

Memorandum of Understanding regarding the operation for addressing the affordable housing element of Oxford City's unmet housing needs with the assistance of South Oxfordshire District Council

21 June 2023

This Memorandum of Understanding is between:

(1) South Oxfordshire District Council of Abbey House, Abbey Close, Abingdon, OX14 3JE (SODC)

and

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

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

Background

1. Both Oxford City Council and SODC have adopted local plans which contain provision for meeting a defined quantity of unmet housing needs for Oxford City within SODC's district ("South"). This stemmed from earlier work through the Oxfordshire Growth Board between 2014-2016 and agreements signed by both Parties¹.
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 South. 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 SODCs Local Plan. The agreed apportionment of affordable allocations to SODC is 2,475 for the period from the adoption of the Local Plan to March 2035.
4. The locations in South Oxfordshire for accommodating the defined quantity of Oxford's unmet need are set out in SODC's Local Plan 2011-2035. The locations have a strong spatial relationship with Oxford's district, being suitably close to and accessible to Oxford City, as per table 1 below.

¹ Memorandum of Cooperation signed by Oxfordshire Growth Board, Sept 2016 and Statement of Common Ground with Oxford City Council, March 2019.

Table 1: Sites identified that offer a strong spatial relationship to Oxford City

| Site | Allocation of homes | Affordable homes |
|-------------------------------|---------------------|------------------|
| Land North of Bayswater Brook | 1100 | 550 |
| Grenoble Road | 3000 | 1500 |
| Northfields | 1800 | 900 |
| Total | 5900 | 2950 |

Agreed position:

- The Parties agree that provision should be made for delivering 4950 homes for Oxford's unmet housing needs in the period 2023 to 2035 and that 50 per cent of these homes should be affordable housing. The total number of affordable homes to be allocated to Oxford City, in accordance with SODC's Local Plan, is **2475**. The three strategic sites identified in Table 1 will be the primary mechanism for meeting SODC's agreed apportionment of Oxford's unmet housing needs.

Numbers of Affordable allocations to meet the needs of Oxford City

- Affordable housing units will be primarily delivered as part of new residential development, through the operation of the national planning policy framework and SODC's local plan policy (as varied from time to time at SODC's absolute discretion). SODC's Local Plan Policy H9: Affordable Housing, seeks 50 per cent affordable housing on the allocated sites in Table 1.
- Core policy H9 has the potential to deliver sufficient affordable housing to address SODC's own requirements and those of Oxford where they are to be met within South.
- The agreed proportion of Oxford's unmet housing need to be met on the identified strategic sites at first let is 80 per cent Oxford City and 20 per cent South Oxfordshire. This arrangement, combined with re-lets during the lifetime of the Local Plan, will meet the total agreed unmet affordable housing need for Oxford City, while also providing a mixed community that includes South Oxfordshire residents.

Table 2: Proposed allocation on strategic sites to qualifying households on the SODC housing register for Oxford's needs

| Site | Affordable Housing (50%) | Proportion for Oxford's Unmet needs (80%) | Proportion for SODC (20%) |
|-------------------------------|--------------------------|---|---------------------------|
| Land North of Bayswater Brook | 550 | 440 | 110 |
| Grenoble Road | 1500 | 1200 | 300 |
| Northfields | 900 | 720 | 180 |
| Total | 2950 | 2360 | 590 |

- The figures in Table 2 are illustrative, the actual level of provision will be secured largely through the granting of detailed planning permission and subsequent development.

Agreed position:

10. SODC and Oxford City agree that the affordable housing element of Oxford's unmet need to be provided in South is 2,475 units; 50 per cent of Oxford's overall housing need in SODC. The proportion of first lets on the identified strategic sites will be 80 per cent Oxford City and 20 per cent South Oxfordshire. The number and proportions may vary by agreement, depending on affordable housing yields on sites, monitoring results and any review of Oxford's overall unmet housing needs during the lifetime of SODC's Local Plan.

Re-Lets

11. In the event of a shortfall in allocations from the strategic sites following planning approvals, any balance remaining of Oxford's unmet housing need, currently 115 allocations, will be allocated to Oxford City residents from re-lets on the strategic sites. Re-lets could accelerate the contribution towards meeting Oxford's unmet housing needs, as could any upwards adjustments to the numbers permitted on the strategic sites.

Agreed position:

12. To ensure delivery of homes to meet Oxford's unmet needs and in the interests of creating mixed and balanced communities, SODC agrees that the primary mechanism for allocations should be from opportunities within the areas with a strong spatial connection to Oxford City. This includes the use of re-let properties to be allocated to Oxford in the event of any shortfall from the strategic sites, as well as additional units on the strategic sites once planning approval has been achieved. The target will be for SODC to provide 2,475 affordable housing units for Oxford City's affordable housing needs. Once met, allocations under this agreement will cease.

Affordable Housing Tenure and Mix

13. In terms of affordable tenures, the position of SODC's Local Plan, is that of the affordable housing allocation, the council will seek to secure 40 per cent Affordable Rent, 35 per cent Social Rent and 25 per cent intermediate housing, including affordable routes into home ownership in accordance with the latest government guidance and SODC's policies as the local planning authority (subject to changes in policy at a national level).
14. Oxford City's position, as set out in its Local Plan adopted 2016, is that on sites of 10 or more homes, 50 per cent affordable housing will be sought 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. SODC will seek to secure 35 per cent social rent, 40 per cent affordable rent and 25 per cent intermediate housing on the strategic sites identified to contribute towards meeting Oxford's unmet housing needs, in accordance with its Local Plan Policy H9: Affordable Housing, or any subsequently published national guidance or legislation.
16. With the introduction of First Homes requiring all sites to provide 25% or the affordable homes as First Homes, the mix of affordable housing tenures has altered

to 35 per cent Social Rent, 25 per cent Affordable Rent, 15% Shared Ownership and 25% First Homes.

17. This suggests that of the 2475 affordable homes proposed within South towards Oxford's unmet needs, at least 866 homes should be Social Rent, 619 homes should be affordable rent with the remainder to be provided as intermediate forms of housing including affordable routes to home ownership (371 Shared Ownership and 619 First Homes) in accordance with the latest government guidance, as shown in Table 3.
18. SODC will ensure so far as is reasonably possible that the mix of bedroom sizes offered to Oxford City on both strategic sites and any re-lets will fairly reflect the mix of bedroom sizes that become available in the district.

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

| Site | Affordable housing allocation for Oxford's unmet needs | Social Rent (35%) | Affordable Rent (25%) | Shared Ownership (15%) | First Homes (25%) |
|-------------------------------|--|-------------------|-----------------------|------------------------|-------------------|
| Land North of Bayswater Brook | 440 | 154 | 110 | 66 | 110 |
| Grenoble Road | 1200 | 420 | 300 | 180 | 300 |
| Northfields | 720 | 252 | 180 | 108 | 180 |
| Re-lets* | 115 | 40 | 29 | 17 | 29 |
| Total | 2475 | 866 | 619 | 371 | 619 |

*the number required is based upon current planning proposals

19. The figures in Table 3 have been rounded to the nearest number, 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:

20. SODC and Oxford City Council agree that in line with South Oxfordshire District Council's Local Plan, 35 per cent of the 2475 affordable housing requirement of the defined quantity of Oxford's unmet housing need should be provided in the form of social rent and 25 per cent affordable rent that will be met through a combination of new build lets and re-lets where necessary. Intermediate tenures including affordable routes to home ownership in accordance with the latest government guidance and legislation will contribute the remaining 40 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

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

22. SODC's CBL scheme has four bands:

- Band 1 Exceptional circumstances
- Band 2 Urgent housing need
- Band 3 Significant housing need
- Band 4 Adequately housed.

The banding criteria and eligibility to join the housing register are set out in South Oxfordshire District Council's Housing Allocations Policy that is published on the council's website.

Applicants are able to record a local connection as part of their application. The criteria for establishing a local connection is defined in Part VII of the Housing Act 1996 as:

- Currently resident or previously resident for six 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 South Oxfordshire District Council's Housing Allocations Policy. Such criteria may be updated by South Oxfordshire District Council from time to time. The local connection rules will be applied to Oxford City applicants in relation to Oxford City when assessing their local connection to join South's housing register.

24. Applicants to SODC's register who have a local connection with both SODC and Oxford City (e.g. live in South and work in Oxford City) would be able to bid for Oxford City identified properties, and the allocation would count towards Oxford's unmet need quota.

25. South Oxfordshire District Council's Housing Allocations Policy will be applied equally and fairly to SODC and Oxford City applicants.

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

27. 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 City applicant from the nominations short list. If the property is not taken up by any Oxford City applicant, then it will be counted towards meeting Oxford's unmet needs and offered to applicants with a South only local connection.
28. Properties are advertised weekly on CBL and remain open for bidding for a period of six days. If after six days no Oxford City applicant has placed a bid on a property identified for Oxford's unmet need, it will be offered to SODC bidders. The property will count as an allocation towards Oxford City's unmet need allocation.
29. Once a property has been identified as being for occupation by and let to an Oxford City applicant it will normally remain classified for occupation by an Oxford applicant unless there are exceptional circumstances regarding the tenancy or property. 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:

30. SODC's housing lettings team will assess applications to the housing register and manage nominations for Oxford City applicants to properties identified to meet Oxford's unmet housing needs. The applications, nominations and tenancies for Oxford City applicants will be separately identified on South's housing register.

Monitoring arrangements and completion process

31. The lettings team at SODC will provide a quarterly monitoring report on the number of lets to meet Oxford City's unmet needs. This will be subject to review by an agreed panel of officers from SODC and Oxford City at the end of the first year of operation and at the mid-point (2028/2029).

Agreed position:

32. The allocations team at SODC will provide a quarterly monitoring report on the number of lets to Oxford City applicants. The process will be subject to review at the end of the first year of operation and at the mid-point (2028/2029). The target is to provide 2,475 affordable homes to help meet 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:

33. 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

34. In the event of any relevant 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 VWHDC 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

35. 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.

Withdrawal

36. Either Party may terminate this Memorandum of Understanding by giving at least six months' written notice.

Signed for and on behalf of South Oxfordshire District Council



Name:Paul Fielding 14/06/2023

Position: Head of Housing and Environment

Signed for and on behalf of Oxford City Council

Name: 

Nerys Parry 21/06/2023

Position: Head of Housing Services