG requires Oxfordshire to produce a realistic delivery plan by 31 January 2018. This plan should be agreed with the HCA, and should demonstrate how Government money provided through the deal is being spent in accordance with value for money requirements, alongside additional information on how a longer term step-change will be made to plan for and support the delivery of 100,000 homes by 2031.
8. Any capacity funding provided through the deal will be available to support the development of the delivery plan. The delivery plan should include at least the following pieces of information to demonstrate results achieved as a result of money provided through the deal:

- Implementation plan for spending Government money provided through the deal that meets value for money requirements as agreed with Government
  - A clear delivery profile setting out the number of homes to be built across each year
  - The location of housing and employment sites to be delivered, as a result of money delivered by the deal
  - The types and tenure of homes that will be built
  - The locations and type of infrastructure which will be invested in
  - A spending profile for the investment provided to Oxfordshire by Government
  - A monitoring and evaluation strategy for the deal
  - A clear plan for maximising local and new private investment into Oxfordshire
  - Timescales and payment profile for funding provided against the deal
  - Further detail on any flexibilities or freedoms granted, which may be subject to consultation where appropriate
9. This is not an exhaustive list. Government will now work closely with Oxfordshire to outline its needs for the delivery plan in more detail, and come to an agreement on its format and content.

#### **d) Oxfordshire's plans for growth**

10. Oxfordshire has a strong and growing knowledge intensive economy and is a net contributor to the UK exchequer, delivering £21 billion per year to national output. It competes on a global stage as a centre of science and innovation, with two universities and unique research organisations and activities. Oxfordshire is a high demand housing area with a house price to earnings ratio of 10.23 - well in excess of the national average of 7.72. Like many areas, infrastructure constraints are a major barrier to housing development and job creation in Oxfordshire.
11. Oxfordshire's plans for growth are focused on a long-term, comprehensive and integrated approach to addressing these barriers - to deliver housing and economic growth in high quality sustainable developments, which offer good quality of life for new and existing residents. This is reflected in the strong collaborative approach at the heart of the Oxfordshire Growth Board: a joint committee of the six local authorities, together with key strategic partners - including Oxfordshire's two universities and the LEP - set up to facilitate and enable joint working on economic development, strategic planning and growth, including housing.
12. Work undertaken by the Oxfordshire Growth Board and OxLEP has resulted in an ambitious Strategic Economic Plan, alongside an extensive assessment and ranking project, taking in all of the infrastructure development required to support Oxfordshire's expected growth over the next 25 years (Oxfordshire Infrastructure Strategy - OXIS).

#### **e) The Cambridge-Milton Keynes-Oxford arc**

13. In 2016, the Government instructed the National Infrastructure Commission (NIC) to undertake a review of the potential for growth in the geographic corridor containing Oxford, Milton Keynes and Cambridge. Sitting at the Western end of the arc, Oxfordshire has a major role to play in delivering on the Government's ambitions for this area, and beyond. The NIC's final report was published in late 2017. This housing deal will be an important step towards realising the housing growth potential of this part of the arc.

#### **f) Delivery and governance**

14. The Oxfordshire Growth Board will be accountable for the successful implementation of the deal as agreed with Government. Actions to be taken in each District will require the agreement of the host District (and the County Council where transport infrastructure is required).
15. Political support will be driven through the leaders of Oxfordshire's six local authorities – the Housing and Growth Deal is completely aligned with their local priorities around economic development in Oxfordshire and the wider Cambridge-Milton Keynes-Oxford corridor.

#### **g) HCA and Other Agency Support**

16. The Homes and Communities Agency (HCA) has significant levels of both local and national capability, through its strong presence on the ground in places (enabling it to leverage good intelligence about local housing markets) and its central commercial or strategic skills and expertise. The HCA has already played a key role within the development of the Oxfordshire Housing and Growth Deal; this is expected to continue.
17. The HCA will play an integral role within the deal process as it moves forward. By employing its wide range of powers, and deploying its expertise in managing large scale and multi-site infrastructure and development programmes, the HCA will support and enhance the potential of the Oxfordshire deal to bring forward stalled sites and ensure that the volumes of land needed for development across the county are brought forward in good time. Specifically, the HCA will work closely with the Oxfordshire authorities on the production of a delivery plan, which will be submitted by Oxfordshire to Government on or before 31 January 2018.
18. Both Government and Oxfordshire will also give consideration as to how other agencies and departments could take a more joined up role, recognising the aims of this deal, and the need for engagement to enable effective outcomes through both the planning and development process.

#### **h) Summary**

19. This deal will support Oxfordshire's six local authorities to produce a county-wide joint statutory spatial plan, and to plan for and support the delivery of 100,000 new homes by 2031.
20. Government and Oxfordshire are committed to working together to pursue a comprehensive approach to growth and will work together to explore opportunities arising from investment in the Cambridge-Milton Keynes-Oxford corridor, potential major transport schemes that could unlock major new developments and the key part Oxfordshire plays in critical sectors identified in the Government's industrial strategy.

## **2. Oxfordshire commitments**

### **a) The submission and adoption, subject to the inspection process, of a joint statutory spatial plan covering all five district councils in Oxfordshire, by 2021**

21. The Oxfordshire authorities are committed to allocating land for development through their current Local Plans. There are adopted Local Plans in place in Cherwell and for Vale of White Horse, a recently examined Plan in the case of West Oxfordshire and new Local Plans underway for Oxford City and South Oxfordshire.
22. Oxfordshire's plans are focused on placing economic growth at the heart of a drive to provide more housing – meeting both current and projected need. And housing delivery across the county is up over 75% in the last three years (up to 2015/16). However, sustaining this level of increase will not be possible without greater collaboration to support delivery of a county-wide programme of infrastructure investment.
23. With support from the county council, Oxfordshire's five district councils will enter into an agreement to work together to produce a joint statutory spatial plan to be adopted by March 2021, subject to examination. The following milestones will need to be met, with funding contingent on achievement of each milestone:

<b>Action</b>	<b>Date</b>
Statement of Common Ground	31 March 2018
All Local Plans submitted for examination	1 April 2019
Draft joint statutory spatial plan	30 October 2019
Submission of joint statutory spatial plan	31 March 2020
Adoption (subject to examination.)	31 March 2021

### **b) Delivery of 100,000 new homes by 2031 – backed up with a credible plan for delivery, outlining interim milestones and targets and agreed with the HCA and Government;**

24. Oxfordshire's 2014 Strategic Housing Market Assessment (SHMA) identified that 100,000 homes are needed across the county by 2031 to meet its trend-based economic and demographic growth and to ensure that people can live in affordable homes close to where the economic potential will be delivered.
25. This is the basis for the current suite of local plans across Oxfordshire which, when fully adopted, will provide development plan coverage to 2036. The joint statutory spatial plan will build on these local plans. The ambition to plan for and support the delivery of 100,000 new homes by 2031 is recognised as significantly in excess of the Local Housing Need figures set out in the Government consultation paper 'Planning for the right homes in the right places' (DCLG September 2017).
26. The six local authorities across Oxfordshire commit to work with Government and its agencies, to agree and create a clear delivery plan outlining Oxfordshire's ambition to plan for and support the delivery of 100,000 new homes by 2031. The delivery plan will need to be submitted by Oxfordshire on or before 31 January 2018 and approved by HMG, before any funding can be drawn down as part of the deal.
27. We also encourage Oxfordshire to work with authorities across the Cambridge-Milton Keynes-Oxford corridor, together with central government, to agree a long term vision for the whole corridor up to 2050.

28. It will be important to ensure the deal supports Oxfordshire's ambitious growth programme and meets the needs of people who cannot afford to buy on the open market. Any commitments to affordable housing delivery will need to be based on realistic delivery profiles agreed with Government as part of the subsequent delivery plan. Any payment would be linked to delivery of agreed milestones and meeting required value for money and additionality standards. HMG and Oxfordshire will agree and develop an assurance framework for the deal, which will include provisions for clawback where appropriate.

**c) Pursue innovation and quality**

29. Oxfordshire partners are committed to ensuring that new housing and employment development are of high quality design and meet environmental standards in order to create attractive, sustainable places that offer a good quality of life for existing and new communities.
30. Oxfordshire offers significant opportunities for innovation in design and new construction arising from major developments including the Northern Development Arc, Garden Towns at Didcot and Bicester, the West Oxfordshire Garden Village and the enterprise zones.
31. Government and the Oxfordshire partners will work together to explore further opportunities to drive innovation in partnership, design and construction, including:
- Promoting the growth of a locally based high quality and low cost modular housing construction supply chain industry across Oxfordshire.
  - With development partners, including the HCA, universities, health sector and private developers, Oxfordshire partners will look to use procurement and contracting influence to support the beneficial rapid development of this emerging sector.
  - Implement a programme of assessment, shared learning and applying lessons from emerging innovation, for example the Garden Towns at Didcot and Bicester, the new West Oxfordshire Garden Village and the UK's largest Self-build development at Graven Hill.
  - New partnership models for affordable housing delivery.
  - Oxfordshire aims to plan and deliver housing and transport in a coordinated way, minimising local disruption, and ensuring that new housing is served by a range of integrated, sustainable transport options which suit local needs.
  - Working closely with neighbouring authorities where appropriate, and playing a key role in future work to promote and develop the Cambridge-Milton Keynes-Oxford corridor.

**d) Oxfordshire's contribution to the deal**

32. Oxfordshire councils are already committing in excess of £340m over the next five years to support the delivery of their housing and growth ambitions across the county. This includes implementing and rolling forward the Oxfordshire Infrastructure Strategy through investment in transport, social and community infrastructure



schemes; strategic planning and delivery, investment through local housing companies delivering affordable and social housing as well as direct house building programmes and regeneration.

33. The councils and their partners are also active participants in local housing and commercial property markets through use of their own land and property assets to support continued economic success and long-term place ambitions in Oxfordshire.
34. Oxfordshire will be responsible for securing additional funding to plan for and support the delivery of the full complement of 100,000 homes by 2031. The deal does not preclude Oxfordshire from bidding for future sources of government funding.
35. The collaborative, long term approach to planning for infrastructure investment and commitment to a joint statutory spatial plan are important conditions of this deal and may be a helpful consideration in potential future applications for funding to drive growth and housing in the area.

**e) New private investment**

36. Oxfordshire should seek to bring in new private investment alongside local authority funds. The delivery plan should set out a clear proposition for encouraging new market investment to help deliver the deal and ensure Oxfordshire is an attractive place for investment, building on its existing plans for growth.
37. This deal also outlines Government's support for encouraging more private sector investment in areas with high economic potential. The recent announcement that a fully electric version of the Mini will be built at the Cowley plant in Oxford from 2019 is testament to the area's attractiveness for investment, and a reflection of Oxfordshire's position as a hub for technology and innovation across the Cambridge-Milton Keynes-Oxford arc.
38. Oxfordshire should continue to look for opportunities to bring in further new private investment.

**f) Strategic infrastructure tariff**

39. Oxfordshire should consider introducing a Strategic Infrastructure Tariff (SIT), which could help to capture additional land value uplift created by the development process. As a first step, the local authorities should undertake a viability assessment across the area to determine whether a SIT would be viable across Oxfordshire and to estimate its potential revenues.
40. In order to introduce a SIT, Oxfordshire would need to put in place the appropriate governance structures and mechanisms, at the appropriate time. Oxfordshire will now work with HMG to further explore the potential of this proposal, and the governance arrangements required to support it.

### **3. Government commitments**

41. To support Oxfordshire to adopt a joint statutory plan, and to plan for and support the delivery of 100,000 new homes by 2031, Government agrees to:

**a) Provide Oxfordshire with up to £215m funding.**

42. Government agrees to provide Oxfordshire with a comprehensive funding package of up to £215m to secure this ambitious housing and growth deal, as follows:

- Up to £60m for affordable housing, provided this delivers sufficient value for money to be agreed in the forthcoming delivery plan
- Up to £150m funding for infrastructure to unlock key housing sites, to be administered £30m per annum for five years
- £5m resource funding to boost capacity to get a joint plan in place and support housing delivery

43. This funding will be profiled and dependent on the delivery of an agreed number of homes and milestones as set out in the delivery plan - to be agreed between HMG and Oxfordshire. Funding may be withheld or clawed back if milestones are not met.

44. Delivery progress will be evaluated by the Government in accordance with the HCA.

**b) Explore options for certain time-limited planning flexibilities, subject to consultation where appropriate**

45. Oxfordshire's proposals seek to align funding, transport, infrastructure and strategic planning locally. To improve this alignment and enable additional housing and growth including the agreement of a joint statutory spatial plan:

- Government recognises that planning for this level of ambition takes time to result in increased delivery on the ground, and that these ambitions should be supported during the preparation of the JSSP. Therefore, we will explore options to help ensure that the existing housing land supply position is not undermined, and explore the impact of unplanned development whilst maintaining delivery as measured by the proposed housing delivery test.
- To offer greater certainty for the adopted JSSP, we will also explore options to adjust the consequences of the housing delivery test that are proposed to apply after 2020, in the first three years following adoption of the JSSP.
- Government will explore whether, as part of the move towards a joint statutory spatial plan, extended timescales are required for certain Oxfordshire local authorities to adopt their forthcoming Local Plans using their SHMA (Strategic Housing Market Assessment), as opposed to the transitional arrangements proposed by the Local Housing Need consultation.

46. Any potential flexibility would be granted specifically to support delivery of the ambitious Oxfordshire housing deal to plan for and support the delivery of 100,000 new homes by 2031, and to submit and adopt a joint statutory spatial plan. The detail and timescales of any freedoms or flexibilities granted by HMG as part of this deal will be shaped up during the delivery plan process, and may be subject to consultation where appropriate.

**c) Future collaboration between HMG and Oxfordshire**

47. Government is keen to understand the barriers that can hold back development and prevent new homes from being built. HMG wants to have strategic dialogue with local areas and partners about how we can work together to deliver additional homes faster. This includes better understanding of the barriers to increasing supply in local housing market areas.
48. Throughout the deal process, Oxfordshire have presented a number of issues which they perceive as potential obstacles to growth and housing delivery. Government commits to work with Oxfordshire from early 2018 onwards to better understand these issues.
49. This collaboration should feed into the development of the delivery plan which Oxfordshire will create in partnership with HMG and submit by 31 January 2018 (see above). The ongoing work may focus on a number of areas, including:
- The delivery of planning consents and timely build-out
  - Social and community infrastructure, which can support housing and growth
  - Coherence and links between government departments, statutory agencies and other bodies involved in the development process
  - Partnerships and new ways of working – especially in the context of the Cambridge-Milton Keynes-Oxford corridor
  - The use of powers, such as Compulsory Purchase Orders

## **4. Productivity**

50. Oxfordshire has a strong and growing knowledge intensive economy, and is a net contributor to the UK exchequer, delivering £21 billion per year to national output. It competes on a global stage as a centre of science and innovation, with two universities and unique research organisations and activities.

51. Alongside addressing housing delivery – a key constraint on growth in many parts of the county – Government commits to work with Oxfordshire to address other barriers to growth through:

### **a) Developing an ambitious local industrial strategy**

52. The Government is inviting Oxfordshire to begin the development of an ambitious local industrial strategy, alongside partners in the Cambridge-Milton Keynes-Oxford corridor. This strategy will back Oxfordshire's world class science and innovation assets, as well as identifying and growing new sectors (set out in Oxfordshire's Science and Innovation Audit) and business.

53. It will be a long-term vision for growth, aligned to the overall corridor-wide vision, based on robust evidence, and focused on raising productivity and pay. It will be underpinned by strong cooperation between national Government and the private sector, local leadership and key institutions.

### **a) Further support to grow Oxfordshire's businesses**

54. Government will work with Oxfordshire to develop their Growth Hub to deliver quality driven targeted support, sector advice to increase SME market penetration and to accelerate scale up of high growth companies. Government will therefore, continue to provide core funding for the Growth Hub up until 2022.

55. The strength and ambition of Oxfordshire's businesses is critical to our economic growth and improving living standards. As part of the Cambridge-Milton Keynes-Oxfordshire corridor, Oxfordshire will work with the Department for International Trade to build on its already strong international profile, with the aim of boosting inward investment and exports. Oxfordshire will also work with local partners across the Cambridge-Milton Keynes-Oxfordshire corridor to develop this work.

### **b) Addressing skills gaps**

56. As part of Oxfordshire's work to develop its local industrial strategy, DfE and Oxfordshire will work together to identify the specific skills needs that Oxfordshire faces, and encourage local providers to align their provision to address these needs. DfE will do this by rolling out national policies to address skills needs including Skills Advisory Panels, T-Levels and Apprenticeships; working with the LEP.

### **c) Supporting Oxfordshire's world-leading science and technology clusters**

57. In recognition of their national importance, Government will continue to look at ways of attracting further investment and expansion of the Science Vale and Didcot Enterprise Zones.

58. As part of the Science Vale Enterprise Zone, the Harwell Campus is a beacon of the UK knowledge economy, a science and innovation district the size of a small town

with outstanding people, world-class facilities and unrivalled access to open source national laboratories and their resources. The 710 hectare Campus is already home to more than 200 organisations ranging from the Diamond Light Source (the UK's national synchrotron) to the newly announced Faraday Institution for batteries and energy storage, and includes a plethora of business involvement from SMEs to major global players. The site is set to mature to accommodate significant growth in employment, commercial and technical accommodation and supporting infrastructure including housing. To ensure Harwell continues to grow, Government will review the options available to accelerate the decommissioning programme for the Harwell site by June 2018.

59. Oxfordshire's Science & Innovation Audit identified that Oxfordshire has significant potential for growth in a number of sectors including robotics and connected autonomous systems, space, digital health and quantum computing.
60. Oxfordshire will work with industry to explore how emerging sector deals could be coordinated with local plans and investment. Including on-going discussions with the following sectors:
  - Creative Industries
  - Nuclear
  - Robotics & Autonomous Systems
  - Space
61. Government commits to exploring with Oxfordshire how the life sciences sector deal could further support the growth of Oxfordshire's life sciences cluster. Through its discussions with the life sciences sector on a deal, Government will commit to ensure the right infrastructure is in place to support the growth of life sciences clusters, of which Oxfordshire is a key one.
62. Oxfordshire will also have the opportunity to work with industry on further phases of any sector deals which complete an initial package.

## **5. Next steps**

63. Government seeks to secure one deal with Oxfordshire. Any future agreement will need to be agreed at the appropriate level with all six local authorities and the LEP that are signing this outline agreement.
64. Should any authority/ies choose to walk away from the deal process at any point before full agreement is reached, then the outline agreement will need to be reviewed. In this instance, it is likely that Government will choose to withdraw from the deal.
65. Unless and until the joint statutory spatial plan for Oxfordshire is produced, submitted and then adopted, all existing plans and national policy continue to provide the basis for decision-making in Oxfordshire.
66. This deal does not allocate land for housing. Site allocations will be agreed through local plans subject to the inspection and examination process.
67. As outlined above, Government and Oxfordshire now hope to agree the terms of this outline agreement, before exchanging letters with the six local authorities to confirm this agreement.
68. Following this, Government expects Oxfordshire to work with the HCA to develop a credible, robust delivery plan – to cover both the commitment to plan for and support the delivery of 100,000 new homes by 2031, and the adoption of a joint statutory spatial plan by 2021 (subject to inspection). Oxfordshire will be responsible for the submission of this delivery plan by 31 January 2018.

The Rt Hon Sajid Javid MP  
Secretary of State for Communities and Local  
Government  
Department for Communities and Local Government  
4th Floor, Fry Building  
2 Marsham Street  
London SW1P 4DF

**Councillor Matthew Barber**  
Leader of the Council  
councillor@matthewbarber.co.uk  
Tel: 01235 422082

135 Eastern Avenue, Milton Park,  
Milton, Abingdon OX14 4SB

21 November 2017

Dear Secretary of State

I support the outline agreement for the Oxfordshire Housing and Growth Deal with Government. I welcome the continued collaboration between the Oxfordshire authorities and Government through the deal's delivery plan over the details of how we can continue to successfully deliver the much needed new homes in our county. I recognise that this is an important time for Oxfordshire to enable growth in our communities in return for significant financial investment and flexibilities.

In supporting the outline agreement, I would highlight some key issues:

I welcome the funding package provided through the deal. In light of the county's local priorities and back-log of infrastructure funding, I note that the deal does not preclude Oxfordshire authorities from bidding for future Government funding outside of the deal.

I am pleased with the recognition in the outline agreement that planning for this level of ambition takes time to result in increased delivery on the ground and that these ambitions should be supported during the preparation of the joint statutory spatial plan. I welcome the commitment through the deal to explore options to help ensure that the existing housing land supply position is not undermined, and explore the impact of unplanned development whilst maintaining delivery as measured by the proposed housing delivery test. I also welcome the commitment that to offer greater certainty for the adopted JSSP, Government will also explore options to adjust the consequences of the housing delivery test that are proposed to apply after 2020, in the first three years following adoption of the JSSP.

My council's intention is that the JSSP is prepared under section 28 of the Planning and Compulsory Purchase Act 2004. My council does not support preparation of a plan under section 29 of the 2004 Act.

As outlined in the deal agreement, financial investment from government will be linked to specific sites and milestones to be set out in the delivery plan that will be agreed between the Oxfordshire authorities, the Government and the HCA.

I welcome confirmation in the outline agreement that until the joint statutory spatial plan for Oxfordshire is adopted, all existing plans and national policy continue to provide the basis for decision-making in Oxfordshire.

The full deal agreement remains subject to a full Council decision in February 2018 following confirmation of the delivery plan.

Yours Sincerely,

A handwritten signature in black ink, appearing to be 'MB', written over a light blue horizontal line.

Matthew Barber  
Leader Vale of White Horse District Council

cc     Ed Vaizey MP  
       Layla Moran MP  
       Cllr Bob Price  
       Cllr Ian Hudspeth  
       Cllr James Mills  
       Cllr Barry Wood  
       Cllr John Cotton