

Sent by email to:

16/09/2022

Dear Sir/ Madam

Response by the Home Builders Federation to the consultation on the West Oxfordshire Local Plan 2014

1. Thank you for consulting the Home Builders Federation (HBF) on the West Oxfordshire Local Plan. The HBF is the principal representative body of the housebuilding industry in England and Wales and our representations reflect the views of discussions with our membership of national and multinational corporations through to regional developers and small local housebuilders. Our members account for over 80% of all new housing built in England and Wales in any one year.

Meeting the housing needs of all

The housing requirement

2. To determine the number of homes to be planned for the Council will need to start from the minimum requirement arrived at using the standard method. From this starting point the Council will then need consider whether there are any unmet needs in neighbouring areas that need to be planned for. It would appear that the Council will need to continue its support of Oxford City Council in meeting their housing needs given that the city council has published a preferred option for its next local plan stating it can deliver just over half of its assessed housing needs. This is a significant shortfall that needs to be addressed. As such it is important that existing the commitment to deliver 2,750 homes between 2021 and 2031 in the adopted local plan to support Oxford are taken forward into this local plan. It is also the case that if necessary further support is provided across the plan period given Oxford's continuing struggles to meet its own needs. The Council will therefore need to work proactively and positively not only with Oxford and the other Oxfordshire LPAs in order to establish the degree to which Council's across the county can help on this key strategic matter for the county.
3. Alongside Oxford's unmet housing needs the Council will need to work with its partners to consider the degree to which improvements in infrastructure and the



economic growth in Oxford and Oxfordshire will need to be supported by housing delivery beyond minimum requirements. As the Council note a lack of appropriate housing will be a barrier to economic expansion across the county. The Oxfordshire Growth Deal and the development of the Oxford-Cambridge Arc showed the importance of this area to national priorities, and it will be essential that the housing requirement taken forward by West Oxfordshire supports the economic aspirations for Oxfordshire as a whole.

4. This will require the Council's across Oxfordshire to work together. Until recently the growth required to support the economic aspirations of the area was to be address through the Oxfordshire Joint Strategic Spatial Plan (JSSP). However, the decision not to move forward with the JSSP raises serious concerns as whether sufficient market and affordable homes will be brought forward to support the economic growth of the area. The Final Oxfordshire Growth Needs Assessment showed that on the basis of current growth trends housing needs between 2031 and 2050 was 51,300 homes across Oxfordshire, over 20,000 homes more than the minimum requirement using the standard method. The Council must ensure that it does not focus solely on its own needs and that strategic matters such as those mentioned above are fully considered and tested from the start. Should the Council fail to take this issue into account there is a strong likelihood that it will fail the duty to co-operate and left without an up-to-date local plan.

Affordable housing

5. The Council recognises that living in West Oxfordshire is increasingly unaffordable for many households. Therefore, consideration will need to be given as to whether additional housing supply should be delivered through this local plan in order to increase affordable housing delivery in West Oxfordshire. Increasing supply to meet affordable housing needs is advocated in paragraph 2a-024 of Planning Practice Guidance and should be given careful consideration by the Council due to the poor affordability of homes across the county.
6. The Council also state that it is essential to look beyond the short-term cost of new homes and consider the long-term requirements that will deliver lower energy demand and reduced bills. The HBF would agree that it is important that new homes become more energy efficiency and sustainable over time. The HBF has been supporting Government and the industry through the establishment of the Zero Carbon Hub that will seek to ensure the industry is ready to deliver the Future Homes Standard by 2025. In fact, new homes are already cheaper to run and emit significantly less carbon. A report by the HBF¹ shows that on average home owners of new build flats and houses save on average £435 and emit 2.38 tonnes less of carbon a year. However, whilst these benefits are important to consumers the additional costs of delivering new homes to these higher standards must be a

¹ Greener, Cleaner, Cheaper (HBF, 2022)
https://www.hbf.co.uk/documents/11628/33271_HBF_Report_final.pdf

factor when considering not only affordable housing but other policies that place an additional financial burden on development.

7. The cumulative impact of both mandatory policies such as bio-diversity net gains and higher building regulations alongside those required through the local plan can make development unviable. All these additional costs will need to be carefully considered through the viability assessment and where necessary policies amended to reflect viability concerns. In order to assist local planning authorities in preparing their viability assessments the HBF have prepared a briefing note setting out our members key concerns with regard to viability testing and the approach taken by Councils which is attached to this response. Whilst this note focuses on all aspects of the viability testing of the residential development and should be taken into account, we would like to highlight four particular issues with whole plan viability assessments.
8. The first issue is with regard to the approach taken to abnormal infrastructure costs. These are the costs above base construction and external costs that are required to ensure the site is deliverable. Prior to the 2019 NPPF viability assessments have taken the approach that these cannot be quantified and were addressed through the site-by-site negotiation. However, this option is now significantly restricted by paragraph 58 of the NPPF. As such these abnormal costs must be factored into whole plan viability assessments. We recognise that the very nature of an abnormal costs is difficult to quantify, but it is a fact that they are often substantial and can have a significant impact on viability. Where and how these costs arise is also variable. They can occur in site preparation but can also arise with regard to the increasing costs of delivering infrastructure, such as upgrades to increase the capacity of utilities. It is also the case that abnormal costs are higher on brownfield sites where there can be a higher degree of uncertainty as to the nature of the site and the work required to make it developable.
9. Whilst the HBF recognise that abnormal costs are expected to come off the land value, we are concerned that if abnormal costs are high then it will result in sites not being developed as the land value will be insufficient to incentivise the landowner to sell. It is therefore important that a significant buffer is included within the viability assessment to take account of these costs if the Council are to state with certainty that those sites allocated in the plan will come forward without negotiation.
10. Secondly, we would encourage the Council to use the upper end of any of the ranges suggested with regards to fees and profit margins. Again, these will vary from developer to developer but given that the Government want to minimise negotiation on planning obligations it would make sense to use the highest point of any range. The changing landscape with regard to viability assessment could lead to development slowing significantly if the correct variables are not taken into account.

11. Thirdly, the council must ensure that all the policy costs associated with the local plan are included within the viability assessment. Whilst affordable housing and infrastructure contributions from the majority of the additional costs that are placed on developers by the Council it is important that the cumulative impact of all policies are tested. With regard to the local plan review the Council will need to consider the impact of its proposed policies on bio-diversity net gains, electric vehicle charging, sustainable design and construction; and renewable energy. The viability assessment will also need consider the impact of future national policies on viability and whether there is sufficient headroom to ensure these standards can be addressed alongside the policies in the local plan.
12. Finally, the approach to land values needs to be a balanced approach and one that recognises that there will be a point at which land will just not come forward if values are too low to take account of policy and infrastructure costs. There are a variety of reasons why a landowner is looking to sell their land and it cannot be assumed that they will absorb significant reductions in land values to meet policy costs. Land is a long-term investment and the returns being offered must take account of this.

Older people's housing

13. The HBF consider it important that local plans look to allocate specific sites to meet the needs of older people. In particular the Council must look, in the first instance, to allocate those sites submitted for older people's accommodation that are in the most sustainable locations close to key services. As such we would agree with the Council's preferred option. However, we would suggest that the local plan goes further and looks to set out in policy:
 - a target for the delivery of homes for older people and maintains a supply of land to meet that target. Whilst we recognise that there is not a requirement in national policy for the Council to maintain a specific supply of accommodation for older people identifying the level of need and monitoring supply would aid decision makers in the application of this policy and ensuring needs are met over the plan period. Such an approach would also ensure effective monitoring in relation meeting the needs of older people and encourage positive decision making if there is a deficiency in supply.
 - support and encouragement for older persons accommodation on brownfield and other land in the main and rural service centres and other locations with good access to services and facilities for older people given the level of need and that older people are most likely to prefer to continue to reside in established areas with which they are familiar.
14. The Council recognise the need to ensure that they deliver the number of homes that are needed. This will require the Council not only to monitor the delivery of housing but establish realistic delivery rates from those sites allocated in the local plan. In too many cases Councils are overly optimistic with regard to when sites

will come forwards and the rate at which they will deliver new homes. This can leave councils with insufficient supply in the early years of the plan with more and more growth being pushed to the end of the plan. This means homes that are needed in the short term are not delivered and the Council with an out-of-date local plan.

Attractive, accessible, and thriving places

15. It is important that the Council explores different options with regard to sustainable patterns of growth. In particular the Council will need to explore options that provide a range of different sites in terms of both size and location and not rely on a small number of strategic sites to meet the entirety of its additional growth.
16. With that in mind the Council should not rule out the need to amend Green Belt boundaries through this local plan. Yet the Council appear to have done this already stating in this consultation that it does envisage revisiting the existing boundary through the review of the Local Plan. There may be opportunities to deliver sustainable developments close to jobs and services Oxford that should not be ruled out at this stage of plan preparation. Consideration should be given to such opportunities and whether the exceptional circumstances exist to support amendments to the Oxford Green Belt. The level of unmet housing needs in Oxford, the poor affordability of homes and importance of Oxford and Oxfordshire to the national economy are all reason to potentially support amendments to the Green Belt boundary should it not be possible to meet these needs elsewhere in the County.
17. The Council will also need to explore options which ensure delivery of 10% of housing needs on sites of less than one hectare as set out in paragraph 69 of the NPPF. This is an important policy that seeks to support small and medium sized housebuilders who, up until the 1980s, accounted for the construction of half of all homes built in this country resulting in greater variety of product, more competition, and faster build-out rates. Since then, the number of small companies has fallen by 80% following the introduction of the plan-led system in 1990.
18. The HBF has undertaken extensive consultation with its small developer members. One of the chief obstacles for small developers is that funding is extremely difficult to secure with a full, detailed, and implementable planning permission. Securing an implementable planning permission is extremely difficult if small sites are not allocated. Without implementable consents lenders are uneasy about making finance available or else the repayment fees and interest rates they set will be very high. Small developers, consequently, need to invest a lot of money and time up-front in the risky business of trying to secure an allocation and a planning permission, and this is money that many small developers do not have.
19. If the Council are to ensure there is a wide variety of SME house builders operating in its administrative area, and the benefits it brings to the speed of delivery and

variety of homes, it must ensure that as a minimum 10% of homes come forward on small sites. We would suggest that the Council actively works with smaller developers to ensure such sites are allocated recognising the importance of this element of the house building industry.

20. The Council in the consultation ask whether Garden Village principles should be rolled out more widely to larger development proposals. If the Council are to apply these principles it will need clearly define what it considers how they should be applied and to what scale of site. Whilst the some of the principles set out in relation to Garden Villages are universal, such as good design, larger sites close to existing centres may not have the range of services or infrastructure expected to be provided in a garden village. Given that the expectations set out in the NPPF in relation to design, sustainability, infrastructure, and housing mix it may be more effective for the Council to consider what is needed with regard to each larger site allocated rather than rigidly applying more general principles relating to Garden Villages where they are unnecessary.
21. Finally, the Council should be planning to deliver a consistent supply of homes across the plan period in order to avoid the use of a stepped trajectory. This can only be achieved effectively by allocating a variety of sites both in terms of size and location. Planning Practice Guidance outlines the circumstances where a stepped trajectory may be appropriate, but the inference is that this should be the exception and that local planning authorities should be looking to establish flat trajectories that do not unnecessarily push back the delivery of new housing. Therefore, if the Council must balance the allocation of strategic sites that deliver towards the end of the plan period with the allocation of smaller sites that will meet needs earlier in the plan period.
22. A balanced approach to site allocation can also provide a key role in ensuring there is a buffer in supply should there be any delays in the delivery of strategic sites. An over reliance on larger sites, especially if the Council is relying on these coming forward within the first ten years can also have significant consequences for five-year land supply should delivery be delayed. Such delays can lead to shortages in supply on adoption of the local plan or in the early years as timetables are pushed back. To avoid this the HBF recommends that if the Council seeks to rely on strategic sites to deliver a significant proportion of its housing requirement there is a 20% buffer in its housing land supply. This buffer should consist of small and medium sized sites that deliver early in the plan period and ensure that much needed market and affordable homes are not delayed unnecessarily and that the Council can maintain a five-year land supply.

Tackling the climate and ecological emergency.

Reducing the need to travel

23. It is evident from paragraph 152 and 153 of the NPPF that Council 's should be taking a proactive approach through their local plans to shape places in a way that

supports a reduction in carbon emissions and ensures communities are suitably resilient to the impacts of climate change. Therefore, it will be important for the Council to consider where developments are located in order to promote greater use of sustainable modes of transport and reduce car use as well as how the design and layout of developments can reduce energy consumption and mitigate against the effects of climate change.

24. The Council are proposing to consider how the idea of 20-minute neighbourhoods could support its aspiration to reduce car use and increase sustainable modes of transport. The principle behind the 20-minute neighbourhood is one that is a reasonable aspiration to take forward within the local plan, but the Council must remember that this should be seen as an aspiration within appropriate locations rather than a blunt tool for development management or site allocations across the Borough. For example, the application of this principle in more rural areas is inevitably more difficult as populations are generally too low to meet all the features of a 10-20-minute neighbourhood. However, this should not prevent development from happening in such locations where appropriate.
25. Firstly, there may be clusters of villages that provide a range of services for that area within reasonable travelling of each other. These areas might be able to sustainably support a substantial level of development but may not meet the principles of the 10-to-20-minute neighbourhood and as such development in such areas is not supported in the local plan.
26. Secondly, the Council will need to recognise that settlements that currently do not have the services that are consistent with the 10-to-20-minute neighbourhood could expand to include those services if new development is allocated in those areas. The 10-to-20-minute neighbourhood should not be used as a basis for only locating development close to existing services rather identifying where services could be improved through new development. There is a real danger that the principle could be used negatively and become a way of preventing development in certain communities rather than promoting improved neighbourhoods.
27. Finally, the Council must also recognise that if it seeks to apply this principle there is a need for the Council to provide a strong leadership function for local public services to ensure that these are in place and are retained. The Council must ensure that they and their partners are able and willing to support this concept at larger strategic developments or where the Council is seeking to deliver higher density development. Without this strong co-ordinating role, the Council are unlikely to achieve their aspirations in relation to the 10-to-20-minute neighbourhood.

Carbon emissions

28. The Council also note that one way of minimising carbon emission is to ensure new homes are net zero carbon. Whilst we would agree the Council need to recognise that such matters are not for planning system to implement. The

Government have set out its roadmap as to how carbon emissions from new homes will be reduced in its recent consultation on such matters. The first stage of this roadmap has been implemented with the amendments to building regulations that came in to force in June of this year.

29. The second phase will see a 75% reduction in emissions compared to current building regulations which alongside the decarbonisation of the national grid will substantially reduce the carbon emission of new homes. The HBF therefore recommends that in order to be consistent with national policy the Council's focus should be on reducing carbon and improving the resilience of communities to climate change through the land use planning rather than the technical specifications for buildings.

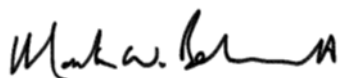
An enhanced natural and built environment

30. The requirement to deliver a 10% net gain in biodiversity is one that will be challenging for many developments to deliver on site. As such the Council will need to be proactive in identifying and securing land where offsite net gains can be delivered at a reasonable cost and in the most effective location. Such an approach will not only allow development to come forward but also ensure a cohesive network of biodiversity improvement areas that will be far more valuable to the wider community. Such measures will also ensure the most effective use of land that is being developed reducing the overall amount of land required to meet the development needs of West Oxfordshire.

Conclusions

31. We hope these representations are of assistance in taking the plan forward. Should you require any further clarification on the issues raised in this representation please contact me.

Yours faithfully



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