

## **Memorandum of Understanding regarding the operation for addressing the affordable housing element of Oxford City's unmet housing need with the aid of Vale of White Horse District Council**

**6 October 2022**

This Memorandum of Understanding is between:

Vale of White Horse District Council of Abbey House, Abbey Close, Abingdon, OX14 3JE (VOWH)

and

Oxford City Council of St Aldates Chambers, 109 St Aldates, Oxford OX1 1DS ("Oxford")

Each being a "Party" and collectively "the Parties"

### **Background**

1. Both Oxford and VOWH have adopted local plans which contain provision for meeting a defined quantity of unmet housing needs for Oxford within VOWH's district ("the Vale"). This stemmed from earlier work through the Oxfordshire Growth Board between 2014-2016 and informal agreements signed by both Parties.
2. This Memorandum of Understanding sets out how the affordable housing element will be allocated to meet the defined quantity of Oxford's unmet needs in the Vale. It sets down how individual lettings will be allocated to persons falling into the category of Oxford's need for both new builds and re-lets, and the necessary monitoring arrangements.
3. The quantity of Oxford's unmet needs to be delivered in each district in Oxfordshire was agreed through the Oxfordshire Growth Board, tested through the local plan examinations, and is set out in the adopted local plans including VOWH's Local Plan (defined below). The agreed apportionment to VOWH was 2,200 homes, for the period from the adoption of part 1 of the Local Plan to 2031.
4. The locations in the Vale for accommodating the defined quantity of Oxford's unmet need were established in VOWH's Local Plan 2031 Parts 1 and 2. The locations are within the Abingdon-on-Thames and the Oxford Fringe Sub-Area. This area has a strong spatial relationship with Oxford's district ("the City") being suitably close to and accessible to the City, as per the table below.

**Table 1:** Sites which have or have potential to offer a strong spatial relationship to Oxford City

Site	Allocation
North Abingdon-on-Thames (LPP*1 allocation)	950**
North-West of Abingdon-on-Thames (LPP1 allocation)	200
North-West Radley (LPP1 allocation)	240
South of Kennington (Radley Parish; LPP1 allocation)	270
Dalton Barracks (LPP2 allocation)	1,200
<b>Total</b>	<b>2,860</b>

\*LPP = Local Plan Parts 1 and 2

\*\* Allocated for around 800 dwellings, but planning application approved for 950 dwellings in 2017.

### Agreed position:

5. The Parties agree that provision should be made for delivering 2200 homes for Oxford's unmet housing needs in the period from 2016 to 2031. The five strategic sites identified in Table 1 will be the primary mechanism for meeting VOWH's agreed apportionment of Oxford's unmet housing needs.

### Numbers of Affordable Units to meet needs of Oxford

6. Affordable housing units will be delivered as part of new residential development, through the operation of the national planning policy framework and VOWH's local plan policy (as varied from time to time at VOWH's discretion). VOWH Local Plan 1 part 1 core policy 24 seeks 35 per cent affordable housing on larger sites such as allocated sites in Table 1.
7. Core policy 24 has the potential to deliver sufficient affordable housing to address VOWH's own requirements and those of Oxford where they are to be met within the Vale. In contrast, Oxford's adopted local plan policy is for 50 per cent affordable housing on qualifying sites within the City. Since the Table 1 sites for Oxford's unmet need are in the Vale, VOWH's planning policy of 35 per cent affordable housing will apply to the sites in Table 1 rather than 50 per cent.
8. The Local Plan examination statement by VOWH on matter 2: unmet housing needs from Oxford (June 2018) proposed securing up to 1,100 affordable dwellings in the Vale to contribute towards Oxford's unmet housing needs. This figure is not a policy requirement in the Local Plan. The matter statement also suggested how the affordable housing could be apportioned to meet both Vale and Oxford housing needs as follows:

"Paragraph 2.8.3

*The sites identified as demonstrably close and accessible to Oxford, ... would contribute around 980 affordable units in total, consistent with Core Policy 24. However, it is important to consider that these sites will be meeting both Vale and Oxford housing needs, and so it is proposed that affordable units on these sites are allocated on the basis of 10% to Vale and 25% to Oxford. This ensures the provision of around 700 affordable dwellings to Oxford, which equates to over seven years supply within the Vale."*

**Table 2:** Proposed allocation on strategic sites to qualifying households on the VOWH sub-register for Oxford’s needs

Site	Affordable Housing (35%)	Proportion for Oxford’s needs (25%)	Proportion for VOWH’s needs (10%)
North Abingdon-on-Thames	332	237	95
North-West of Abingdon-on-Thames	70	50	20
North-West Radley	84	60	24
South of Kennington	94	67	27
Dalton Barracks	420	300	120
<b>Total</b>	<b>1001</b>	<b>715</b>	<b>286</b>

9. The figures provided in table 2 are illustrative, the actual level of provision will be secured largely through the granting of detailed planning permission and subsequently development. Additionally, the figures have also been rounded down because where the affordable housing calculation provides a part-unit, a financial contribution will be sought, equivalent to that part-unit.

**Agreed position:**

10. VOWH and Oxford agree that the affordable housing element of Oxford’s unmet need to be provided in the Vale is approximately 1,100 units based on Oxford’s policy percentage. The Parties agree that affordable units on the allocated sites are to be let on the basis of 10% to Vale and 25% to help to meet Oxford’s affordable housing needs. The number and proportions may vary depending on affordable housing yields on sites, monitoring results and any review of Oxford’s overall unmet housing needs during the lifetime of VOWH’s Local Plan. The target will be for VOWH to provide 1,100 lettings for Oxford City’s affordable housing needs. Once met, allocations under this agreement will cease.

**Re-Lets**

11. In 2020/21 there were approximately 230 re-lets in the Abingdon-on-Thames and Oxford Fringe Sub-Area. As stated in matter 2 statement paragraph 2.8.4 reproduced below, re-lets could contribute towards meeting Oxford’s unmet housing needs, as could any upwards adjustments to the numbers permitted on the Vale allocated sites.

Paragraph 2.8.4

*“In addition, the Council considers that re-lets of affordable housing on an annual basis, specifically within the Abingdon-On-Thames and Oxford Fringe Sub-Area, could also contribute towards Oxford’s unmet housing need. Should it be necessary to allocate additional affordable units to Oxford within the Vale, and within the plan period, the Council’s Affordable Housing Allocations Policy will make provision for allocating re-lets in the Abingdon-on-Thames and Oxford Fringe Sub-Area to Oxford residents. The council also considers that whilst not allocated for the intention of contributing housing to the unmet need for Oxford, the allocation at East of Kingston Bagpuize with Southmoor (in Fyfield and Tubney Parish) of around 600 dwellings could also contribute over 200 affordable dwellings in total, thus providing further flexibility should this become necessary”*

### **Agreed position:**

12. To accelerate delivery of homes to meet Oxford's unmet needs and in the interests of creating mixed and balanced communities, VOWH agrees that the primary mechanism for this should be provided from opportunities within Abingdon-on-Thames and Oxford Fringe Sub-Area. In accordance with core policy 4a, this could include the use of re-let properties to be allocated to Oxford, as well as consideration of the further flexibility in delivering Oxford's unmet need through allocations at East of Kingston Bagpuize with Southmoor.

### **Affordable Housing Tenure and Mix**

13. In terms of affordable tenures, the position of VOWH's Local Plan 2031, is that of the 35 per cent affordable housing allocation, the council will seek to secure 75 per cent affordable rent and 25 per cent intermediate housing, including affordable routes into home ownership in accordance with the latest government guidance and VOWH's policies as the local planning authority (subject to changes in policy at a national level).
14. Oxford's position, as set out in its local plan adopted 2016, is that on sites of 10 or more homes, 50% affordable housing will be required of which, at least 80% should be social rent (as the most discounted form of affordable housing to rent) with the remainder to be provided as intermediate forms of housing provided that they are affordable in the Oxford market (refer policy H2 – Oxford local plan 2036).
15. VOWH will seek to secure 75 per cent affordable rent and 25 per cent intermediate housing, including on the strategic sites identified to contribute towards meeting Oxford's unmet housing needs, in accordance with its Local Plan core policy 24: affordable housing or any subsequently published national guidance or legislation.
16. This suggests that of the 1,100 affordable homes proposed within the Vale towards Oxford's unmet needs, at least 538 homes should be affordable rent with the remainder to be provided as intermediate forms of housing including affordable routes to home ownership in accordance with the latest government guidance, as shown in Table 3.
17. VOWH will ensure so far as is reasonably possible that the mix of bedroom sizes offered to Oxford City on both strategic sites and re-lets will fairly reflect the mix of bedroom sizes that become available in the district.

**Table 3:** Proposed Oxford affordable housing provision within the Vale by tenure.  
(such tenures and numbers as may be varied by subsequent national legislation or guidance as implemented by VOWH in its role as planning authority or by other factors).

Site	Affordable housing allocation for Oxford's unmet needs	Affordable Rent (75%)	Intermediate tenure (25%) (affordable routes to home ownership)
North Abingdon-on-Thames	237	178	59
North-West of Abingdon-on-Thames	50	37	13
North-West Radley	60	45	15
South of Kennington	67	50	17
Dalton Barracks	300	225	75
<b>Total</b>	<b>715</b>	<b>536</b>	<b>178</b>

18. The figures in table 3 have been rounded down, where the calculation provides a part unit the council will consider the cumulative delivery across these sites to determine the appropriate tenure mix on individual sites.

#### **Agreed position:**

19. VOWH and Oxford agree that in line with Vale of White Horse District Council's Local Plan, 75 per cent of the 1,100 affordable housing requirement of the defined quantity Oxford's unmet housing need should be provided in the form of affordable rent and that this will be met through a combination of new build lets and re-lets in the Abingdon-on-Thames and Oxford Fringe Sub-Area plus consideration should be given, if necessary, to the Kingston Bagpuize site to fulfil any remaining affordable housing element of the defined quantity of Oxford's housing need. Intermediate tenures including affordable routes to home ownership in accordance with the latest government guidance will contribute the remaining 25 per cent towards the affordable housing element of the defined quantity of Oxford's housing requirement. The percentages are subject to any future changes in policy or legislation concerning routes into home ownership, including First Homes.

#### **4. Allocations Policy**

20. VOWH is a non-stock owning local authority and allocates housing through a choice based letting scheme. VOWH will assess housing register applications and nominations of affordable housing for Oxford applicants. Applicants with a local connection to Oxford would apply to join, and will be separately identified, on VOWH's housing register and bid for certain properties on VWHDC's CBL website for rental properties. For shared ownership, Oxford applicants would need to register with Help to Buy South.

21. VOWH's CBL scheme has 4 bands: Band 1, Exceptional Circumstances; Band 2, Urgent Housing Needs, Band 3, Significant Housing Needs and Band 4, Adequately housed. The banding criteria and eligibility to join the housing register are set out in VOWH's and South Oxfordshire District Council's allocations policy.

22. Applicants are able to record a local connection as part of their application.

The criteria for establishing a local connection defined in Part VII of the Housing Act 1996 is:

- Currently resident or previously resident for 3 of the last 12 months or 3 out of the past 5 years.
- In employment on a fixed term contract for a minimum of 16 hours per week.
- With a family connection to the local area through either parent, brother, sister or child (over the age of 18 years) who themselves have lived in the district for the past 5 years.
- Member of the Armed Forces have a local connection to their area of choice.

23. The full details of the local connection criteria are defined in VOWH and South Oxfordshire District Council's housing allocations policy. Such criteria may be updated by VOWH and South Oxfordshire District Council from time to time. The local connection rules will be applied to Oxford applicants in relation to the City when assessing their local connection.

24. Applicants on VOWH's register who currently work in the City would also be able to record a local connection and count towards Oxford's unmet need quota whether or not the applicant submits a dual application to VOWH.

25. If an Oxford applicant makes a successful bid for a property outside of the Abingdon-on-Thames and Oxford Fringe Sub-Area but within the Vale this would count towards Oxford's unmet need quota whether or not the applicant submits a dual application to VOWH.

26. VOWH and South Oxfordshire District Council's allocations policy will be applied equally and fairly to VOWH and Oxford applicants.

27. Oxford applicants will receive bidding preference only for certain properties identified to help meet Oxford's unmet housing needs.

28. Applicants will be assessed and nominated for properties as they become available. If an applicant chooses not to proceed with the property, it will be offered to the next and subsequent Oxford applicant on the nominations list. If the property is not taken up by any Oxford applicant then it will be counted towards meeting Oxford's unmet needs and re-classified and offered to residents on VOWH's register.

29. Properties are advertised weekly and remain open for bidding for a period of six days. If after six days no Oxford applicant has placed a bid on a property it will then be reclassified as available for VOWH applicants and re-advertised. The property will count as an allocation towards Oxford's unmet need allocation.

30. Once a property has been identified as being for occupation by and let to an Oxford City applicant it will remain classified for occupation by an Oxford applicant. Should that property come up for re-let it will be offered to an Oxford applicant again following the same procedure above. This second, and any subsequent re-letting, will each count as an allocation towards Oxford's total unmet needs under this Memorandum of Understanding.

**Agreed position:**

31. VOWH's allocations team will manage applications to the housing register and CBL nominations for those people falling into the category of Oxford's unmet needs bidding for certain properties in the Vale. A separate sub-register will be kept for this purpose.

**Monitoring arrangements and completion process**

32. The allocations team at VOWH will provide a quarterly monitoring report on the number of lets to meet Oxford's needs. This process will be subject to review by an agreed panel of officers from VOWH and Oxford at the end of the first year of operation and at the mid-point (2025 / 2026).

**Agreed position:**

33. The allocations team at VOWH will provide a quarterly monitoring report on the number of lets to those people falling into the category of Oxford's need. This process will be subject to review at the end of the first year of operation and at the mid-point (2025 / 2026). The target is to provide 1,100 homes to meet help Oxford's affordable housing needs. Once this figure is met allocations under this Memorandum of Understanding will cease and the sub-register for Oxford's needs will be closed.

**External Factors:**

34. The Parties recognise that the aims set down in this Memorandum of Understanding are subject to some factors that are outside of the control of the Parties and those factors may impede, limit, or help to accelerate progress.

**Local Government Re-organisation**

35. In the event of any local government reorganisation (i) local connections will be limited to the benefit of areas within the City boundaries as at the date of this Memorandum of Understanding and (ii) the application of this Memorandum of Understanding to VOWH or its successor in title for the benefit of the City will not extend beyond area of the Vale as at the date of this Memorandum of Understanding.

**Disputes**

36. If there is a disagreement between the Parties that cannot be resolved by the Head of Service for each Party the matter will be referred to the Chief Executive Officer and Leader of each of the Parties for resolution.

**Signed for and on behalf of Vale of White Horse District Council:**

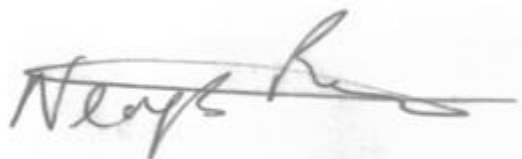


**03/10/2022**

.....  
**Paul Fielding**

**Head of Housing and Environment**

**Signed for and on behalf of Oxford City Council:**



**30/11/2022**

.....  
**Nerys Parry**

**Head of Housing Services**