

Division(s):

## **CABINET – 19 SEPTEMBER 2017**

### **Submission of Expression of Interest to the Housing Infrastructure Fund**

#### **ADDENDUM REPORT**

##### **Report by Strategic Director for Communities**

#### **Additional information not available at time of publication**

1. On Thursday 14 September (subsequent to the publication of the substantive report), the Department for Communities and Local Government (DCLG) launched a consultation on measures set out in the housing white paper (published in February 2017) to boost housing supply in England. Alongside important proposals for policy change, the consultation included proposals on a new national standardised formula for addressing housing need.
2. Across England as a whole, the new formula would result in an overall increase in housing supply expectations above the currently projected levels. Initial analysis of the outcome for Oxfordshire is that adoption of the formula could result in a reduction against existing expectations as generated from the Strategic Housing Market Assessment (SHMA) by an overall 30%, making Oxfordshire a significant outlier in the South-East and on the Oxford-Cambridge Arc with regard to the change.
3. The revised formula relies on demographic projections, based on past population growth, rather than forecasts, which would include analysis of changing trends and expected real-world events in the future, such as anticipated jobs growth or infrastructure commitments. Therefore, while the headline assessment is for a reduction from the current expectations, it is important to note that the consultation includes proposals on measures to acknowledge that for areas particularly impacted by economic factors including strong employment growth, the demographic projections may not be sufficient on their own and additional analysis may need to be factored into the final calculations.
4. It will be noted that the new formula includes an allowance for affordability, automatically increasing expectations of supply in areas with a high ratio of house prices to earnings. While this element will tend to increase the expectations for delivery, in Oxfordshire, this is outweighed by the impact of the population projections used.

5. Ultimately, agreeing the new housing targets are a matter for local planning authorities. However, the outcome of these deliberations will have a significant impact on the planning of County Council services and investment.
6. While changes to housing delivery expectations may result in specific changes to Local Plans with subsequent impact on infrastructure requirements, such changes are some way in the future. They are dependent on the outcome of the current government consultation and subsequent policy being adopted in regulations and then in the adoption of new approaches within local planning frameworks. This final step depends on the different stages of development of Local Plans in different districts and different transitional arrangements are described within the consultation. At this stage therefore there can be no certainty either on the impact of the consultation or the timescale over which changes will be adopted albeit that there will inevitably be an extended transition period. In terms of relevance to this decision, the Housing Infrastructure Fund (HIF) delivery period is through to 2020/21 and it is likely that in many cases existing frameworks will remain unchanged in that period.
7. It is also the case that while the consultation may result in a change to Local Plans, housing delivery will still remain significant as existing expectations are already high. The project packages set out in the proposed HIF bids have been identified as the most urgent relevant infrastructure within the emerging Oxfordshire Infrastructure Strategy and should still be expected to be required in all scenarios.
8. With respect to the recommendations before Cabinet, given the uncertainty in the impact of the potential changes set out in the consultation and the already identified need for the specific infrastructure identified in the bids, it is appropriate to maintain the assumption of housing requirements as already identified in the Local Planning framework. Until and if official expectations change, the existing numbers will remain in place and any other approach using different assumptions would risk opportunities for challenge to local planning decisions.
9. Planning on the assumption of housing delivery expectations that may change introduces a new risk to delivery to the County Council although given the uncertainty, it is difficult to quantify the risk at this stage. During the negotiation of any successful HIF bid, officers will seek to negotiate with government and local planning authorities to fully understand national and local approaches and to mitigate this risk.
10. Given the likely long timescales for review and the opportunity to seek assurance from government and local planning authorities, officers consider this risk proportionate.

## **Correspondence**

11. A letter from the Robert Courts MP has also been received and this is attached as Addendum Annex A, for Cabinet's information.

## **Revised Recommendations**

12. Recommendation four has been amended to clarify the considerations to be taken when taking the final decisions on submission. Therefore the full recommendations are set out below.

13. **The Cabinet is RECOMMENDED to:**

1. **Agree to the submission of an Expression of Interest to the Housing Infrastructure Fund**
2. **Agree to the process set out above for the assessment of viability of schemes and for their subsequent prioritisation**
3. **Note the current candidate scheme packages and current draft assessments**
4. **Delegate to the Strategic Director for Communities, in consultation with the Leader of the Council and the Cabinet Member for Environment, and taking into account the view of the Growth Board, the final viability and prioritisation assessment and the detail of the bid submission including the detail of projects to be included within each scheme. This should be based upon further thorough evaluation of the robustness of governance arrangements and levels of assurance on deliverability.**

Bev Hindle  
Strategic Director for Communities

Background papers: n/a

Contact Officer: Susan Halliwell, Director for Planning and Place

September, 2017