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18/02/2018

Dear Sir/ Madam

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

Thank you for consulting the Home Builders Federation (HBF) on the South 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.

**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**

The HBF has been broadly supportive of the collective approach taken by the Council's in Oxfordshire with regard to their strategic approach to planning for new housing and infrastructure. In particular there has been a commitment from those authorities surrounding Oxford City Council to increase growth in response to the city's inability to meet its own housing needs in full.

As part of the agreement between the Oxfordshire authorities it has been assumed that Oxford will deliver 10,000 new homes between 2011 and 2031. However, we are concerned that this assumption will mean that Oxfordshire as a whole will not meet its agreed level of housing provision as agreed in the Growth Deal. Firstly, Oxford will not meet this level of need delivering Circa 9,500 homes during the period of the Growth Deal. Secondly estimates of housing delivery undertaken through the duty to co-operate suggest that Oxford will deliver more housing than the 10,000 homes agreed between the authorities. Figure 3 of the Advice Note on Oxford's Capacity (August 2015 updater December 2015) suggests that in allocating needs to other authorities the higher levels of delivery were expected in Oxford. This would appear to mean that the county wide expectations of delivering 100,000 new homes between 2011 and 2031 will not be achieved. We estimate that on the basis of the Oxford Local Plan there is



likely to be a shortfall of around 4,000 homes. This is an issue we explore in more detail below but it suggests that the agreements between the authorities need to be revisited prior to the examination of this plan. Given the commitments made by Government as part of the Growth Deal it will be essential that the Council provides the necessary evidence prior to submission of the local plan as to how the additional homes required to address any shortfall will be delivered across Oxfordshire.

### **Plan period**

The plan period is not sound as it is inconsistent with national policy.

Whilst this plan seeks to outline delivery between 2011 and 2034 it is likely that the plan will only cover a 14 year period on adoption. Given that Planning Practice Guidance requires plans to be cover a minimum of 15 years from adoption we would suggest that an additional year be added to the plan period. This will require at least an additional year's supply to be considered within STRAT2 to make the plan sound.

### **STRAT2: South Oxfordshire Housing and Employment Requirements**

The plan is unsound as it has underestimated the level of unmet needs arising from Oxford's Local Plan

#### *South Oxfordshire's Housing Needs*

The HBF supported the introduction of the standard methodology in the 2018 National Planning Policy Framework (NPPF). However, we also recognised that there will be circumstances where local authorities must be allowed to take forward housing requirements that go beyond these figures. There are areas of the country, such as Oxfordshire, where it has been recognised that growth beyond the standard method is needed in order to support their ambitions to grow their economies, improve their infrastructure and deliver more affordable homes. For these reasons the Government has expressly set out within the NPPF and Planning Practice Guidance (PPG) how and when LPAs can take such a position.

Firstly, paragraph 60 of the NPPF outlines that the standard method determines the minimum number of homes. This indicates that LPAs, where appropriate should be planning for more homes than the local housing needs assessment for their area. In fact, the Government have recognised that in order to deliver the national annual target of 300,000 will require some areas to deliver more homes. At present the standard method will deliver circa 265,000 homes so an additional 35,000 homes need to be delivered each year above the standard method to meet the Government's national target. Secondly, paragraph 2a-10 of PPG outlines the Government's support for ambitious authorities who want to plan for growth. The first bullet point in this paragraph highlights that where growth strategies are in place then this is sufficient justification to include an uplift above the level of needs resulting from the standard method.

Therefore, the decision by the Council, and indeed all the Oxfordshire authorities, to adopt housing requirements that go beyond the standard method must be considered sound. However, due to the constraints faced by Oxford it has been recognised that other areas will need to deliver additional development to ensure the housing requirement of Oxfordshire as a whole is met.

### *Oxford's unmet housing needs*

As highlighted above there is an agreement between the LPAs in Oxfordshire that the housing needs of Oxford will have to be delivered elsewhere in the County. The housing needs of Oxford were assessed as being 28,000 homes between 2011 and 2031 on the basis of the 2014 SHMA. This level of need was based on the fact that the affordable housing needs of Oxford were considerable and that in order to deliver these homes would require a substantial uplift to its overall housing requirement. Such an approach was consistent with the 2012 NPPF and its associated guidance at the time the SHMA was prepared. Indeed, the most recent guidance published by Government continues to recognise that additional uplifts to the baseline housing need to meet affordable needs in full remains a sound approach to setting a housing requirement. Paragraph 2a-027 is a direct lift from previous guidance and states:

*“The total affordable housing need can then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, taking into account the probable percentage of affordable housing to be delivered by eligible market housing led developments. An increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes.”*

As part of their duty to co-operate South Oxfordshire, alongside the other Oxfordshire authorities, recognised the need to increase the delivery of affordable housing in Oxford as a key strategic and cross border issue for the HMA and agreed the proportionate distribution required in neighbouring authorities to address this matter. This distribution allocates 15,500 homes to South Oxfordshire to be delivered between 2011 to 2031. In addition, it was agreed between the authorities in the HMA that a further 4,950 homes would be delivered in South Oxfordshire to meet Oxford's unmet needs. Whilst we have been supportive of the distribution of these homes and the growth deal, we are concerned, as set out above, that the County as a whole will not meet its agreed housing requirement. The reason for this would appear to have been the overestimation as to how many homes Oxford could deliver.

On the basis of Oxford's proposed submission local plan, the number of homes it expects to deliver is 8,620 homes between 2016 and 2036. To understand how this relates to the Growth Deal it is necessary to consider the level of delivery in Oxford between 2011/12 and 2015/16 and then the expected delivery between 2016/17 and

2030/31<sup>1</sup>. This results in circa 9,500 homes being delivered in Oxford between 2011 and 2031. This means that the County as whole will fall short of meeting their housing growth deal by some 4,000 homes. We recognise that until Oxford's Local Plan is examined there are uncertainties as to how many homes the other LPAs in the County will need to deliver and as such the Council should include a review clause within STRAT2.

### Conclusion on housing requirement

Whilst we consider the approach taken to establishing the housing requirement in STRAT2 to be sound it is necessary for an early review clause to be included in the plan to ensure that any unmet needs arising from Oxford's Local Plan are delivered.

### **Housing Supply**

The Council propose to deliver 28,465 homes over the plan period against a housing requirement of 22,725 homes. Given the difficulties that can arise from delivering strategic sites of the scale being proposed by SODC, with over 10,000 homes being delivered on strategic allocations of 1,500 homes or more we consider that this scale of buffer between the requirement and supply to be fully justified to ensure that there is flexibility to take account of any changing circumstances - as required by paragraph 11 of the NPPF. This is especially the case where a Council is relying on a few large-scale sites or a specific area to meet the majority of the area's needs. Greater flexibility will provide reassurance to the Council and the Government that the Local Plan housing requirement will be delivered and is not at risk from delays in strategic allocations. The inclusion of more housing in sustainable village locations would help to provide the flexibility required and provide the opportunity for a greater number of small and medium size sites to come forward. In addition, there should be larger allocations in Market Towns, which have existing facilities and infrastructure that can be swiftly reinforced and enhanced.

Whilst the HBF does not comment on the specific trajectories for allocated sites we consider it essential that Councils ensure the delivery expectations on all sites are reasonable. As identified in Sir Oliver Letwin's independent review of build out, delivery on large housing sites may be held back by numerous constraints including discharge of pre-commencement conditions, limited availability of skilled labour and building materials, a lack of capital, constrained logistics of sites, slow delivery of utilities and absorption rates of open market sales. With regard the Government's continued support for small and medium sized house builders the Council must also identify the 10% of homes that will be delivered on sites of no more than 1ha as required by paragraph 68 of the NPPF.

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<sup>1</sup> Delivery for period 2011 to 2025/26 is based on figure 2 of the 2017/18 Oxford City Council AMR. Figures for the period 2026/27 are based on diagram 3 in the Oxford City Council Proposed Submission Local Plan and as such are estimates as we could not find any exact figures for this year that had been published by the City Council.

We support the inclusion of the unmet needs from Oxford being included within the Council's housing requirement. This position has been reinforced in the most recent guidance on the Housing Delivery Test published in July 2018. Paragraph 12 of this guidance document states that for housing requirements that are less than 5 years old the figure will be:

*“... the latest adopted housing requirement, including any unmet need from neighbouring authorities which forms part of that adopted requirement”*

Therefore, to consider the needs of Oxford within their own needs is consistent with national policy. It is also consistent with the approach taken to Oxford's housing needs elsewhere in the HMA. West Oxfordshire's recently adopted Local Plan identifies in policy H2 that delivery and supply will be assessed against the combined figure of its own needs plus the unmet needs of Oxford.

### *Green Belt*

In meeting its own housing needs and those of Oxford the Council is proposing to amend Green belt boundaries. The Council have set out within the plan the exceptional circumstances that support the amendment to Green Belt boundaries. We would agree that not only are there site-specific circumstances supporting the amendment of boundaries but the acuteness of the housing needs in the HMA, the need to deliver affordable housing to address the specific needs of Oxford and the fact that Oxford's boundary is tightly bounded to the urban area are all key factors supporting the amendment of Green Belt boundaries.

### **H1: Delivering new homes**

#### Policy is unsound as it is ineffective

Whilst we appreciate the Government's continued support for neighbourhood planning within the latest NPPF it is important to ensure that where these plans do not come forward in a timely manner then the Council will either seek to update their local plan to allocate sites within these communities or make decisions against the policies set out in the local plan. The Council have alluded to this within part 1 of this policy but they have provided no timeframe for the preparation of Neighbourhood Development Plans to indicate when they will intervene. We would suggest that a clear timeframe is included within this policy in order to provide certainty for both the community and development industry about future development opportunities.

### **H9: Affordable housing**

We would suggest one minor change to the wording of part 2iii of H9 to better reflect the definition of affordable housing in Annex 2 of the NPPF. We would recommend that “affordable rent” be amended to “affordable housing for rent” as this encompasses the wider definition of such provision as set out in the NPPF.

This policy also requires at part 2vi) any affordable housing supplied on site to be indistinguishable from market housing. Such an approach is not an effective approach to the delivery of such homes. It must be remembered that affordable homes are a different product and as such may well be designed differently and use different materials. The same is often the case between different market products with lower value properties being designed differently to those with a higher value. As long as the proposed development is in keeping with the design policies set out in the local plan then a differential appearance within a site should not be an issue for consideration. We would therefore recommend that this paragraph is removed from the policy H9.

### **H11: Housing Mix**

The Policy is unsound as it is unjustified.

The relevant section of PPG establishes that the implementation of the optional technical standard should be based on the need for such properties. The Council's evidence has indicated that between 13% and 14% of the population are living with a long-term health problem or disability and that this is the closest indication as to the level of need for accessible and adaptable housing. Whilst this would seem to be a reasonable level at which to base the number of homes provided it is surprising that this has not been considered as an appropriate level of provision for affordable housing. The evidence that all affordable homes should be built to part M4(2) is purely on the basis that the majority of adaptation were made to such homes. This might suggest a higher proportion but not for all affordable housing to be built to this level.

Part 4 of this policy requires 3% of plots on sites of 100 or more homes to be delivered as wheelchair accessible housing. This policy should be deleted as paragraph 56-009 states that local plan policies for wheelchair accessible housing should only be applied to those homes where the local authority is responsible for allocating or nominating a person to live in that dwelling.

With regard to space standards whilst there would appear to some evidence that one and two bedroomed flats are being built to smaller space standards paragraph 6.15 of the Housing Study, which sets out the evidence supporting the Council's Housing Strategy, outlines "*... that certain locations in South and Vale where affordability is most stretched often being characterised by development of small properties with limited floorspace*". Given this statement we are concerned that consideration has not been given to the impact on affordability in relation to the implementation of these space standards as required by paragraph 56-020 of PPG. Requiring the delivery of larger units could impact on the cost of new housing and worsen affordability even further.

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

The policy is unsound as its unjustified, ineffective and not consistent with national policy

Policy H12 proposes that strategic sites should provide at least 3% of homes as serviced plots for self / custom build. Whilst we are generally supportive of self / custom build for its potential additional contribution to the overall supply of housing, but the Council's approach is only changing housing delivery from one form of house builder to another without any boost to housing supply. We would suggest that the Government's intention was that the duty placed on LPAs with regard to self-build homes would bring forward new sites, either the Council's own land or to use their own land or engaging with willing land owners. We would therefore suggest that the requirement for such plots to be provided is not entirely consistent with national policy and should be amended to encourage the provision of self-build plots but not require them.

We are also concerned that the level of need outlined on self-build registers is inflated and does not reflect demand locally. The Council have indicated that there are about 400 people on their self-build register at present. However, we have noted that when Councils have revisited their registers in order to confirm whether individuals wish to remain on the register numbers have fallen significantly. This has been the case at the EIP for both the Hart and Runnymede Local Plans. In Runnymede for example more stringent registration requirements were applied in line with national policy and saw the register fall from 155 to just 3.

If the requirement proposed by the Council is to be retained the policy must include a policy mechanism of reversion to the original builder after a 6 months marketing period. This ensures that where estimates of demand for such plots are inflated these plots can be developed without any considerable delay.

### **H13: Specialist Housing**

The policy is unsound as it is ineffective

Paragraph 61 of the NPPF seeks to ensure that local plans can support a mix of housing being delivered within the area they cover. As part of this policy it is important that the needs of older people are specifically considered and that retirement accommodation that provides specifically for their needs should be supported. However, what H13 does not do is state that the Council will be supportive of proposals that deliver specialist accommodation on sustainable sites. This shows the Council's support the delivery of such schemes where they are brought to the market on unallocated sites – an approach that is likely to ensure the delivery of such schemes to meet an identified need. Without this amendment the policy cannot be considered effective.

### **DES1: Delivering High Quality Development**

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

Part 3 of this policy requires development proposals to meet the key design objectives and principles within the South Oxfordshire Design Guide. Whilst we recognise that such guidance can help guide applicants it cannot be a requirement to meet these standards. This principal was most recently tackled in [William Davis Ltd & Ors v Charnwood Borough Council \[2017\] EWHC 3006 \(Admin\)](#) (23 November 2017) where supplementary planning document strayed into an area that should be considered by a development plan document. This decision quashed an SPD that contained policies that clearly encouraged and imposed development management policies against which a development could be refused. Policy can only be established through the Local Plan and this principle must be maintained. We would therefore suggest that part 3 be amended to applicants to have regard to the design guide.

### **DES7: Public Art**

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

This policy is not consistent with paragraphs 54 to 56 of the NPPF and with paragraph 23b-001 of PPG. The Council have not established within the plan or the supporting evidence base how it considers public art to meet any of the tests set out in these paragraphs. 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. 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, as measured against the tests of soundness set out in paragraph 35 of the NPPF, for the following reasons:

- The plan has not fully considered the level of unmet needs arising in Oxford;
- No evidence on whether 10% of homes will be delivered on sites of no more than 1 hectare;
- The evidence does not justify all affordable homes being built to part M4(2);
- The register of self-build homes is not sufficiently up to date to support the approach set out in policy H12;
- H13 should state that the Council will support applications for specialist accommodation on sustainable sites;
- Policies on design should require development to consider the South Oxfordshire Design Guide and not be consistent with such guidance;
- Policy on public art is inconsistent with national policy and should be deleted.

We hope these representations are of assistance in taking the plan forward to the next stage of plan preparation and examination. Should you require any further clarification on the issues raised in this representation please contact me.

Yours faithfully



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