

The Local Plan 2045 will be used to ensure Oxford is a fairer, greener and healthier city

OXFORD LOCAL PLAN 2045

OXFORD CITY COUNCIL

Oxford City Council Response to Inspectors' Matters, Issues, and Questions

Matter 11: Viability, Infrastructure, Transport

Issue 1 - Infrastructure delivery - Policy S3

Q1 Does the Plan make sufficient provision for infrastructure as required by paragraph 20 of the Framework, having particular regard to infrastructure for transport, water supply, wastewater and community facilities?

Yes, the plan does make sufficient provision for infrastructure. This point was also covered in the Council's Matter Statement (EXAM.010) on Matter 3, Issue 1, Q4.

Policy S3 has been included in the Plan to set out how infrastructure should be delivered in new development. Policy S3 aims to ensure that essential infrastructure needs, to facilitate new development, are provided for and helps to ensure the plans proposals do not have adverse impacts related to these needs not being met. The approach is that planning permission will be granted where the required level of supporting infrastructure is met, which can be determined on a case-by-case basis. For infrastructure identified in the Infrastructure Delivery Plan (IDP) (CSD.006) (or in specific negotiations on an application) either on-site provision or contributions secured through S106/S278 agreements or CIL will be required, as well as other identified sources of funding set out in the IDP. Additionally, where critical infrastructure has been identified, this must be completed prior to approval of an application or where the LPA is content that it will be completed within a reasonable timeframe (which would be secured by condition). This approach ensures that critical infrastructure is delivered in a timely manner and is able to support the development and growth proposed through the spatial strategy.

Policy S3 also commits the Council to continuing to work with infrastructure providers, developers and other key stakeholders to support the delivery of the infrastructure necessary to enable the development set out in the Local Plan. We are committed to doing everything we can with service providers to facilitate the delivery of infrastructure. Collaboration between the LPA and Thames Water, the Environment Agency, Network Rail, Oxfordshire County Council for example, has taken place throughout the plan making process to inform the development of the policies and to ensure that projects identified in the IDP, such as Oxford Flood Alleviation Scheme (OFAS), Oxford Railway Station/ Cowley Branch Line and the LCWIP are deliverable and planned for.

The extent of our collaborative engagement can be seen through the numerous Statements of Common Ground (SoCG) with all key infrastructure providers/ stakeholders (COM.004-COM.018). We have also worked in conjunction with our neighbouring authorities, the County Council and statutory undertakers and agencies such as Thames Water and the Environment Agency to ameliorate barriers to growth. This was demonstrated, for example, when collaborative working by those aforementioned groups resulted in the formulation of a plan to resolve issues with sewage treatment works capacity in Oxfordshire, which otherwise would have significantly impacted on housing and commercial delivery for the foreseeable future. A range of prescribed bodies including the County Council, neighbouring authorities and the Environment Agency have inputted into framing the policies and proposals of the Local Plan in this regard. Statements of Common Ground with these bodies (see: COM.007, Oxfordshire County Council and COM.008 Environment Agency) demonstrate that collaboration has helped

resolve this difficult issue. Updates to the IDP reflect the discussions that have taken place and the conclusions drawn in relation to utilities infrastructure needs and delivery.

Notwithstanding this, we are aware that there will be instances where LPA engagement is not sufficient in isolation which is why engagement by developers with key stakeholders is required by the policy for the same purpose. Where the need for contributions has been identified we believe this should be fair, which is why we have a clear methodology about how we will seek contributions (CSD.006). This can also be seen for example within the CBLAOF policy where the development of the CBL contribution buffer zone is included so that developments which cause infrastructure requirements fairly contribute towards it.

Policy S3 considers that the enhancements to rail infrastructure at Oxford Railway Station and the Cowley Branch Line are critical to improving the accessibility and connectivity of sites, thus unlocking potential for further sustainable growth which is fundamental to the overarching strategy. We consider that these rail infrastructure improvements will be transformative for the city and are critical for unlocking the levels of growth that are outlined in the spatial strategy. This is also why we have chosen to use the AoF and site allocation policies to include specific, detailed guidance to support the delivery of key infrastructure projects. While this approach is not just relating to the CBL but to all key infrastructure requirements, it can be demonstrated, for example, in Policy CBLAOF where paragraphs a)-e) explicitly support active travel and infrastructure delivery. The policy also clearly cross-references to strategic policies (i.e. Policy C8 - Motor Vehicle Parking Design Standards) and site allocation policies (Policies SPS12 and SPS15) to create a continuity and golden thread at all levels of policy implementation.

In addition to infrastructure requirements being set out in the IDP which is referenced in Policy S3, infrastructure for community facilities is addressed in Policy C3 (Protection, Alteration and Provision of Local Community Facilities) and in the Areas of Focus and site allocation policies for specific sites and areas of the city. Policy C1 deals with healthcare infrastructure and is clear that healthcare uses should be directed to city and district centres.

We have established, through significant testing, that the level and pattern of growth identified in the strategy is achievable (CSD.004a) and we are confident that all the necessary infrastructure can be provided, not least because some of these are already underway and we have secured contributions towards their delivery. This can be seen for example through OFAS which is now at an advanced stage and CBL which has already secured a significant proportion of funding towards its delivery. We consider the deliverability of the strategy to be the key measure of success and are confident in our approach.

Following the introduction of the new NPPF 2026, to ensure that the policy is effective and in response to issues raised in the Regulation 19 consultation, we proposed in our Stage 1 Matter Statement that Policy S3 should be modified in line with the Statements of Common Ground with Oxfordshire County Council and South Oxfordshire and Vale of White Horse District Councils. The proposed modification is repeated below for ease of reference (red underlined text indicates additional text; red strikethrough text indicates text to be removed):

> *[Amendment to final paragraph of policy as follows:] … Supporting existing public transport and the reopening of the Cowley Branch Line to passengers would enable a*

reduction in car use to this area. Financial contributions from new trip-generating development within a 1,500m buffer zone of the proposed CBL stations (where it falls within the city's boundaries) will be expected in order to achieve public transport enhancements in this area, including, amongst other sustainable transport measures, the delivery of the CBL.

We also propose the following modifications to Policy S3 which reflect the Statement of Common Ground with Oxfordshire County Council (COM.007):

Amend 2nd bullet point of 'Policy context' section in the supporting text as follows:

Infrastructure needs to be funded and delivered in a timely manner. Developer contributions and the delivery of infrastructure will be sought through the most appropriate mechanism available, ~~using the Community Infrastructure Levy (CIL) and planning obligations (e.g., Section 106 (S106) or S278 agreements)~~ including through the use of pooled contributions and/or forward funding, where appropriate.

Addition of new 3rd bullet point in 'Policy context' section as follows:

Developer contributions are currently secured in Oxford using the Community Infrastructure Levy (CIL) and planning obligations (e.g., Section 106 (S106) or S278 agreements).

Q2 What is the justification for requiring financial contributions towards public transport enhancements, from trip-generating uses within a 1,500m buffer zone of the proposed Cowley Branch Line stations? How has the zone been established and is it based on appropriate available evidence?

This question has already been responded to under Matter 5, Issue 2, Q1.

Q3 Outside the 1,500m buffer area, what is the justification for Policy S3 stating that proposals will be considered on a case-by-case basis? What is the infrastructure that the policy seeks to deliver and how is this related to the allocations in the Plan?

This question has already been responded to under Matter 5, Issue 2, Q2.

Issue 2 – Viability – Policy S4

Q1 Does the Local Plan Viability Assessment Update demonstrate that the growth proposed in the Plan will remain viable across all typologies in all locations?

The Viability Assessment for LP2045 (SUP.002) applies a typologies approach which is consistent with PPG guidance on testing viability in plan-making. It establishes that the policy requirements are realistic and that the total cumulative impact of relevant policies will not undermine deliverability of the plan (in line with the requirements of PPG paragraph 002).

The modelling in the study tests 30 different development typologies (listed in section 4 and Appendix 2 of SUP.002), which were informed by analysis of recent development types in Oxford, and anticipated types of sites expected to come forward during the plan period. The appraisals compare the residual land values generated by those developments (with varying levels of affordable housing, other emerging policy requirements and indexed CIL rates) to a range of benchmark land values to reflect the existing value of land prior to redevelopment. Each typology is modelled for a range of different sales values, benchmark land values, and different percentage affordable housing contributions levels. The outputs are the colour coded tables in Appendices 6 - 10, which show whether the particular combination of those factors ("scenarios") is likely to be viable. Appendix 12 shows the modelling results for the cumulative policy impacts for policies involving developer contributions. If a development incorporating the Council's emerging policy requirements and CIL generates a higher residual land value than the benchmark land value, then it can be judged that the site is viable and deliverable.

Q2 The Viability Assessment states that where the cumulative impact of policies is concerned, the results are "…hugely variable and it is likely that some trade-offs between policy objectives will be required at the development management stage". It then goes on to recognise that "…this inevitably comes with the downside of a higher volume of site-specific viability testing at the development management stage." However, is this approach consistent with the Framework and the PPG? Paragraph 59 of the Framework advocates that where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable?

This reference in SUP.002 is explaining that if the policy requirements for developer contributions were set at the lowest common denominator, then many sites would only be delivering contributions towards community benefits at a lower level than they are capable of in terms of viability. In other words, either developer profit or price paid for the land, would likely be at a higher profit level than typical, and the community would miss out on potential public benefits that could have been delivered by the scheme. The reverse situation, is that if the policy requirements are set too high then a greater proportion of sites would be likely to face viability challenges, resulting in a greater number of proposals being subject to site-specific viability testing at the development management stage. This is also not desirable in plan-making because it increases uncertainty for developers and for communities and potentially

delays planning decisions and development being delivered. It is not recommending a policy position for LP2045 but is setting out the different approaches which could be taken and the likely impacts.

Informed by the outputs of the study, LP2045 seeks to set the policy requirements with a "maximum reasonable proportion" approach. This approach is embedded in the adopted LP2036 and has successfully been applied in Oxford for some time. It is also similar to the approach applied in contemporary plans in other similar urban city authorities. This means that the *majority* of sites or typologies will likely be able to deliver the full policy requirements for contributions, so contributions are sought to balance maximising community benefits from developer contributions but without undermining the deliverability of sites or the plan as a whole. Where there are exceptions or unexpected circumstances, then the plan provides flexibility to adjust the contributions expectations (Policy S4).

The approach in LP2045 is consistent with NPPF paragraph 59. Indeed, policy S4 reflects the expectations in paragraph 59:

The policies in the Plan have been viability tested and planning applications that fully comply with them will generally be assumed to be viable.

The City Council will always expect developers to have considered the financial implications of affordable housing policy requirements, and local market indicators, when purchasing the land for development. (from Policy S4 in CSD.001).

For further clarification, the following text could be added to the implementation section in the supporting text for Policy H3:

Viability testing indicates the levels of contributions set out in the policy are viable for the majority of development typologies likely to come forward during the Plan period in Oxford. However, where there are exceptional circumstances that mean viability is a challenge then Policy S4 sets out a cascade of adjustments that proposals should work through until the site becomes viable.

Q3 Is the 'housing viability cascade' in Policy S4 justified and effective? In particular, does it prioritise the achievement of 'net zero' buildings over affordable housing delivery?

Policy S4 sets out a housing viability cascade for sites where exceptional circumstances mean there are viability challenges. Where a site faces exceptional costs that could not have been anticipated in the whole plan viability assessment (for example, land contamination which requires remediation), the policy sets out the basis for negotiations relating to viability, the council's priorities for contributions, and the expectations for evidence required to demonstrate viability.

The supporting text for S4 explains that where the combined impact of policies in the Plan results in a site being unable to deliver a viable development because of a site-specific circumstance, development should proceed in a way that ensures maximum compliance with

planning policies. The policy guides the process of making amendments to proposals to ensure viability in a way that the intention of the policies is met as far as possible (the “cascade”).

The supporting text on page 17 explicitly sets out that the policy prioritises delivering affordable housing in this stepped cascade approach. So, whilst negotiations will be on a case-by-case basis, the retention of affordable housing delivery will be prioritised over other policy considerations.

As such, step 1 in the cascade in S4 is to incrementally reduce payments towards energy offsetting. If the development still remains unviable then step 2 is to increase the number of parking spaces incrementally up to maximum parking standards. Only if the site remains unviable after these two steps have been fully tested and applied, would the Council consider a reduction in affordable housing provision, starting first with reducing the intermediate housing element, and only as a last resort consider reducing the social rent element. It is considered that this approach is clear, can be effectively applied and supports the strategy of the Local Plan.

Issue 3 – Digital Infrastructure – Policy I1

Q1 Where data centres are concerned, is it sufficiently clear what is meant by "suitable sites in appropriate locations" in Policy I1? Is the policy effective?

The Oxford Employment Land Needs Assessment (ECON.001) does not identify a current demand for datacentres in Oxford. Given the nature of the city, there are limited opportunities for data centres due to the city's inherent spatial/physical and environmental constraints. For these reasons, to date, there has been no significant interest in bringing forward data centres within Oxford. However, several site allocations contain specific land use allocations for B8 uses which would include datacentres. Should datacentres be promoted in Oxford, they could also potentially be accommodated on sites within the Key Employment Sites. Policy I1 has been drafted in recognition of the growing importance of data centres as one of a number of key nationally important economic sectors. This policy therefore seeks to include a reference to datacentres and sets out some of their specific requirements and considerations. The inclusion of a reference to datacentres in the plan also provides local policy support for this nationally important economic sector should it be promoted in the future.

It is considered appropriate in this context to set out in policy the considerations that proposals would need to take account of. The key impacts of datacentre developments are expected to be on water and energy use, along with effects on the amenity of neighbours, occupiers, the wider community and the natural environment. To make this clearer a modification is proposed to the policy implementation bullet point to add more clarity on the expectations for applicants with respect to impacts on residents and the environment:

Proposed modification to the final bullet of Policy Implementation for Policy I1:

• *Where data centres are proposed, proposals will be expected to demonstrate how they will mitigate impacts on the wider environment such as in relation to energy and water use (see Policy R1 and Policy R5), and on the broader amenity of neighbours, occupiers and the wider natural environment (see Policy R8). Where these uses have the potential to generate waste heat, opportunities should be sought to repurpose this heat, so that it can service other users of heat in the city.*

Issue 4 – Land Safeguarded for Infrastructure – Policy I2

Q1 Does the Plan adequately and correctly identify land safeguarded for infrastructure so as to avoid conflicts with sites proposed for development?

The purpose of Policy I2, which was included in the plan in response to requests made from Network Rail and the Environment Agency, is to ensure that users of the plan can easily understand and identify the safeguarding land required for the Oxford Flood Alleviation Scheme (OFAS) and East West Rail Oxford (EWR). The policy sets clear requirements for development proposals which involve safeguarded land and the Policies Map (CSD.007) shows the areas of safeguarded land.

To ensure that there were no conflicts with allocated sites, we have considered the location of safeguarded land against the site allocation red lines. Additionally, when conducting the desk-based site capacity assessments (CAP.016) any safeguarded land was considered and excluded from the developable site area when calculation minimum housing numbers, necessary buffer zones and the overall requirements of the site.

There are three sites where the allocation is adjacent to safeguarded land, these are SPN5 (Pear Tree Farm), SPCW9 (Oxford Railway Station and Becket Street Car Park) and SPCW10 (Oxpens). Each of these site allocation policies includes a reference to Policy I2 to direct users of the plan to the requirements of Policy I2. For the Oxpens site, the safeguarded land does come within the red line boundary of the site, but it is in a part of the site that is greenfield Flood Zone 2-3b and would also constitute part of the required 10m buffer from existing railway land so would not be an issue for developability. For Pear Tree Farm, there is a slight overlap between the redline site boundary and the boundary of the safeguarded land, which at that location was the railway. Again, we consider that this would not be an issue considering the developable site area as there would have to be a 10m buffer from the railway existing railway land. The same railway buffer land point also applies to Oxford Railway Station and Becket Street Car Park.

As such, we consider there are no conflicts between the site allocations and the safeguarded land identified in Policy I2.