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Dear Sir/ Madam

## **Response by the House Builders Federation to the South Oxfordshire Local Plan**

Thank you for consulting the Home Builders Federation (HBF) on the submission version of your 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. Set out below are our comments on the Local Plan.

**We would like to submit the following representations on the Local Plan and we would welcome, in due course, participating in hearings of the Examination in Public.**

### **Duty to Co-operate**

There has been a significant amount of co-operation within Oxfordshire to try and ensure that housing needs will be met. The development of the Oxfordshire Growth Board has clearly been a key driver of this co-operation which has recognised that housing is a key cross boundary issue and one closely linked to the economic growth aspirations of the County.

However, whilst the mechanisms for joint working have been put in place there are clearly still disagreements as to the apportionment of housing growth between South Oxfordshire District Council (SODC) and the other authorities in the Housing Market Area (HMA). SODC have not agreed with the apportionment of Oxford City Council's unmet housing need and favoured an equal distribution rather than the capacity based model that was eventually agreed. This has led to SODC not signing up to the outcomes arising from the Growth Board.

We appreciate that co-operation does not necessarily lead to agreement, but the Council's decision to prepare a plan on a different basis to the other authorities will mean that the full objectively assessed needs for housing within the County will not be met. Using the working assumption that Oxford City's unmet housing needs would be 15,000 homes the Growth board apportioned 4,950 new homes to SODC. However, the Council have decided to plan for an additional 3,750. Whilst we are pleased to see the Council take responsibility for some of their apportionment their approach means the

HMA will deliver 1,200 homes fewer than is said to be required in order to meet the County's housing needs. This is a substantial amount and the Council needs to set out how and where these homes are likely to be delivered.

This situation is made worse when it is considered against Oxford City Council's latest statements with regard to the level of housing delivery it can achieve. In the evidence supporting its Preferred Options consultation it is set out that the maximum number of homes they could deliver is 7,511. Even against the lowest estimates of housing need in the Strategic Housing Market Area (SHMA) that would lead to unmet needs of nearly 16,500 homes. Given that the other authorities have agreed to deliver their full apportionment of the 15,000 assumed shortfall, we consider it essential that in the spirit of co-operation SODC would do likewise. A decision to meet their apportionment in full would clearly show that SODC had fulfilled its duty to co-operate in relation to Oxford City Council's unmet housing needs.

In our response to the Council's preferred options consultation we raised the issue of unmet housing needs arising from Reading. We note that the Council indicate in their Duty to Co-operate statement that any unmet needs arising from Reading (943 homes based on Reading's Draft Local Plan) would be met within the adjoining HMA. Whilst this may be the case we would have expected that a memorandum of understanding would have been agreed establishing this situation.

### **Strat 1 - Overall strategy**

#### This policy is unsound as it is not consistent with national policy

We are concerned that there is insufficient flexibility within the overall strategy. The strategy relies on a small number of large allocations in order to meet the District's housing needs. Whilst we would not disagree with any of the proposed allocations, paragraph 14 of the NPPF is clear that Local Plans must be flexible. Any plan that is reliant on 4 strategic allocations to deliver 71% of the new development being proposed in the Plan will limit the flexibility required by national policy. Should there be a delay in the delivery of any of these major allocations due to unforeseen circumstances then the Council may not be able to deliver the plan's housing requirement by 2033.

In part the lack of flexibility in the plan is compounded by the limited numbers of new homes being allocated to both the market towns and villages. A greater number of small and medium sites allocated at these locations would provide the necessary flexibility required by national policy and ensure there are a variety of sites available not only to larger house builders but also small and medium sized developers, a sector the Government is keen to support. To best achieve this we would suggest that the housing requirement at market towns such as Thame and Henley on Thames are increased and that a specific housing requirement for villages is set out in the plan. This approach would provide the necessary flexibility in a plan that is very reliant on strategic sites. It would also enable the Council to deliver more homes earlier in the plan period and allow for a smoother and potentially more deliverable development trajectory.

## **Strat 2: The need for new development in South Oxfordshire and Strat 3: The unmet housing requirements from Oxford City**

The policy is unsound as it is unjustified and inconsistent with national policy

As we have commented on previously we are pleased to see the commitment to growth being taken by the Local Planning Authorities in Oxfordshire. This shows a strong commitment to boosting housing supply and a recognition of the need for more housing to support the economic aspirations of this area. Despite this we are concerned, as outlined above, that the Council has not signed up to meeting the full level of housing needs that was identified for SODC through the Growth Board. Paragraph 47 of the NPPF is clear in setting out that LPAs should meet the full objectively assessed needs for housing in the housing market area. By deciding to take a different approach to the distribution of Oxford City's unmet need the Council have opted not to meet these needs without establishing who will. Until the Council can identify where these homes will be delivered, the housing requirement set out in Strat 2 cannot be considered to be consistent with national policy.

The HBF also considers that there should be a single housing requirement figure from the point at which the plan is adopted. Local Planning Authorities must plan to meet the needs for both market and affordable housing across the Housing Market Area. As such SODC is delivering additional housing in its own area in recognition that a degree of unmet need within Oxford City will inevitably fall on its shoulders. It does not make sense to delay consideration of the delivery of this specific part of the overall need. Delaying consideration of these needs will put back delivery even further. This will mean that any unmet need arising now due to the constraints faced by Oxford City will be met much later than required. These needs can, and should, be met from anywhere within the HMA and as such the full housing requirement for the plan should be reflected across the plan period.

The need to meet Oxford City's unmet housing needs can be seen from the growing backlog in housing delivery. Based on completions data set out in Oxford City Council's latest background paper on housing need and supply it can be seen in the table below that there is a significant deficit that will not begin to be addressed until 2021.

<b>Year</b>	<b>Trajectory</b>	<b>Cumulative target</b>	<b>Delivery</b>	<b>Cumulative delivery</b>	<b>Deficit</b>
2011/12	1,400	1,400	228	228	-1,172
2012/13	1,400	2,800	213	441	-2,359
2013/14	1,400	4,200	215	656	-3,544
2014/15	1,400	5,600	332	988	-4,612
2015/16	1,400	7,000	383	1,371	-5,629

In order to be consistent with national policy we consider it essential that SODC include Oxford City's unmet housing need within their overall housing requirement from the adoption of the plan. This will ensure that the unmet needs of Oxford City, and its growing backlog, are being met from the start of the plan.

## **H1: Delivering new homes**

Whilst the HBF does not comment on the deliverability of individual sites or allocations we do consider it important that all local planning authorities set out a clear delivery trajectory for each allocated site establishing the number of homes each of the allocations in the Local Plan are expected to deliver each year of the Plan. This gives an opportunity for all parties interested in the Plan to understand and more easily comment on its effectiveness. We have found this to be very helpful for all concerned at other examinations and offers a transparent approach when setting out the Council's case for its land supply. Without the information on delivery presented in this way it is more difficult to identify whether or not the local plan is deliverable across its plan period and, as such, sound. This evidence would enable the Council to more clearly justify its delivery expectations on allocated sites, show that they are reasonable and ensure that the plan can be delivered.

However, and as stated in our representation on Strat1 above, we are concerned as to whether the Plan has sufficient flexibility, due to its heavy reliance on strategic sites. Delivery expectations on these sites go as high as 250 dwellings per annum. This is a high annual delivery rate and will need to be clearly justified by the Council. Where there is a significant reliance on strategic sites we would suggest a cautious approach regarding delivery trajectories and a greater focus on allocating a broader mix of smaller sites alongside the strategic sites. Such an approach ensures a more consistent supply of homes within, and potentially beyond, the plan period. It also ensures that there is sufficient flexibility within the Plan to maintain supply should the delivery expectations on strategic sites not come forward as planned.

To address this concern we would suggest that the Council re-examines delivery expectations in its market towns and villages. For example, the market towns of Thame and Henley on Thames offer well connected and sustainable locations for new housing that would ensure a more balanced approach to housing delivery between the strategic sites and smaller allocations around these existing settlements.

### ***Five year land supply***

The Council have stated in their most recent Strategic Housing and Employment Land Availability Assessment (SHELAA) that they have sufficient sites to meet five years' worth of development needs. Figure 12 sets out an indicative yield of 11,724 new homes for the first five years following the adoption of the plan. However, this position is caveated in paragraph 5.1.1 that the SHELAA does not take into account considerations such as Green Belt and AONB, two significant constraints on development within the Borough. We couldn't find any further or more detailed assessment of the five year land supply in the submitted evidence base and it would appear that the current assessment is fundamentally flawed as the two key constraints mentioned above have not been considered within the SHELAA.

In addition the Council have not set out how they have calculated the five year supply and, in particular, how they have treated the backlog in housing supply. Based on the

latest AMR published in October 2017 the backlog of homes for the plan period current stands at 1,253. The Council needs to be clear as to whether their approach to five year supply addresses this backlog within the first five years of the plan, as required by Planning Practice Guidance (PPG). If it does not then the Council cannot consider itself to have a policy compliant five year supply.

In assessing whether or not the Council will have a five year land supply on adoption, a key requirement as established in paragraph 49 of the NPPF, then the Council will need to base this on the housing trajectory set out in Appendix 8 of the proposed submission. In addition to this they should ensure that any backlog is addressed within the first five years following adoption and apply the 20% buffer as established in paragraph 47 of the NPPF. With regard to the 20% buffer, we agree with the Council's statement in paragraph 6.6 of the 2017 AMR outlines that completions have been below assessed needs and they must apply the 20% buffer due to persistent under delivery.

Without the exact figures it is difficult to know how many homes the Council is expecting to deliver each year, something we consider the Council should address as stated above. However, it is possible to estimate delivery from the trajectory at appendix 8. Based on this trajectory we think the Council may struggle to show a five year land supply on the Plans adoption. On the basis of their proposed trajectory the Council will need to deliver 6,972 new homes in the first five years of the plan. From the trajectory we estimate that the Council are expecting 6,700 homes to come forward during this period. This would result in a shortfall of 272 homes and means that, at present, there is only a 4.8 year housing land supply on adoption.

If the Council do not have a five year land supply on adoption this will mean the plan is instantly out of date and any application or appeal will need be considered against paragraph 14 of the NPPF. To address this shortfall we would suggest, as we have throughout this response, that further smaller sites are allocated to ensure a more robust supply of development sites. The reliance on strategic sites can lead to significant difficulties early on in a Local Plan with regard to the five year supply. To counteract this LPAs must allocate sufficient small sites that can be delivered in the first five years and provide sufficient time for the strategic allocations to begin delivering homes later in the plan period and most likely beyond.

## **H8: Housing in Smaller Villages**

### The policy is unsound as it is not effective

In order to achieve the level of delivery expected in smaller villages within the Borough the Council should establish a requirement in the plan for each of these villages. This is essential to support these villages to plan positively for growth. It is unlikely that neighbourhood plans will come forward that positively support growth without a specific requirement. It will also be the case that some villages will have more potential than others, particular those in the Green Belt as Neighbourhood Plans cannot amend Green Belt boundaries to support even limited growth. We would therefore suggest that a more effective approach to delivering a minimum of 500 homes in smaller villages would be to set a requirement for each one within H8.

## **H9 Affordable housing**

The policy is unsound as it has not been justified and is inconsistent with national policy

The NPPF is clear in paragraph 173 that it is essential that the full impact of the policies set out in the plan on the viability of new development are considered and that these considerations inform the policies in the plan. The Council's evidence base with regard to viability has not been completed. Therefore the only conclusion we can give is that the policy is unsound as there is no evidence to justify the requirements set out in the policy. Whilst it is assumed that this evidence base will be completed by submission it is difficult to understand how the Council can be certain as to the viability of its policies, and indeed the whole plan, without the required evidence.

We would also suggest that the wording of the policy is not consistent with the core planning principles set out in the NPPF and the requirement established in paragraph 17 for Local Plans to: "*... provide a practical framework within which decisions can be made with a high degree of predictability and efficiency*". The policy states that the Council will require at least 40% affordable housing to be provided on appropriate sites. This suggests that in some circumstances the Council will seek a high proportion of affordable housing provision and increases the uncertainty for the decision maker and applicant as to what the appropriate amount of affordable housing provision should be.

In order to make this policy consistent with national policy we would suggest that words "at least" are removed in order to provide the necessary certainty required of such a policy. We would also suggest that the policy is explicit in how it will treat C2 development. Such development should not attract an affordable housing contribution and to avoid confusion in the implementation of this policy this should be explicitly stated.

## **H11 Housing Mix**

The policy is unsound as it has not been justified

PPG requires local planning authorities to consider both viability and needs in order to justify the inclusion of higher optional Building Control standards for accessible housing. As we have stated in relation to affordable housing it is essential that any policies that will impact on the cost of development be considered as part of a viability study. Without a complete evidence base then the only conclusion we can draw is that the policies relating to housing mix are not sound and that the optional standards with regard to accessible homes and nationally described space standards should not be included in the plan.

## **H12: Custom and Self Build**

The policy is unsound as it is not effective and unjustified

The requirement for 3% of all homes on strategic sites to be self-build plots is not justified. Whilst the self-build register may have 200 people who have registered an expression of interest with regard to self-build further work needs to be undertaken to assess the number of these that are realistically able to achieve this aspiration. The Council will also be able to consider developments for one unit as supporting self-build targets. The entirety of delivery does not need to be through strategic sites as is implied with this policy. This target needs to be realistic to ensure that where self and custom build plots are provided they are delivered and do not remain unused.

Where plots are not sold it is important that the Council's policy is clear as to when these revert to the developer. At present this policy makes no such provision and as such is ineffective. We would suggest that the policy state that if a plot remains unsold within six months of it being offered on the open market that it should revert back to the developer to be delivered as part of the overall scheme. We would also recommend that if development of a purchased plot has not commenced within three years of purchase that the buyer be refunded and the plot reverts to the developer. It is important that plots should not be left empty to detriment of its neighbours or the development as a whole.

#### **INF1: Infrastructure provision**

##### Policy is unsound as it is not consistent with national policy and legislation

This policy does not recognise that the majority of the infrastructure provide outside of the major strategic sites will not be delivered by the developers of those sites. For the majority of these sites infrastructure contributions will be paid through the Community Infrastructure Levy which is then used by the Local Planning Authority to secure the necessary infrastructure. To ensure that the policy is sufficiently clear we would suggest that the second paragraph of INF1 be amended to say:

*“Permission will be granted where the infrastructure and services required to meet the needs of the new development is already in place, **a financial contribution has been agreed to secure the necessary infrastructure** or will be provided to agreed timescales”*

#### **DES7: Public Art**

##### This policy is unsound as it is not consistent with national policy

Planning Practice Guidance sets out the situation with regard to existing legislation on planning obligations. In particular it states that:

*“Planning obligations assist in mitigating the impact of unacceptable development to make it acceptable in planning terms. Planning obligations may only constitute a reason for granting planning permission if they meet the tests that they are necessary to make development acceptable in planning terms, directly related to the development and fairly and reasonably related in scale and kind” (Ref: 23b-001-20161116).*

The Council have not established within the plan or the supporting evidence base how it considers public art to meet any of these tests. Whilst we recognise that public art can play a role in making interesting and exciting public spaces if the Council is to require all major developments or sites over 0.5ha to have public art it must have evidence to show how this policy meets the required tests in relation to all such sites. In particular it seems absurd that a development of 15 homes on a 0.5 hectare site would be required to provide some form of public art. The Council has set out its expectations with regard to the need for development to be of high quality and this should be sufficient. If the developer in agreement with the Council consider public art to be appropriate then this should be considered on a case by case basis rather than in the prescriptive manner set out in this policy. Without such evidence this policy cannot be justified and cannot be shown to be consistent with either policy or legislation and as such is unsound and should be deleted.

## **Conclusions**

At present we do not consider the plan to be sound. Whilst we are pleased with the significant progress the Council has made in meeting its own needs and those of Oxford City we do not consider the Council has met the tests of soundness on the following areas:

- The Council does not appear to have a policy compliant five year land supply
- The strategy does not have sufficient flexibility as required by paragraph 14 of the NPPF
- The lack of a completed viability assessment means that policies H9 and H11, on affordable housing and housing mix respectively, have not been justified
- Policy H12 on custom and self-build housing is not effective as it does not consider how unsold sites will be treated
- Policy INF1 must be amended to reflect the full range of contributions established in policy and legislation made by development to mitigate against their impact on infrastructure
- Policy DES7 on Public Art does not meet the tests for making development acceptable in planning terms as set out in both national policy and legislation.

We hope these representations are of assistance in taking the plan forward to the next stage of plan preparation and examination. I would also like to express my interest in attending any relevant hearing sessions at the Examination in Public. Should you require any further clarification on the issues raised in this representation please contact me.

Yours faithfully

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