Vale of White Horse Local Plan 2031 Part 1

Examination Hearings

Examination Stage 2

Written Statement by Vale of White Horse District Council

in relation to:

Matter 13 – Viability, Delivery, Monitoring and Contingency (Policies CP47 and the Monitoring Framework)

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Matter 13 – Viability, Delivery, Monitoring and Contingency (Policies CP47 and the Monitoring Framework)

1. Introduction and Background

1.1 It is essential the Local Plan is based on adequate, up-to-date and relevant evidence regarding the economic, social and environmental characteristics and prospects of the area. The Local Plan must also ensure that its assessment of and strategies for housing, employment and other uses are integrated, and take full account of relevant market and economic signals (NPPF)[1].

1.2 The Local Plan must also be economically viable and deliverable, recognising that the sites and scale of development should not be subject to a scale of obligations and policy burdens that their ability to be delivered becomes unfeasible (NPPF)[2]. The District Council recognises that this can only be achieved by striking the correct balance between economic requirements and a significant competitive return, to deliver development in the right place at the right price and in the right time, so the plan is both deliverable and effective, with sufficient flexibility to adapt to rapid change (NPPF).[3]

1.3 Monitoring will play a key part in quickly identifying any issues that need addressing. Consequently, the Local Plan includes a Monitoring Framework (Appendix H)[4] to set out what needs to be monitored. This details the Local Plan's policies, indicators and the necessary actions to safeguard the Plan's implementation. It will also help to ensure the Plan is efficient and robust in meeting its objectives, but can identify when changes are needed in response to changing economic and social circumstances.

1.4 The Council's future Annual Monitoring Reports (AMR) will be developed from the Monitoring Framework, and will further detail the cumulative effects and performances of the Local Plan's policies and standards.

1.5 The Council considers the following documents relevant to consideration of Matter 13:

- The Local Plan Viability Study (2014)
- Strategic Sites Viability, Interim Paper (2013)

[1] **LNP03** - Department for Communities and Local Government (2012). National Planning Policy Framework, Paragraph 158

[2] **LNP03** - Department for Communities and Local Government (2012). National Planning Policy Framework, Paragraph 173

[3] **LNP03** - Department for Communities and Local Government (2012). National Planning Policy Framework, Paragraph 14

[4] DLP01 - Vale of White Horse Local Plan 2031 Part 1, Appendix H.

- Strategic Housing Land Viability Assessment (2014)
- CIL Viability Assessment (2013)
- Infrastructure Delivery Plan (2014)
- Vale of White Horse Local Plan 2031, Part 1: Appendix H.

Question 13.1

Having regard to NPPF paragraph 174, has the likely cumulative impact of the plan's policies and standards, together with other local and nationally required standards, been adequately considered using appropriate available evidence?

Is there evidence that the plan's policies and standards would not put implementation of the plan at serious risk and would facilitate development throughout the economic cycle?

2. The Council's Response to Question 13.1

2.1 The Council considers that the likely cumulative impact of the policies and standards included within the Plan, together with other local and nationally required standards, have been adequately considered and taking full account of the evidence which has informed the Plan, would not put implementation of the Local Plan at serious risk and would continue to facilitate development through the economic cycle.

2.2 The Local Plan Viability Study[5] is an important evidence document, which was positively prepared with stakeholder engagement, including the development industry, setting out the detailed methodology and assumptions used to inform the viability testing.

2.3 When assessing development sites included in the Local Plan, the Local Plan Viability Study concluded that the vast majority of strategic allocation sites were fully viable and that the cumulative impact of proposed policies in the Plan did not put implementation of the Plan at 'serious risk'.

2.4 In the viability study only three sites out of all of those tested were assessed to fall slightly below the viability threshold; Monks Farm, Crab Hill and the South of Faringdon. However, both Monks Farm and Crab Hill were still considered to generate a significant residual value and

[5] INF01 – HDH Planning & Development (2014) Local Plan Viability Study, pg. 99 -122

both are considered able to bear the associated infrastructure and mitigation required in the Plan[6]. Since the study, Crab Hill has been granted outline planning permission.

2.5 The South of Faringdon was also shown to fall below the viability threshold. However, this is because the total site area is 18ha, where in reality the site only has a developable net area of approximately 5.7ha. On this basis the site has a Residual Value well over £1,000,000/ha. The site is considered deliverable and has a 'resolution to grant' (P15/V/1934/0), with the promoters of site working proactively with the Council to bring site forward in a timely manner.

2.6 With regard to employment uses, the Viability Study concluded that whilst some non-residential uses are not presently considered viable, this is due to general market conditions, rather than the cumulative impact of Local Plan policies and requirements. Office development is within the viability threshold, though the Viability Study indicated that industrial development is presently unviable. However, industrial development is often brought forward by existing businesses for operational reasons, rather than to make a return as a property development. While speculative employment development has been difficult to bring forward there have been some encouraging signs, as shown by Harwell Campus and Milton Park.

2.7 The Council also recognises that the Plan should '*facilitate development throughout the economic cycle' (NPPF)* and through its economic development resources is actively involved in securing necessary funding that will help facilitate the delivery of development throughout the economic cycle. This evident in its working relationship with the Oxford Local Enterprise Partnership (LEP) to secure the required funding for essential infrastructure within the district as identified within the IDP[7]. The Council have also streamlined planning application within the Science Vale UK Enterprise Zone (SVUK EZ) to ensure applications are determined within 6 weeks of submission.[8] While the Milton Park LDO, has played a major role in accelerating development by simplifying planning controls and timescales.[9]

[6] INF01 – HDH Planning & Development (2014) Local Plan Viability Study, pg. 131
[7] DLP07 – Vale of White Horse (2014), Infrastructure Delivery Plan.
[8] ECO022 - Vale of White Horse District Council (2015), Update, Protocol between Vale of White Horse District Council (VWHDC) and Oxfordshire County Council (OCC) for handling planning proposals and applications in the Science Vale UK Enterprise Zones.
[9] ECO023 - Vale of White Horse District Council (2012), Milton Park Local Development Order.

2.8 In relation to CIL, the Local Plan Viability Study also concluded that residential development is able to bear developer contributions in the range of £80/m² to £140/m², noting that the larger retail developments is also viable enough to make significant CIL contributions as well as meeting the cumulative planning requirements of the Local Plan in full. The Council are also currently waiting for a CIL Viability Update from HDH Planning to inform the CIL examination. Initial findings indicate the update will further support the viability of the Plans spatial strategy. We will inform the inspector of the study as soon as the study has been completed and submitted to the Council.

2.9 Representation have been made in question to the Council's approach to viability testing for 35% affordable housing and level of developer contributions through CIL. The Viability study recommended a 35% affordable housing target would increase the level of economic viability for the development of the plans strategic sites whilst also providing additional funding for other much needed infrastructure through developer contributions.[10] If there is a requirement to alter the level of affordable housing, an independent viability assessment will need to be undertaken to support the sites viability capacity (CP24).[11]

3. Summary of how the Plan's approach to ensuring Viability and Delivery meet the 'tests of soundness'

3.1 This section sets out how the policies related to viability and delivery of the Plan are considered to meet the 'tests of soundness' set out in paragraph 182 of the NPPF.

3.2 *Positively Prepared:*
As part of its preparation, the Council commissioned HDH Planning and Development (HDH) to carry out a comprehensive study, which examined the cumulative impacts of the Plan's policies and standards, the economic viability of strategic housing site allocations, and the deliverability of the emerging strategic policies, to assess whether the Local Plan was deliverable as a whole (i.e. Local Plan Viability Study). The Study concluded that it was. This has allowed the Council to progress its Local Plan to Submission stage with confidence.

3.3 *Justified:*
The assessment of viability as required under the NPPF and the CIL Regulations has been looked at in line with the Harman Guidance, as recommended in the *Viability Testing in Local Plans – Advice for*

[10] INF01 – HDH Planning & Development (2014) Local Plan Viability Study, pg. 131.

[11] DLP01 - Vale of White Horse Local Plan Part 1 2031, Core Policy 4, pg 95 'Any difference in tenure mix or percentage of affordable housing to be delivered will need to be supported by a viability assessment*'

Planning Practitioners (2012)[12]*,* and endorsed by the Planning Inspectorate in approving the London Mayoral CIL Charging Schedule in January 2012[13]. Stakeholders have also been closely involved in developing the approach of the Council's viability work.

3.4 When assessing the Local Plan, the Council has fully recognised that a developer needs to be rewarded for taking on the risks of development and should be assured of 'a competitive return'. The viability of the Local Plan can in itself be considered to be an important justification of its strategy.

3.5 *Effective:*
The viability work undertaken as part of the preparation of the Local Plan, illustrates that the Local Plan is deliverable taking account of all Local Plan policy requirements, national planning policy requirements and the prevailing local standards contained within saved policies of the Council's currently adopted Local Plan. The viability work gives confidence not just to the Council, but also to investors and local communities, that its strategy is effective and will be deliverable.

3.6 *Consistent with National Policy:*
Para 173 of the NPPF requires the '*sites and scale of development identified in the plan should not be subject to such scale of obligations and policy burdens that their ability to be developed viably is threatened*', and whether '*the cumulative impact of these standards and policies should not put implementation of the plan at serious risk'*. It is not a requirement for every site to be able to bear all of the Council requirements, but to ensure, with a reasonable degree of confidence, the Spatial Strategy is deliverable. The Council's viability work evidences this to be the case.

3.7 The NPPF, CIL Regulations and guidance are clear that assessments of viability should be based on existing available evidence. The Local Plan Viability Study and other viability work undertaken to inform the Plan has used existing available information from the Council, in respect to past planning consents and development appraisals, which help detail matters such as the specific levels of affordable housing and S106 development contributions included within each development scheme, to inform financial appraisals.

3.8 Para 174 of the NPPF, requires the '*Cumulative Impact' of the plans policies standards should not put implementation of the plan at serious risk'*. The Viability Study analysed in detail how the cumulative impact

[12] INF06 - Local Housing Delivery Group (2012), Chaired by Sir John Harman. Viability Testing Local Plan. Advice for Planning Practitioners.

[13] CIL 02.8 - Mayor of London (2012). Community Infrastructure Charging Schedule – Mayor of London.

of all Local Plan and national planning requirements would affect the viability of the Local Plan. It concludes the Plan is viable.

Question 13.2

Do Policy CP47 and Appendix H (The Monitoring Framework) provide a sound basis for monitoring implementation of the Local Plan and for taking appropriate action if implementation is not on track?

4. The Council's Response to Question 13.2

4.1 The Council considers that Policy CP47 and The Monitoring Framework as set out in Appendix H provides a sound basis for monitoring implementation of the Local Plan 2031 Part 1, and takes the appropriate action if implementation is not on track.

4.2 The Council has put mechanisms, through the consideration of additional release of land, and review of developer obligations and s106 contributions, in place to manage and react to unforeseen changes in circumstances, to ensure the delivery of the plan is still effective and deliverable (NPPF).[14] CP47, identifies necessary contingency measures to ensure the plan is flexible enough if planned development becomes stalled.

4.3 Policy CP47 i), makes it clear that the Council will seek alternative sources of funding if a lack of infrastructure is delaying development, so that it can help bring delivery back on track, where it needs to. The Council will work particularly closely and proactively with partners such as the Oxfordshire LEP, Oxfordshire County Council and site promoters to ensure that development comes forward in accordance with the Local Plan.

4.4 Policy CP47 ii), makes it clear that the Council will seek and investigate alternative mechanisms to accelerate delivery on other permitted or allocated sites. For example, The Council is looking at how it can prepare a comprehensive delivery strategy for the Science Vale Area, which will support the implementation and the delivery strategic sites contained within Science Vale. Amongst other things, it is likely that the strategy will look at the possibility of Local Development Orders and funding streams to help facilitate planned and accelerated growth across Science Vale in the future. This will build on the Council's existing successes in securing Enterprise Zone status and significant funds already secured for the area through mechanisms such as the City Deal and Growth Deal.

4.5 Policy CP47 iii), makes it clear that the Council will also consider identifying alternative deliverable site(s) that are in general accordance with the Spatial Strategy of this plan, through the Local Plan 2031, Part 2 or another appropriate mechanism; and if required. Other

[14] DLP02 - Vale of White Horse Local Plan Part 1 2031, Appendix H.

mechanisms are likely to include neighbourhood plans, where the Council continues to work to help support numerous communities develop their plans and has recently prepared a Neighbourhood Planning tool kit, to guide local Parish and Town councils through the neighbourhood plan making process.

4.6 Finally, Policy CP47 iv), makes it clear that the Council will ensure delivery of development through a full or partial review of the Local Plan 2031, if and when that is required. The Local Plan 2031, can be reviewed in whole or in part to respond flexibly to changing circumstances.[15] The Monitoring Framework (Appendix H), identifies if there is persistent under delivery in regard to housing allocations, it could be necessary to facilitate a Local Plan Review. Policy CP2, also recognises a full or focused partial review may need to be undertaken, if any of Oxford's unmet housing need is required to be accommodated within the district.

4.7 The Monitoring Framework incorporated into the Local Plan at Appendix H**,** details how the Council is intending to measure the effectiveness of the Local Plan in meeting its objectives, standards and targets, throughout its life. The Monitoring Framework sets out key indicators, targets and the necessary actions needed to mitigate against any adverse effects if any of the Plan's policies are falling short or failing in its intended objectives and/or standards.

4.8 The Council considers it essential that the effectiveness of the Local Plan can be monitored on an on-going basis to establish if its policies objectives, targets and standards are achieving what it intended and the spatial vision set out within the Local Plan. A detailed Monitoring Report will be produced at least annually and in accordance with the Regulations, to monitor delivery of the Plan and performance against the Local Plan's policies. The Monitoring Framework identifies targets and contingencies for each policy, demonstrating appropriate and effective action to ensure the execution of the plan is able to stay on track in the ever changing economic and social market.

[15] LNP03 - Department for Communities and Local Government (2012). National Planning Policy Framework. Paragraph 153

5. Summary of how Policy CP47 and the Monitoring Framework meets the 'test of soundness'

5.1 *Positively Prepared:*
CP47 and the Monitoring Framework set out in Appendix H have been positively prepared, detailing how the Plan's targets and indicators will be monitored, so that any adverse impacts or shortcomings are quickly addressed. Resources are also in place to ensure the Council can adequately monitor and publish its monitoring information on an annual basis in future.

5.2 *Justified:*
CP47 and the Monitoring Framework are considered to be entirely appropriate to the Plan, justified in the level of detail to be monitored and in terms of the actions the Council will take to keep delivery of the Plan on track.

5.3 *Effective:*
Having a Monitoring Framework will identify the effectiveness and delivery of the Plans policies on an on-going basis, and will identify if and when any contingency action needs to be taken to ensure the Plan stays on track.

5.4 *Consistent with national policy:*
The inclusion of Policy CP47 and the Monitoring Framework in the Local Plan is considered to be entirely consistent with the NPPF and the Local Plan regulations.

6. Conclusion

6.1 The Council considers that in respect of this matter, it can justify that the Local Plan meets the test of soundness set out in the NPPF.

Appendix 1:

The Council's Suggested Modifications in relation to Issues raised to Matter 7.

Ref.	Issue Raised	Modification Suggested
	Issue raised to a change of wording in CP47 to state Appendix H.	'…In accordance with the monitoring framework set out in ~~Appendix G~~ Appendix H the contingency measures identified in the monitoring framework will apply.'