

# **Planning Reform Working Paper: Speeding Up Build Out**

Please see below Vale of White Horse District Council's response to the Planning Reform Working Paper on speeding up build out rates. We have only responded to question a from this consultation, but have shared our thoughts on the other matters through the parallel technical consultation on improving build out transparency.

**Question a: Do you agree with the evidence base and theory we have set out on build out rates?**

## **Market-Driven Build-Out Rates**

The working paper rightly highlights a critical issue affecting housing delivery in England, namely that "most homes in England are not built as fast as they can be constructed, once permission is granted, but only as fast as the developer expects to sell them at local second-hand market prices" (para 3).

We welcome that this market reality is acknowledged. However, it is disappointing that despite recognising this, the government continues to pursue the relaxation of planning controls as its principal strategy to boost housing supply. This approach overlooks the complex relationship between housebuilding rates and housing affordability. The issue was clearly addressed in the Independent Review of Build Out, particularly in the Draft Analysis published by Oliver Letwin in June 2018.

To better illustrate this point, it may be helpful to consider how developers typically operate. Landowners often dispose of sites through closed bidding processes, where developers calculate bids based on the anticipated number of homes that can be delivered, after accounting for costs. The expected sale values of these homes are generally pegged to local second-hand market prices. This structure creates strong incentives for developers to avoid undermining existing values, making it extremely difficult for new homes to be sold below current market rates.

## **Delays Between Allocation and Application – The Role of Site Promoters**

One area the consultation overlooks is the important stage between a site being allocated in a local plan and the submission of a planning application. In our experience, this is often where progress stalls, largely due to the role of site promoters. These companies specialise in promoting land through the local plan process but frequently do not have the means or intention to bring the site forward for development themselves. Instead, once allocation is secured, the site is typically sold to the highest bidder, with limited urgency to proceed to application or delivery. This can cause issues for other sites if the held-up sites is delivering/part delivering strategic infrastructure that is needed to mitigate the impact of multiple sites.

A number of case studies from our district, and neighbouring South Oxfordshire district, help to illustrate this pattern:

1. Land at Berinsfield (1,700 homes) was first proposed in a draft plan in 2017 and allocated in 2020. The site promoter originally committed to delivering homes by 2025/26. However, we are now in that very monitoring year, and no planning application has been submitted, nor has the site been sold to any developers.
2. Land at Northfield (1,800 homes) followed a similar trajectory. Proposed in 2019 and adopted in 2020, its promoter committed to early delivery. Yet, five years on, no meaningful progress has been made, despite the site promoters stating at the local plan examination that “[they] consider that the first homes could be delivered before 2025/26.”
3. Land South of Grenoble Road (3,000 homes) confirmed that they would submit an outline application following the inspector’s report into the local plan (in 2020), but the promised application has yet to materialise.
4. Ladygrove East, Didcot (500 homes) was allocated as far back as the 1990s. The landowner declined to bring the site forward for over two decades. Only once a development partner was secured in the late 2010s did delivery begin to progress.
5. Northwest Valley Park, Didcot (800 homes) has also seen prolonged inaction, with no known development partner in place nearly a decade after its initial allocation.
6. Grove Airfield, Grove – This site was identified in the Oxfordshire Structure Plan, adopted in 1998. Following this it has been allocated in Vale of White Horse Local Plan 2011, adopted in 2006, as well as the Vale of White Horse Local Plan 2031 Part One, adopted in 2016. Delivery started belatedly in late 2018. Persimmon Homes were the housebuilder and had been in control of the site since at least 2007.
7. Great Western Park – Again, a site identified in the Oxfordshire Structure Plan in 1998, and identified in the subsequent Vale of White Horse and South Oxfordshire District Councils’ Development Plan Documents. An outline application was made in 2002, granted outline permission in 2008, with the first homes being delivered from around 2012.
8. Didcot Gateway – This site was allocated in the South Oxfordshire Core Strategy, adopted in 2012. It was part of a regeneration strategy for central Didcot. The Orchard Centre, a retail development that also formed part of this strategy, was delivered and open in March 2018. An application for 300 homes to be delivered as part of this regeneration project was submitted by South Oxfordshire District Council in 2015, and subsequently withdrawn in 2020. Homes England came forward with an outline application in February 2022, for 144 homes, which remains undecided. The planning issues had been resolved; however the legal agreement has not been concluded with Homes England now seeking to relitigate the assumed planning obligations. This site is unlikely to come forward in the near future. With planning permission still to be agreed and Homes England then needing to dispose of the site to a delivery company.

From our experience, sites involving a housebuilder from the earliest stages tend to move more quickly from allocation to delivery; although there are notable exceptions. This is likely due to two key reasons:

1. There is no need to market or sell the site after allocation, which removes a significant source of delay.

2. Developers who are present from the start are less likely to dispute or renegotiate the commitments made during the plan-making stage, avoiding further delays caused by misalignment of expectations.

### **Reforming the Role of Outline Planning Permissions on Allocated Sites**

It is common for site promoters to secure outline planning permission once a site has been allocated. While we understand that this can increase the site's value prior to resale, we would question the wider benefits of this approach. From a local authority and community perspective, outline permissions often introduce delays and add complexity to the process without contributing significantly to housing delivery.

Moreover, this stage allows site promoters to capture more of the land value uplift, which could otherwise be secured for the public good. We believe this practice should be either removed or reformed. Instead, a more streamlined consent route might be introduced—focusing on site-wide matters such as indicative masterplans or securing legal agreements (e.g. Section 106 or Section 278). Since the principle of development is already established through the local plan, there is little justification for a further stage to reconfirm it.

We also note that it is often site promoters, not developers, who pursue outline permissions. We encourage the government to explore options for stricter regulation—or even prohibition—of this approach, particularly where it adds cost and time without delivering homes.

### **Supporting SME Builders**

We strongly support the idea of increasing diversity in the housebuilding market. However, in our area, most of the well-located, sustainable sites are already controlled by larger developers or promoters. As such, we believe that supporting SMEs requires a more structural intervention: namely, that larger strategic sites should be required to make serviced parcels available to smaller builders.

At the same time, we caution against an approach that results in blanket policy support of a site that is controlled by an SME developer, as these types of sites, by nature of the land market, are likely to be in sites with less residential hope value. Such sites are often not well related to local spatial strategies, or are affected by technical constraints, which lowers their value and makes them accessible to SMEs. Allowing development in such locations purely under the virtue that they are controlled by SMEs would conflict with the principles of sustainable development.

### **Encouraging Tenure Diversity on Strategic Sites**

We support measures to incentivise local plans to favour sites that can demonstrate delivery through a variety of tenures and delivery partners. This approach will encourage more resilient and diverse development models and help to identify sites that are genuinely deliverable.

### **Applying Section 113 Powers**

We welcome the introduction of powers under section 113 of the Levelling-up and Regeneration Act, which allow LPAs to decline applications from developers who have previously failed to build out sites at a reasonable rate.

To make full use of this power, we recommend encouraging LPAs to share performance data. A developer's record in other areas should be a material consideration when determining whether they should be granted new permissions.