

Sent by email to: planningpolicy@oxford.gov.uk

04/01/2024

Dear Sir/ Madam

Oxford Local Plan 2040 – Submission Draft

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

Policy H1 – housing requirement

Reference in paragraph 2.8 to housing needs is unjustified and should be amended. The lack of a housing trajectory is also inconsistent with national policy.

Housing needs.

2. The Council state at paragraph 2.5 that the minimum number of homes the council are required to deliver based on the standard method will fail to provide sufficient new housing to address the housing needs not only of Oxford but for the whole of Oxfordshire. The Council recognises that Oxford is at the heart of a dynamic region and the level of economic growth in this region is a key driver housing need. As such the Council have, in partnership with Cherwell, considered alternatives to the standard method considering of the likely economic population growth that will be experienced in the region. The HBF would agree with the decision to consider alternative scenarios, given the importance of the region to the national economy it is not only necessary but also consistent with national policy.
3. As for the level of housing need the HBF considers the Housing and Economic Needs Assessment to provide a clear overarching consideration as to the pressures facing the

Oxfordshire housing market and need to boost housing supply. The HENA sets out four scenarios which include the standard method, a Census adjusted figure and two scenarios based on different economic growth expectations. What is clear from the HENA is that the standard method would lead to housing delivery that is significantly lower than that required to support both of the economic growth scenarios outlined in the report. This would generate a significant level of commuting into Oxfordshire and potentially act as a barrier to economic growth. Similarly, the second scenario based on the 2021 census adjusted figures also fails to deliver sufficient housing to support expected levels of economic growth. Whilst the shortfall is a much smaller deficit in workers to jobs it still leads to increase commuting that is part of a worsening trend that has been identified by the Council and cannot be considered a sustainable approach to growth across Oxfordshire.

4. Given the recognised importance of Oxford and Oxfordshire to the national economy and the potential for housing to be a barrier to investment the HBF would agree that there are the exceptional circumstances required to depart from the standard method and the only sound approach is to adopt an employment led housing requirement. The HENA considers two employment led scenarios. The one that Oxford and Cherwell, have alighted on as their preferred option is the Cambridge Econometrics (CE) Baseline scenario which results in a housing need across Oxfordshire of 4,406 dwellings per annum (dpa). The second employment led scenario is one based on growth resulting from the LEP Investment Plan and result in a housing need of 5,830 dpa.

5. Whilst the HBF welcomes the Council's recognition that housing needs in Oxford and Oxfordshire is likely to be significantly higher than that arrived at using the standard method we have two concerns with the chosen scenario. Firstly, the CE Baseline scenario may underestimate the need for commuting and the potential for growth in future. With regard to commuting we would agree with submissions made to the consultation on the HENA made by two of our members¹. These submissions suggest that the CE Baseline could see significantly more in commuting than is suggested by the HENA. Given the need for economic growth to be sustainable this would suggest a higher level of housing is required to reduce the level of sustainable commuting into Oxfordshire.

6. Secondly, the HBF believe the Council have been too pessimistic with regard to economic growth being in excess of the CE Baseline. The economic development led scenario was

¹ Cala Homes and David Wilson Homes

dismissed on the basis that there is currently too much uncertainty given the current geopolitical circumstances and the economic disruption of COVID for such an optimistic forecast to be considered. To some extent the HBF would agree. Overly optimistic scenarios should be avoided however equally the Council should not be overly pessimistic as to the levels of growth that can be achieved. As the HENA notes in paragraph 7.7.21 there is a history of strong recovery from economic down turns and that this plan must take a long-term strategic view as to growth and the development needed to support that growth. There is clearly potential for jobs growth across Oxfordshire to be much stronger than the CE Baseline.

7. Whilst it is important that housing growth is realistic, it is equally important to ensure that it is not a barrier to investment and puts the brake on growth in one of the UK's most dynamic economies. In the HBF's view the HENA is suggesting that housing growth will need to be between 4,721 dpa and 5,830 dpa in order to support the economic growth of the area. This growth will clearly depend on the success of the growth strategies being put in place not only in Oxfordshire but across the Oxford Cambridge sub region. Whilst it cannot be expected that all the projects being proposed to support higher than baseline growth in the area will come forward it is reasonable to assume that some will, given the focus on the area for investment from both the public and private sectors. As such it would be appropriate, and sustainable, to plan for housing growth beyond baseline economic growth.

8. Taking account of both the need to minimise in commuting and the likelihood of strong economic growth the HBF would suggest that Oxford and its neighbours need to plan for at least 5,000 dpa. As for the distribution of these homes the HBF would not disagree with the distribution in the HENA which is based on levels of employment. This would result in a housing requirement for Oxford of 1,500 dpa. The HBF is fully aware that Oxford cannot support this level of housing growth. However, it is vital, given their scale and the importance of the area to the national economy, that the unmet needs of Oxford are fully acknowledged and addressed elsewhere. As such the HBF considers the statement in paragraph 2.8 to be unsound that should be amended to state that the housing need for Oxford is 1,500 new dwellings per annum.

Housing Requirement and Supply

9. The Council state that they can deliver 9,612 homes over the plan period, an average of 481 dpa. This leaves a shortfall of, based on the Council's assessment of needs, 16,828

homes to be delivered elsewhere in Oxfordshire. Whilst existing agreements indicate some of these will be met through existing agreements it is notable that the South Oxfordshire and Vale of White Horse Joint Local Plan makes no additional provision to address Oxford's unmet needs beyond these agreements to take account of delivery between 2036 and 2040. We recognise that Oxford City Council cannot force other LPAs to take their needs, but we would expect the Council to challenge the position taken by SODC and VoWH in what appears to be a failure on their behalf to co-operate effectively on this matter.

10. The HBF note that the Council have not included a housing trajectory within the local plan, nor could we find one within the evidence base. Given that the NPPF states in paragraph 74 that strategic policies should include a trajectory illustrating the expected rate of housing delivery over the plan period we would expect to see such a trajectory in the submitted local plan. The Council should also provide an annualised trajectory setting out when each site contributing to the city's housing supply will come forward and the rate at which it will deliver. Appendix B of the HEELA provides an indication of supply rates within five-year tranches however this lacks the detail necessary for effective scrutiny of the deliverability of the submitted plan. Only an annualised trajectory will allow the inspector and stakeholders to effectively scrutinise land supply over the whole plan period and by extension the level of unmet needs arising from his local plan.

Windfall

11. The Council have included a windfall allowance of 116 dpa which is the average supply across the last 7 years. It is notable that this includes a significant level of delivery in 2016/17 of 258 units with the average over the last five years being just over 100. The HBF would agree that there is likely to be a continued supply of windfalls but given that supply of smaller sites is finite we are concerned as to whether the average can be sustained across the plan period. To ensure that the supply of windfall sites is not overestimated we would suggest that the average annual delivery rate is reduced by 10%.

12. It is also unclear as to whether the Council will, as required by paragraph 69 of the NPPF be delivering 10% of its housing requirement on sites of one hectare or less. Whilst the HBF recognises that Oxford is constrained it should still seek to identify and allocate as many small sites as possible through this local plan rather than rely on windfall from such sites. Recent research by the HBF has found that there are 85% fewer small house builders today than there was 20 years ago and that of a survey of 202 SME house builders 87% said they

were considering winding up their residential activities in the next three years. Whilst this decline is due to a range of factors more allocations of small sites would ease the burden on many SME developers and provide more certainty that their scheme will be permitted allowing them to secure the necessary finance that is often unavailable to SMEs until permission is granted.

Student accommodation ratio.

13. A significant proportion of the housing supply is a result of student accommodation. This is accounted for in the supply with a 2.5 student bed spaces considered the equivalent to one dwelling. This is 2.5:1 ratio is taken from the Housing Delivery Test which is based on national data as to students per dwelling. However, given the significant amount of student accommodation being built in Oxford the HBF would suggest that a local assessment is required to see whether this is accurate for Oxford and the contribution of student accommodation to overall housing supply is not being overestimated.

Policy G4: Delivering Mandatory Net Gains in Biodiversity

The policy is unsound as it is inconsistent with national policy.

14. The policy sets out that planning permission will only be granted for development delivering a 10% net gain unless it is exempted from doing so by national legislation or guidance. The policy goes on to state in the fourth paragraph that where it is not possible to deliver this on site the hierarchy of preference must be followed. However, this hierarchy fails to recognise that offsite mitigation in a National Character Area (NCA) is given the same weight in the Biodiversity Metric as for offsite mitigation within the local authority area and will have the same benefits in terms of net gain. As such the HBF recommends that in order for the G4 to be consistent with the metric the policy should allow offsite delivery in the relevant NCA at each stage of the hierarchy set out in G4.

Policy R1: Net Zero Buildings in operation

Policy is unsound as it is inconsistent with national policy and unjustified.

15. This policy requires all new buildings to be net zero carbon in operation. For residential development this will require homes to achieve an energy use of 35kwh/m²/year; a space

heating standard of no more than 20 kwh/m²/year; no fossil fuels to be used directly in the operation of the development and for the energy needs to be met from onsite renewable energy generation and onsite energy storage in the first instance and offsite if this cannot be achieved. If energy demand can still not be met from renewables, then the council will require a payment to an offsetting funding.

16. The HBF recognises the need for new homes to be more energy efficient and reduce CO₂ emission. To achieve this, we support the Government's phased approach that will see the Future Homes Standard (FHS) being implemented with all new homes being zero carbon ready from 2025. However, the HBF is concerned that the Council is seeking to push energy efficiency standards of new homes beyond those in the FHS. This proposed standard will see homes being zero carbon ready from 2025 and given that decarbonisation of the National Grid will be reached by 2050, in line the Government's time frames for achieving net zero. The HBF therefore does not consider it necessary for the Oxford to adopt alternative standards.

17. The Government have now provided some clarity as to the policy position on this matter through a written ministerial statement (WMS) published on the 13th of December 2023. In this statement the housing minister notes that "*Compared to varied local standards nationally applied standards provide much-needed clarity and consistency for businesses, large and small, to invest and prepare to build net-zero ready homes*" and that local standards can "*add further costs to building new homes by adding complexity and undermining economies of scale*". The 2023 WMS goes on to state that any standard that goes beyond building regulations should be rejected at examination if the LPA does not have a well-reasoned and robustly costed rationale that ensures:

- That development remains viable, and the impact on housing supply and affordability is considered in accordance with the National Planning Policy Framework.
- The additional requirement is expressed as a percentage uplift of a dwelling's Target Emissions Rate (TER) calculated using a specified version of the Standard Assessment Procedure (SAP).

18. As this is a new national policy position the Council will clearly need to give it full consideration prior to the submission of this local plan. Taking the second bullet point first the Council's policy, which requires development to achieve a specified level of space heating demand and energy use, is inconsistent with national policy. The Council will need

to reframe its policy relation to Total Emissions Requirements as assessed using SAP. The Council will also need to amend paragraph 5.7 of the local plan which states that they consider the most appropriate methodology for assessing performance against this policy is CIBSE TM54, or an alternative method if agreed in advance.

19. Turning to the first bullet point in the 2023 WMS the HBF do not consider the council to have properly and fully considered the implications of this policy on the deliverability and viability of new development. Firstly, the proposed standards are higher than the proposed Future Homes Standard expected to be introduced in 2025 and seemingly will require higher levels of fabric efficiency. This will require new skills and materials that may not be readily available, and which could slow delivery the short to medium term as these are developed. It has been recognised by the Future Homes Hub that to deliver higher standards will require phased transitional arrangements would be needed to steadily build up the skills and ensure quality. The FHH notes in its report Ready for Zero² that even if a short transition period between current standards and those similar to the Council are proposing that this would “... create a high risk of quality problems, inflated costs and, potentially, stalled build programmes.” As such consideration will need to be given as to the delivery rates of development in the early years of the plan period with fewer homes potentially coming forward in this period as these much higher standards will take time to embed.

20. Secondly, the cost of the proposed standard does not appear to have been fully considered in the viability assessment. The Viability Study states that there are a range of sources as to costs and the assumption made is that achieving net zero operational carbon will be in the region of 5% of build costs compared to the 2013 Building Regulations. The HBF considers this may be an underestimate of the costs.

21. The Future Homes Hub has undertaken some work to support and inform the implementation of the Future Homes Standard which is set out in Ready for Zero. This study tests a number of archetypes against a range of specifications from the current standards set out in the 2021 Building Regulations through to standards that will achieve similar standards to those proposed by the Council, however it must be noted that these are assessed using SAP not CIBSE TM54 which is the Council's choice of assessment methodology. The various specifications and costs are summarised in Figure 8 of Ready for Zero. This indicates that in order to deliver a similar standard on a three bedroomed end

² Ready for Zero Task Group Report [Link](#) (Future Homes Hub, 2023)

of terrace house to that being proposed by the Council (specifications CS3, CS4 and CS5) would be around a 15% to 20% increase in per unit costs compared to the 2021 Building Regulations. Whilst the specifications and assessment methodology may not be directly comparable to those being proposed by the Council it provides an indication as to the costs and that these are likely to be higher than those proposed in the viability assessment.

22. In summary, whilst the HBF would agree with the Council that there is a need to act we would disagree that this needs to be undertaken through the local plan given that there is already a national approach to achieving the same goal. Delivering these improvements through building regulations has a distinct advantage over delivering a variety of different approach across the county in that it provides a single approach that all developers understand and can be rolled out at scale. This allows supply chains and skills to be improved prior to implementation and ensure that improvements to building standards are actually deliverable from the point at which they are introduced. However, if the Council chooses to go beyond current or future standards it must be done in a way that is consistent with national policy and fully assesses its consequences.

Policy R2: Embodied Carbon.

The policy is unsound as it is ineffective.

23. This policy requires all development to demonstrate consideration of embodied carbon in the construction process with proposal for development of 100 or more residential units or 10,000m² non-residential floorspace to provide:

- A measurement of total embodied carbon associated with the construction process.
- Details of actions taken to reduce embodied carbon as much as possible.

24. The HBF considers that this policy does not serve a clear purpose and it is not evident how a decision total embodied for developments of over 100 and actions to reduce life cycle carbon emissions from all development it is not clear from the policy how it will be determined what is an appropriate level embodied carbon will or what would be an appropriate level of reductions.

25. The HBF considers that if the Council is to introduce a policy in relation to embodied carbon it will have to closely consider how it will be monitored and what the implications are for the

preparation of any assessment, particularly in relation to how easily accessible any data is, and that it will have to take into consideration that much of the responsibility for emissions will lie in areas outside of the control of the homebuilding industry, including material extraction and transportation, occupation and maintenance, demolition and disposal. As such the HBF would suggest that the policy is amended to remove the specific requirements for larger developments to provide measurements of embodied carbon as it is unclear as to how these would be used by decision makers.

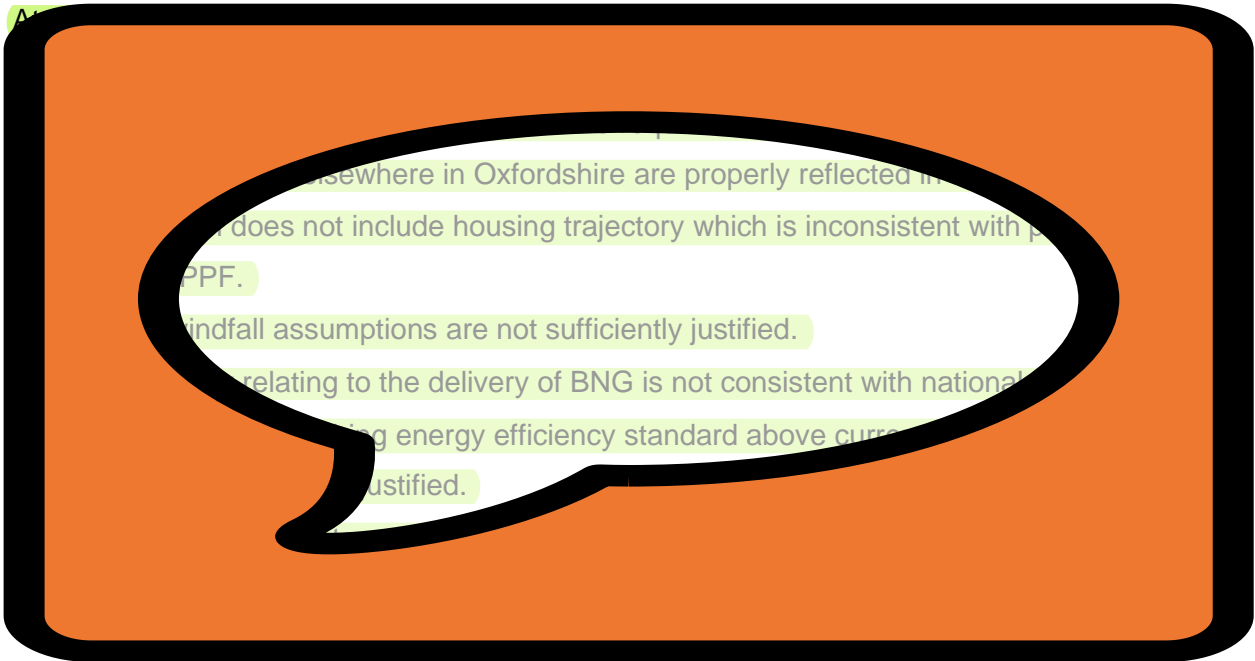
26. The Council have acknowledged in Background Paper 10: Carbon Reduction and Net Zero Carbon Development the difficulties and uncertainties in this area recognising that there are inevitable trade-offs between reducing embodied carbon versus place making and design. This even extends to the delivery of renewable energy given the carbon required to produce and transport solar panels for example. Therefore, if this policy is to be retained the HBF would suggest that acknowledgement of these trade-offs is made in the policy to ensure that it is at the forefront of decision makers considerations. In addition, if this policy is to be introduced then the Council should provide a transitional period to give the industry time to adjust to the requirements and for the supply chain to be updated or amended as required.

Policy HD10: Health impact Assessments.

Policy is unsound as it is ineffective.

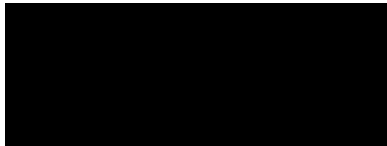
27. HD10 requires all major development undertakes a Health Impact Assessment (HIA). Whilst the HBF would agree that they are an essential part of plan making to ensure the Council understand the health outcomes it is seeking to achieve and creates a plan that seeks to deliver these. This should be achieved through the preparation of a whole plan HIA which will inform the Council that the policies it contains address the key health outcomes for the area. As the plan and the policies, it contains has been prepared to address the key health issues it is therefore unnecessary for future development proposals that accord with this plan to undertake a separate HIA. If a development meets the policies in the plan, then it is by default addressing the health outcomes already identified by the Council. An HIA as part of the application would merely be repetition of the work the council has already undertaken. The only circumstance where an HIA may be appropriate would be for a larger unallocated site where the impacts may not have been fully considered by the council as part of the plan wide HIA.

Conclusions



I hope these comments are helpful and we would be happy to meet to provide clarity on or concerns. I can also confirm that the HBF would like to participate in the hearings with regard to the issues raised in these representations.

Yours faithfully



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Home Builders Federation

