Community Infrastructure Levy - Preliminary Draft Charging Schedule

View Response
Answers to Community Infrastructure Levy - Preliminary Draft Charging Schedule

FINAL RESPONSE
Submitted by Edward Duller on 20 Jul 2012 12:47

Public Profile
Name Edward Duller
Date 20 Jul 2012 12:47

Private Profile
Postal Address
Postcode
Gender
What is your age?
If you are under 16, what is your date of birth?
What is your ethnic group?
Your ethnic group (if you answered other)
Are you disabled?
Organisation Name
Job Title / Position within the Organisation
Areas of Interest

| Survey Types      | Online Consultations |

**Q1**

Please give us your comments on Oxford’s CIL Preliminary Draft Charging Schedule. We would be interested to hear your views on:

- the proposed range of CIL charges; and
- the infrastructure funding gap supporting them.

Regardless of the charges, scope and anything else, the whole notion smacks of blackmail and is immoral. The council should adopt more realistic business principles and spend money more wisely for the majority of taxpayers, not a few hard-luck specialities as at present.
Planning Officer                                           Our ref:    WA/2006/000013/SD-04/IS1-L01
Oxford City Council                                       Date:      19 July 2012
Planning Control and Conservation
10 St. Ebbe's Street
Oxford
Oxfordshire
OX1 1PT

Dear Ms Garcia

Community Infrastructure Levy (CIL): Consultation on CIL Preliminary Draft Charging Schedule

Thank you for consulting us on this matter. We received the letter on 16 July 2012 and we are now in a position to respond.

We welcome Oxford City Council's proposed Community Infrastructure Levy. We have no comments to make on the charging schedule. However, we would welcome being involved in the future process of identifying infrastructure projects on which the money will be spent.

Yours sincerely,

Mr Jack Moeran
Planning Liaison Officer

Direct dial 01491 828367
Direct e-mail planning-wallingford@environment-agency.gov.uk
Planning Policy Team
Oxford City Council
St Aldate’s Chambers
109-113 St Aldate’s
Oxford
OX1 1DS

Tuesday, 24 July 2012

Dear Sir/Madam,

RE: Community Infrastructure Levy - Consultation

On behalf of my Client, McCarthy & Stone Retirement Lifestyles Ltd, I provide comments below on the Preliminary Draft Charging Schedule of the Community Infrastructure Levy (CIL).

McCarthy & Stone Retirement Lifestyles Ltd. are the market leader in the provision of private specialised accommodation for older people with over 30 years experience providing over 40,000 homes designed to address the specific needs of older people. McCarthy & Stone has consistently been recognised by the house building industry for the quality and expertise within this specialist field of development.

Specialist Accommodation for the Older Population - NPPF

The National Planning Policy Framework sets out the strategic case to assess the housing need for the older population. Para 50 of the NPPF states that ... To deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities, local planning authorities should: “...plan for a mix of housing based upon current and future demographic trends and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities ...)” And ....“...identify the size, type, tenure and range of housing that is required in particular locations reflecting local demand...” and “where they have identified that affordable housing is needed, set policies for meeting this need on site, unless off site provision or financial contribution of broadly equivalent value can be robustly justified (for example to improve or make more effective use of the existing housing stock) and the agreed approach contributes to the objective of creating mixed and balanced communities. Such policies should be sufficiently flexible to take account of changing market conditions over time.

Para 159 also sets out that Strategic Market Housing Assessments (SHMAs) should assess full housing needs, the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period, and plan for all types of housing, ...including ...older people’s housing. This has not been adequately undertaken as part of the background research into the Core Strategy when considering owner occupier retirement housing.
Developer Contributions  NPPF: Paras 173 to 177 go further on the viability issue, with para 173 noting that development costs, such as affordable housing, should still provide acceptable returns to a willing land owner and willing developer to enable the development to be deliverable.

By 2026 older people will account for almost half (48 per cent) of the increase in the total number of households, resulting in 2.4 million more older households than there are today¹. The number of people aged 85 or over will increase by 2.3 million by 2036 – 184 per cent increase². The ageing of society poses one of our greatest housing challenges. The Government has recognised this and has set out its aims and objectives of providing more specialised housing for older people in ‘A National Strategy for Housing in an Ageing Society – Lifetime Homes, Lifetime Neighbourhoods’. The National Strategy identifies the important role the planning system has in delivering housing choice for older people, stating;

‘Spatial planning offers a new and real opportunity to provide more and better quality housing – across the necessary range – for an ageing population in a way that we’ve not done before.’

In respect to future planning policy the Strategy is clear as to the level of importance to be given to an ageing society, stating;

‘Recent reforms to the planning system require regional and local plans to take proper account of ageing and the needs of older people. Future planning policy reform will reflect the high priority we are giving to the challenge of ageing.’

It is considered that in light of the Government Strategy guidance that it is appropriate for the Community Infrastructure Levy to have regard to this objective. My Client’s response to the proposed rates for the introduction of the Community Infrastructure Levy are based on meeting the Government’s objective, set out in the National Strategy, to ensure that sufficient specialist housing is delivered to meet the growing needs of an ageing population.

My Client is particularly concerned with some of the assumptions and the mechanics of the Community Infrastructure Levy Schedule, how the figures have been achieved and how they would apply to specialist forms of accommodation for older people such as retirement housing and extra care developments.

The scenarios set out in the viability testing have not considered this very important sector in much detail, bearing in mind that this will become even more significant over the period of the Core Strategy.

Viability Appraisal

The viability appraisal should consider specialist housing such as owner occupier older persons housing and generalises all residential together, when in reality there are clear differences, which has the potential to discriminate against such provision when using a pounds per sq m tariff.

Nearly all types of retirement developments are impacted on financially by communal space and also a slower sales rate than other residential development. Given that viability of such schemes may therefore be marginal, application of a CIL may prevent many forms of retirement housing coming forward. Whilst there is an understandable desire to keep the charging rates as simple as

² As above footnote reference.
possible the broad inclusion of some retirement housing within a “general residential heading” fails to acknowledge the very specific viability issues associated with such Housing.

A retirement housing development typically has 30% of its internal floor area devoted to necessary communal areas and facilities, such as residents lounge, laundry, guest suites, and communal space. It is these specific communal areas and facilities that differentiate retirement / older peoples’ housing developments from other forms of accommodation for the wider population. These communal areas are a necessary part of a retirement housing development that are non-saleable floor space which the developer has to build but does not receive any direct revenue from. Therefore, to apply a CIL rate based on ‘pounds per square metre of gross internal floor space’ would unreasonably penalise a retirement housing developer who would have a building of typically 70% net saleable area to acquire revenue from, compared to other forms of residential accommodation that would have 90-100% net saleable floor area to acquire revenue from. This would place those providers of retirement housing at a disadvantage in land acquisition as the ratio of CIL rate to net saleable area would be disproportionately high when compared to other forms of residential accommodation. It is considered that this would threaten the delivery of much needed specialist accommodation for older people, contrary to the Government’s aims and objectives to ensuring the provision of appropriate specialist accommodation for older people as set out in ‘A National Strategy for Housing in an Ageing Society’.

It is respectfully suggested that retirement developments which have very similar characteristics to that of Care / Extra Care Developments which fall within Class C2 are likewise treated the same.

**Viability Appraisal Assumptions**

As set out in the viability report which accompanied the document, the appraisal makes a number of assumptions and generalisations when it comes to some of the inputs. It also acknowledges that some of these can be quite influential in the final figures derived at. The report does not provide the detailed viability appraisals themselves and what all assumptions and inputs have been used.

In the case of retirement housing for example there is a much longer sales period which reflects the niche market and sales pattern of a typical retirement housing development. This has a significant knock on effect upon the final return on investment. This is particularly important with empty property costs, finance costs and sales and marketing which extends typically for a longer time period. Sales and marketing fees are typically in excess of 6%, for example, and increasing in the ever fragile housing market.

In the foreseeable economic climate 20% developer profits may still not be enough incentive to achieve the required finance backing for a retirement scheme to proceed and the developer take on the risk of return. Similarly the incentives required to acquire land, particularly brownfield sites the type where sustainable uses such as retirement housing are best located, in the first place is likely to be 30%+ of current existing use market value.

All these factors have the potential to impact upon what development will come forward. The Minister for State for Decentralisation (Mr Greg Clark) in his Written Ministerial Statement: Planning for Growth 23rd March 2011 states that LPAs should support enterprise and facilitate housing and economic and other forms of sustainable growth. LPAs are required to avoid unnecessary burdens on development and with this in mind greater flexibility is required in the interpretation when CIL is payable for different types of residential use. For example retirement housing does not have the same impact upon open space, sports, recreation, education and strategic transport and yet is being
lumped in with the same CIL as family residential housing. This is unfair and unreasonable. Typically a retirement scheme will be located in a highly sustainable location very close to public transport, shops and services and will inevitably have a relatively large amount of floorspace reflecting its central location and yet will not have the same proportionate impact upon local infrastructure. Either the exceptions and reductions on levy are set out to respect this; it is explicitly set out as a separate charging cost; or retirement housing is acknowledged to have very similar viability implications and those falling within Class C3 are exempted in the same way as the Class C2 use are being proposed.

CIL Rate Setting

It is noted that the intention in finding an appropriate measure to use in calculating CIL rates is to ensure ‘uniformity’, or put another way, fairness for all classes of development liable to CIL payment. One of the principle intentions is to avoid producing a system that inadvertently produces advantages or disadvantages upon certain developers. My Client would wholly concur with the intention that CIL rates should be uniform, fair and avoid bias towards certain types of developments within a particular use. However, it is considered that the chosen ‘metric’ of ‘pounds per square metre of gross internal floor space’ unfairly penalises my Client and other developers of similar retirement housing when assessed against other forms of residential accommodation. The oversimplification of the charging level by setting this at a uniform £100 per sqm across the board is seen as unduly harmful to specialised housing and care providers such as McCarthy and Stone, particularly when similar care /extra care developments (Class C2 uses) are charged at £20. Inadequate viability testing would appear to have been undertaken to cover this point.

Payment by Instalments

It is noted that there is no consideration given to the timing of CIL payments and an allowance for payment by instalments. My Client would welcome further flexibility in the timing of CIL as payments on commencement will introduce an additional financial cost on the development prior to the receipt of any revenue from the proposed development. This would place an additional burden on the developer and would affect the viability of the development, and possibly in the case of residential development impinge upon the developer’s ability to provide for affordable housing. This issue is compounded in my Client’s case, and for other retirement housing providers, as developments need to be completed in their entirety before a single unit of accommodation can be sold. It is considered that at the earliest, part payment on first occupation would be fairer and would reduce unnecessary financial costs to the developer. This should then be phased depending upon occupation levels. For the foreseeable economic climate, such as currently being experienced, there is considerable merit in staged payments reflecting occupation levels throughout the sale of the development. Such an approach would encourage the delivery of many worthwhile development proposals that might otherwise not commence.

There will also be a need to identify priorities in many instances between CIL and affordable housing for example where viability is marginal. The CIL becomes a very significant element of development costs which can greatly influence the amount of contribution reasonably available for affordable housing. How are the competing planning policy requirements to be weighted? For example the benefits of providing accommodation for the increasingly ageing population and affordable housing verses the CIL. The exception clause and relaxation options on CIL need to be spelt out or at the very least the process by which it will be judged.
Summary

Given the extent of projected housing need for older persons accommodation including specialist forms of older persons housing and extra care accommodation identified in ‘A National Strategy for Housing in an Ageing Society’, and at the local level, it is paramount that CIL schedule recognises the shortcomings of the proposed ‘metric’ and address this issue to ensure fairness across the residential development industry.

It is noted from the CIL regulations when considering exemptions to CIL payment lists a set of criteria which includes that ‘relief from CIL should be fair and not create undue distortions of competition’. This criterion is equally valid when considering the application of CIL to differing forms of development. It is my Client’s belief that the current Schedule is neither fair, nor do they prevent distortions of competition, when applied to specialist forms of older persons accommodation such as retirement housing.

It is respectfully requested that these comments are given due consideration in the formulation of the charging schedule for the introduction of the Community Infrastructure Levy and that either specialist housing is treated the same as say a Class C2 use such as a care home or extra care housing which is given a reduced contribution for very similar viability reasons or exception clauses are proposed.

Yours faithfully,

[Signature]

Carla Fulgoni
Planning Assistant
The Planning Bureau Ltd.
Community Infrastructure Levy - Preliminary Draft Charging Schedule

FINAL RESPONSE

Submitted by MARTIN SMALL on 07 Aug 2012 09:49

Public Profile

Name MARTIN SMALL
Email
Date 07 Aug 2012 09:49

Private Profile

Postal Address

Postcode

Gender

What is your age?

If you are under 16, what is your date of birth?

What is your ethnic group?

Your ethnic group (if you answered other)

Are you disabled?

Organisation Name ENGLISH HERITAGE

Job Title / Position within the Organisation

Areas of Interest
Q1

Please give us your comments on Oxford’s CIL Preliminary Draft Charging Schedule. We would be interested to hear your views on:

- the proposed range of CIL charges; and
- the infrastructure funding gap supporting them.

English Heritage advises that CIL charging authorities identify the ways in which CIL, planning obligations and other funding streams can be used to implement the policies within the Local Development Framework aimed at and achieving the conservation and enhancement of the historic environment, heritage assets and their setting.

The Community Infrastructure Levy covers a wide definition of infrastructure in terms of what can be funded by the levy and is needed for supporting the development of an area. This can include:

- Open space: as well as parks and green spaces, this might also include wider public realm improvements, possibly linked to a Heritage Lottery Fund scheme, conservation area appraisal and management plan, and green infrastructure;
- ‘In kind’ payments, including land transfers: this could include the transfer of an ‘at risk’ building;
- Repairs and improvements to and the maintenance of heritage assets where they are an infrastructure item as defined by the Planning Act 2008, such as cultural or recreational facilities.

The Localism Act also allows CIL to be used for maintenance and ongoing costs, which may be relevant for a range of heritage assets, for example, transport infrastructure such as historic bridges or green and social infrastructure such as parks and gardens.

Development specific planning obligations continue to offer further opportunities for funding improvements to and the mitigation of adverse impacts on the historic environment, such as archaeological investigations, access and interpretation, and the repair and reuse of buildings or other heritage assets.

The Council should also be aware of the implications of any CIL rate on the viability and effective conservation of the historic environment and heritage assets in development proposals. Where that conservation would be compromised by a requirement for a CIL payment the Council should consider an exemption from paying CIL. This circumstance should be considered in paragraphs 14-16 of the Preliminary Draft Charging Schedule.
Community Infrastructure Levy - Preliminary Draft Charging Schedule

View Response

Answers to Community Infrastructure Levy - Preliminary Draft Charging Schedule

**FINAL RESPONSE**

Submitted by Richard Cutler on 08 Aug 2012 10:02

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<td><strong>What is your age?</strong></td>
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<td>If you are under 16, what is your date of birth?</td>
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<td><strong>Are you disabled?</strong></td>
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<td><strong>Organisation Name</strong></td>
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<td><strong>Job Title / Position within the Organisation</strong></td>
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</table>
Q1

Please give us your comments on Oxford’s CIL Preliminary Draft Charging Schedule. We would be interested to hear your views on:

• the proposed range of CIL charges; and
• the infrastructure funding gap supporting them.

Our concern is that Oxford is a diverse city, with a wide range in values achieved, depending on location, but more pertinently, a very wide range in build costs. The demands of good design in the historic core require build costs (excluding infrastructure and fees) of around £2000 per sq m. In order to respond to the viability consequences, we feel the CIL charges, therefore, need to range not just by Use Class, but also by geographic location around the city. Just two zones would be sufficient (the historic core and the rest), but we suspect further zones would be worthwhile. This zoning approach has been adopted in other districts and boroughs, notably in central London.
From: Archer, Heather
Sent: 14 August 2012 16:38
To: GARCIA-DOPAZO Maria
Cc: Powell, Anthony
Subject: Community Infrastructure Levy (CIL): Consultation on CIL Preliminary Draft Charging Schedule Maria Garcia

Thank you for your letter inviting the Highways Agency (HA) to comment on the CIL Preliminary Draft Charging Schedule. The HA has no comments on the above document.

However we recommend early engagement on schemes which would have a material effect on the Strategic Road Network. If you require any further assistance, please do not hesitate to contact me.

Heather

Heather Archer, Business Manager
Highways Agency | Federated House | London Road | Dorking | RH4 1SZ
Tel: +44 (0) 1306 878131
Web: http://www.highways.gov.uk
GTN: 3904 8131

Safe roads, reliable journeys, informed travellers
Highways Agency, an executive agency of the Department for Transport.

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15th August 2012

Maria Garcia
Planning Policy Team Leader
Oxford City Council
109 St Aldate’s Chambers
St Aldate’s
OXFORD
OX1 1BX

Dear Ms Garcia

CONSULTATION ON CIL PRELIMINARY DRAFT CHARGING SCHEDULE

I am writing with regard to the consultation on the CIL Preliminary Draft Charging Schedule being undertaken by Oxford City Council. This letter and accompanying document represents the formal comments of Thames Valley Police (TVP) with regard to the infrastructure requirements of TVP that are a result of the planned growth for Oxford City up to 2026.

The accompanying “Police Plan” sets out the infrastructure requirements of TVP in terms of what will be required to maintain the current level of policing for Oxford City for the expanded population.

By way of background, following the Comprehensive Spending Review TVP have been forced to make significant savings in the period up to 2015. In order to deliver this TVP have undertaken the following key initiatives;

- A commitment to a reduction in spending by £52.9m, by 2015
- This equates to an 11% reduction in overall spending
- A 10% reduction in staffing at TVP
- Of which almost 5% would be Police Officers
- A rationalisation of current Officers to reduce the number of desk bound Officers and have more front line Officers
- A rationalisation of “back of house” services
- A rationalisation of TVP’s estate
- Instigation of joint working arrangements with Hampshire Police

Against these cuts TVP are still required to reduce crime and enhance its front line provision of officers.
The principal sources of funding for TVP are Home Office grant and the Council Tax precept.

The 2012/2013 budget for TVPO has been agreed at £371m which is broken down as follows:

<table>
<thead>
<tr>
<th>Business Rates</th>
<th>£85.69m</th>
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<tbody>
<tr>
<td>Revenue Support Grant</td>
<td>£1.66m</td>
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<tr>
<td>Home Office Police Grant</td>
<td>£146.98m</td>
</tr>
<tr>
<td>Council Tax from previous year</td>
<td>£0.92m</td>
</tr>
<tr>
<td>Council Tax Precept</td>
<td>£135.91m</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>£371.16m</strong></td>
</tr>
</tbody>
</table>

This budget needs to be examined in the context of the following:

- A reduction in grant funding (Home Office and Revenue Support) of £30.62m or 17% from the 2011/2012 budget
- Ongoing annual reductions in grant funding that will roll forward to impact upon subsequent budgets
- A freeze on Council tax charges
- Savings of £17.857m to be made for the period 2012/2013
- The budget also does not reflect a £4.11m contribution from TVP’s own reserves toward Gross expenditure.
- Increased service delivery demands relating to the prevention and detection of crime.

All budget receipts are based on an assessment of policing the current population and addressing issues in the “hear and now”. No account is made of additional demands that may be placed on TVP, most crucially in this context the impact of growth on the force’s ability to police.

Any additional growth, and thus the inevitable additional demand on TVP, has to be dealt with and managed by the existing workforce and infrastructure/facilities that TVP have in a particular area.

It is crucial therefore for TVP to secure funding via CIL if we are to maintain the existing level of policing for Oxford and ensure that both the existing and new population are provided with a service that reduces crime and the fear of crime.

In assessing the impact of growth upon police resources TVP undertake an assessment based on the pro rata impact of the additional population based on current numbers of officers, staff and incidents, the additional growth is then extrapolated to indicate the “impact” of the growth. You will see from the attached formula that the true cost of policing the additional growth is a need for 77 additional staff (65 officers – uniformed, PCSO’s and non-uniformed officers and pro-rata 12 support staff), the associated cost (excluding salaries of non PCSO’s) of accommodating these additional staff and ensuring they have sufficient kit and infrastructure to undertake their duties is £2.8million.

In line with Government advice this overall picture of infrastructure requirement is then assessed in more detail with the Local Police Area Commander to determine precisely, based on the nature, scale and location of growth, what will be required. This assessment has also been undertaken mindful of issues of viability, deliverability and the ongoing economic situation. To that end it should be noted that the total cost of the infrastructure requirements requested amounts to £1.67million.
Can I request therefore that the details set out in the accompanying Police Plan with regard to Infrastructure Requirements (as set out in Appendix 1) are included in any future version of the Charging Schedule.

I am more than happy to meet with you to discuss the content of our submissions.

Yours sincerely

SIMON DACKOMBE
BA DipTP MRTPi
Strategic Planner

Enc: Police Plan
     Formula Assessment
(Worked Example)

Local Policing Cost Formula

(Assessment of the impact of growth: policing costs to inform submissions on CIL)

Oxford City LPA
### POPULATION/STAFF PROJECTIONS

<table>
<thead>
<tr>
<th>Population</th>
<th>2010</th>
<th>2026</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td>103,700</td>
<td>153,700</td>
<td>22,000</td>
</tr>
<tr>
<td>Demand on Resources:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Incidents</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LPA Officers</td>
<td>210</td>
<td>244</td>
<td>22%</td>
</tr>
<tr>
<td>LPA Support Staff (PCSE)</td>
<td>66.3</td>
<td>91.4</td>
<td>38%</td>
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<tr>
<td>Shared Service Support Staff</td>
<td>194.1</td>
<td>263</td>
<td>35%</td>
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<tr>
<td>Shared Service Officers</td>
<td>172.8</td>
<td>230</td>
<td>33%</td>
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<tr>
<td>Total Additional LPA Officers Required</td>
<td>33.61</td>
<td></td>
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<td>Total Additional LPA Support Staff</td>
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<td>Total Additional Shared Service Officers</td>
<td>25.16</td>
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<tr>
<td>Total Additional Staff Required</td>
<td>78.77</td>
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### ACCOMMODATION REQUIREMENTS/COSTS

- Target Average space requirement per staff member: 50m²
- Officers and support staff: 10
- Cost per sqm: £
  - Adaptation cost per sqm: £1,607
  - New Build Cost per sqm: £3,000.00
- Ratio of adaptation to new build: 30%
- Adaptation: 90%
- New Build: 10%
- Cost based on adaptation/new build: £1,607
- Accommodation cost per sqm: £
- Accommodation cost per staff member: £

### COSTS

<table>
<thead>
<tr>
<th>Facility/Office Costs</th>
<th>£</th>
<th>Support Staff Costs Individually</th>
<th>£</th>
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<tbody>
<tr>
<td>Adaptation Cost</td>
<td>21,604</td>
<td>Accommodation Cost</td>
<td>21,604</td>
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<tr>
<td>Uniform &amp; Protective Equipment</td>
<td>1,000</td>
<td>Staff Uniform</td>
<td>916</td>
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<tr>
<td>Breakroom associated equipment</td>
<td>104</td>
<td>Staff Training/Induction</td>
<td>25,516</td>
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<tr>
<td>Parking</td>
<td>2,700</td>
<td>Furniture</td>
<td>1,000</td>
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<tr>
<td>Cost of equipment</td>
<td>515</td>
<td>Refurbishment</td>
<td>735</td>
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<tr>
<td>P/D/P Protection Induction training</td>
<td>6,461</td>
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<td>F/Equipment</td>
<td>1,077</td>
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<tr>
<td>CWIT/equipment/devices</td>
<td>3,000</td>
<td></td>
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<td>Furniture</td>
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<td>Total</td>
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### TOTAL COSTS

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<th>Number</th>
<th>Cost Rate</th>
<th>Total Cost</th>
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<tbody>
<tr>
<td>LPA Officers</td>
<td>30.61</td>
<td>49,681</td>
<td>£1,245,033</td>
</tr>
<tr>
<td>LPA Support Staff</td>
<td>9.66</td>
<td>27,948</td>
<td>£269,076</td>
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<tr>
<td>Shared Service Support Staff</td>
<td>11.32</td>
<td>27,948</td>
<td>£310,299</td>
</tr>
<tr>
<td>Shared Service Officers</td>
<td>25.18</td>
<td>49,681</td>
<td>£1,204,484</td>
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<tr>
<td>Total Staff Set Up Cost</td>
<td></td>
<td></td>
<td>£2,853,863</td>
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### COST PER DWELLING

Cost per dwelling: £2,853,863
THAMES VALLEY POLICE
OXFORD LOCAL POLICING AREA
POLICING PLAN
AUGUST 2012
FOREWORD

Thames Valley Police (TVP) is committed to cutting crime, increasing its visible presence on the streets and building confidence within our communities throughout our Force area. Our Strategy for Policing Thames Valley 2011-14, agreed by the Police Authority on 18 February 2011 sets out our priorities within the context of the budget reductions imposed by the Comprehensive Spending Review 2010 (CSR).

Despite cuts to our budget over the next three years, we remain committed to fulfilling our duties under the Police Act 1996 to provide an efficient and effective Police service, whilst keeping pace with the implications of a growing population and expanding economy for incidences of crime and disorder.

The Planning System recognises the importance of creating safe communities through all forms of new development and delivering the infrastructure necessary to support new population in tandem with such proposals.

This Policing Plan has been prepared by TVP, with planning consultancy advice from RPS Planning and Development (Bristol), to highlight crime reduction as a local priority for infrastructure funding within Oxford City Council’s area. The Plan is intended to facilitate TVP’s involvement in the planning process and inform the Council’s consideration of infrastructure priorities necessary to support planned growth without prejudice to policing services. Specifically, the Plan is intended to assist the Council in the preparation of its Community Infrastructure Levy Charging Schedule.

The Policing Plan does not discuss ‘Secure by Design’ principles, which are set out separately within ‘The Compendium of Crime Prevention and Reduction in the Planning System’ (2010) and will be pursued by TVP’s Crime Prevention Design Advisor in consultation with the Council.

The Policing Plan provides a detailed account of the location, staffing and capabilities of our police facilities across the local authority area as at 2014, following implementation of our Strategy’s objectives to rationalise our estate and achieve financial savings in accordance with the CSR.

Working from this baseline position, we have assessed the implications of future planned population and employment growth for our infrastructure base. The Policing Plan identifies where new police infrastructure would be required to support new development planned through the Council’s Core Strategy.

The Policing Plan is intended to inform the LPA of the costs associated with delivering the Police infrastructure necessary to support new development and maintain the collective objectives of Government, TVP and the LPA to reduce crime and disorder and the fear of crime within the local area. Within this context, the Policing Plan’s principle aim is to establish the local case for policing infrastructure to be prioritised by the LPA as a recipient of funding via the Section 106 mechanism and Community Infrastructure Levy.

Sara Thornton
Chief Constable, Thames Valley Police
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1 TVP STRATEGIC OVERVIEW

1.1 Oxford City falls within the operational area of Thames Valley Police (TVP) which is responsible for delivering services to address community safety, tackle the fear of crime and seek to achieve a reduction in crime.

1.2 The delivery of growth and new development within Oxford imposes additional pressure on TVP's infrastructure base which is critical to the delivery of effective policing and securing safe and sustainable communities. The Police Service does not receive Central Capital for new growth related infrastructure provision. While revenue funding is provided by the Home Office and the Council Tax precept, capital projects are financed through borrowing. Borrowing to provide infrastructure has an impact on the delivery of safe and sustainable communities because loans have to be repaid from revenue budgets, the impact of which is a reduction in the money available to deliver operational policing.

1.3 As part of the Government's Comprehensive Spending Review (CSR) announced in November 2010, TVP has been forced to rationalise its estate and plan for future financial cuts in order to achieve its CSR requirements. This has included the consolidation of policing services at some police stations and the closure of other police stations whereby the capital receipts from the sale of stations has been committed to supplementing other funding streams within TVP (to minimise potential impacts on frontline services). The force has sought to streamline its services whilst maintaining frontline presence to match the existing population and growth position within the force area.

1.4 To this end, the baseline position for this LPA Policing Plan reflects the post-CSR spending cuts. Therefore, any net additional growth within the Local Police Area will place additional pressures on policing infrastructure and accordingly this plan seeks to assess any potential impacts and related mitigation measures.

Growth Related Impacts

1.5 The growth related impacts on effective and efficient policing are twofold:

(1) Population growth

With an increase in population there is an accompanying increase in pressure on the ability of the Police to carry out their obligation under the Police Act 1996 to provide an efficient and effective Police service. The relationship between population size and levels of crime is supported by academic research. Put simply, if a population increases so the number of incidents the Police have to deal with increases, therefore it will be necessary to increase the number of officers and support staff policing that population or provide additional infrastructure to increase the efficiency of the Police to ensure the level of service is maintained or improved.

(2) Dispersal or concentration of property

The national trend of decreasing households is expected to continue into the future; reflecting more single households. Consequently there is higher demand for new residential property and this must be provided through the redevelopment of low density or underused sites to provide a greater concentration of development or through the development of greenfield sites; both
scenarios will increase the quantum of residential property. Similarly there is a national impetus behind achieving economic growth which will necessitate the provision of more commercial premises. This additional property will need to be patrolled to minimise property related crime. The maintenance of a visible policing presence is one of the key deterrents of crime, therefore an increase in the level of property to be patrolled potentially increases demands on policing infrastructure.

**Neighbourhood Policing**

1.6 TVP areas are split into neighbourhoods to facilitate effective and efficient policing. Each neighbourhood has a dedicated neighbourhood policing team (most teams have their own policing facility, however some teams share facilities) with some specialist services centralised in larger stations. Additional growth has the potential to increase the population of a neighbourhood and further disperse or concentrate development at particular sites. This increases the pressure on the existing police service, where without suitable mitigation measures the effectiveness and efficiency of policing is reduced. Policing is also reliant on ensuring visibility of the service; therefore any increase in population/growth without a commensurate increase in policing infrastructure will reduce the accessibility and visibility of policing and increase response times.

**TVP Aim and Objectives**

1.7 As set out in our *Strategy for Policing Thames Valley 2011-2014*, TVP’s principal aim is as follows:

*Working in partnership to make our community safe*.

1.8 The Strategic Objectives for Thames Valley Police are:

- To cut crimes that are of most concern to the community;
- To increase the visible presence of the police;
- To protect our communities from the most serious harm;
- To improve communication with the public in order to build trust and confidence with our communities;
- To tackle bureaucracy and develop the professional skills of all staff;
- To reduce costs and protect the frontline.
2 PLANNING POLICY JUSTIFICATION

National Planning Policy and Legislation

2.1 Community Infrastructure Levy Regulations (2011)

These regulations implement the detail of the Community Infrastructure Levy; a mechanism for raising finance from new development to fund the retention, improvement or expansion of infrastructure to support new development. Paragraph 12 of the DCLG guidance document 'The Community Infrastructure Levy: An Overview' (May 2011) emphasises that police stations and other community safety facilities can be funded by the CIL.

2.2 National Planning Policy Framework (March 2012)

The three dimensions of sustainable development ('economic', 'social' and 'environmental') promote inter alia the provision of infrastructure to support development and the delivery of accessible local services that support a community's health and well-being. Paragraph 70 (within Section 8 'Promoting healthy communities') states that the planning system should 'ensure an integrated approach to considering the location of housing, economic uses and community facilities and services...'.

2.3 Local Planning Regulations (April 2012)

Policing Authorities are identified as a 'relevant authority' (Regulation 2). Regulation 19 requires Local Authorities to consult with 'specific consultation bodies' which includes 'relevant authorities' when preparing Development Plan Documents.

Local Planning Policy

2.4 Oxford Core Strategy (2011)

Policy CS17 states that where new development creates a need for new or improved infrastructure, contributions from developers will be sought to make the development acceptable in planning terms. The policy lists the key service and site-specific infrastructure improvements, and includes police services under 'local community infrastructure'. Policy CS19 expects new development to promote safe and attractive environments which reduce the opportunity for crime and the fear of crime. Policy CS20 seeks to protect and enhance cultural and community facilities.

2.5 Submission Draft ‘Sites and Housing Development Plan Document’ (February 2012)

The document allocates sites for housing (approximately 2,300 dwellings), employment (approximately 45 hectares), education and academia, retail, sport/community facilities, health and open space. Section C2 notes that successful implementation of the allocated sites will be dependent on the timely delivery of the infrastructure needed to support it.
2.6 Planning Obligations Supplementary Planning Document (SPD) (April 2007)

The Planning Obligations SPD requires new development in Oxford to ensure that it provides the necessary social and environmental infrastructure. It provides standard formulae to calculate contributions and identifies likely types of infrastructure. Policing infrastructure is not addressed. It should be noted that the SPD is now five years old and pre-dates CIL, the economic downturn and the impact of the CSR upon public sector funding.
3 BASELINE POLICING MODEL

3.1 The baseline infrastructure position in respect of policing infrastructure in Oxford needs to reflect changes to accommodate reduced financing of the Comprehensive Spending Review (November 2010). The Local Police Authority is amending its local structures and rationalising its Estate accordingly. Police Authorities will however be expected to grow inline with population and economic growth.

3.2 Particular issues facing the Police in delivering policing within Oxford include:

- Specific areas suffering from high levels of crime and anti-social behaviour linked to student accommodation, including the influx of foreign students during University vacations;

- Areas with strong night-time economies;

- High incidences of crime/anti-social behaviour; and

- Gradually reducing traditional vehicle fleet in order to meet environmental targets. Required to use more sustainable modes of transport (electric cars, bicycles etc.)

3.3 The Oxford Local Policing Area has the specific policing objective to reduce crime related to the night-time economy and to visitors to ensure public safety.

3.4 The existing operational (built) infrastructure is listed in the following table, this will be subject to a rationalisation exercise in the coming months.

3.5 Neighbourhood Policing Areas have already been subjected to rationalisation, with several areas being combined to maximise efficiencies.
<table>
<thead>
<tr>
<th>Name of facility</th>
<th>Buildings Type</th>
<th>Key Functions</th>
<th>Capacity/Policing Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>45 Westlands Drive</td>
<td>Neighbourhood office</td>
<td>Neighbourhood team base</td>
<td>86 sq m. Retain, but monitor utilisation.</td>
</tr>
<tr>
<td>Barton Police Office</td>
<td>Neighbourhood office</td>
<td>Drop in office for neighbourhood team</td>
<td>11 sq m. Replace with new facility as part of Barton AAP proposals,</td>
</tr>
<tr>
<td>Blackbird Leys</td>
<td>Neighbourhood office</td>
<td>Neighbourhood police office</td>
<td>98 sq m. Review utilisation, potential for new facility to be delivered as part of any regeneration/ redevelopment projects in Blackbird Leys.</td>
</tr>
<tr>
<td>Heyford Hill (Sainsbury's)</td>
<td>Neighbourhood office</td>
<td>Drop in office for neighbourhood team</td>
<td>10 sq m. Retain.</td>
</tr>
<tr>
<td>Cowley Police Station</td>
<td>Police Station &amp; Front Counter</td>
<td>Front counter, CID, patrol, Neighbourhood Team base, specialist functions</td>
<td>1,931 sq m. Retain the existing facilities and improve the utilisation of the existing floor space.</td>
</tr>
<tr>
<td>Rosehill Police Office</td>
<td>Neighbourhood office</td>
<td>Drop in office for neighbourhood team</td>
<td>43 sq m. Retain, but monitor utilisation.</td>
</tr>
<tr>
<td>St Aldates Police Station</td>
<td>HQ, front counter &amp; custody spaces</td>
<td>Front counter, LPA Commander, CID, scenes of crime, patrol, Neighbourhood Team base, custody and specialist functions</td>
<td>4,688 sq m. Retain the existing facilities and improve the utilisation of the existing floor space. Refurbish custody suite</td>
</tr>
<tr>
<td>Warneford Hospital Police Office</td>
<td>Neighbourhood office</td>
<td>Drop in office for neighbourhood team</td>
<td>6 sq m. Retain subject to PCSO funding being maintained</td>
</tr>
<tr>
<td>East Oxford Police Office (Cowley Road)</td>
<td>Neighbourhood office</td>
<td>Drop in office for neighbourhood team</td>
<td>40 sq m. Retain</td>
</tr>
<tr>
<td>Littlemore Hospital Police Office</td>
<td>Neighbourhood office</td>
<td>Drop in office for neighbourhood team</td>
<td>10 sq m. Retain subject to PCSO funding being maintained</td>
</tr>
<tr>
<td>Wood Farm Office, The Slade</td>
<td>Neighbourhood office</td>
<td>Drop in office for neighbourhood team</td>
<td>84 sq m. Potential disposal with services re-assigned to Cowley</td>
</tr>
<tr>
<td>Location</td>
<td>Description</td>
<td>Notes</td>
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<tr>
<td>North Oxford Office (Banbury Road)</td>
<td>Neighbourhood office</td>
<td>Neighbourhood team base</td>
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<td></td>
<td></td>
<td>118 sq m. Potential disposal, with services reassigned to St Aldates or potentially smaller office in vicinity</td>
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<tr>
<td>Oxford Brookes Police Office</td>
<td>Neighbourhood office</td>
<td>Drop in office for neighbourhood team</td>
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<td></td>
<td></td>
<td>10 sq m. Retain subject to PCSO funding being maintained</td>
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</tbody>
</table>
4 PLANNED GROWTH WITHIN OXFORD

4.1 This chapter sets out the proposed levels of growth (economic and population growth) within each Local Policing Area. Given the Government’s emphasis on promoting economic growth within emerging national planning policy, it is likely that the growth targets set out in Local Plans and Core Strategies will be minima as opposed to maxima targets.

4.2 The population of Oxford is expected to grow from 153,700 in 2010 to 176,000 in 2026 (Source Oxford City Council AMR 2011 – citing ONS 2011 based sub-national population projections), leading to a need for additional work places, shops and services. A minimum of 8,000 new homes are planned for between 2006 and 2026, however taking into account those already completed since 2006, the residual required is 5,528 dwellings. Of these 5,528 dwellings the Core Strategy allocates land for some additional 4,337 dwellings leaving 1,191 dwellings to come forward as speculative planning applications on infill or redevelopment plots.

4.3 The allocated sites come forward in both the Core Strategy and the ‘Sites and Housing DPD’ as follows. These are identified on the TVP Spatial Overview Plan at Appendix 1. Given the highly constrained nature of the City both from its tightly drawn boundary and the large areas of floodplain, it has little scope for identifying major strategic sites for development. Therefore the Council has to optimise recycling of land.

<table>
<thead>
<tr>
<th>Ref*</th>
<th>Allocation name</th>
<th>Use</th>
<th>Capacity (up to 2026)</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Strategy</td>
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<tr>
<td>CS5 (M)</td>
<td>West End</td>
<td>Mixed use</td>
<td>700-800 dwellings, 37,000m² retail, 35,000m² offices, 1-form entry primary school</td>
<td>Detail included in ‘West End Area Action Plan, 2008’</td>
</tr>
<tr>
<td>CS6 (M)</td>
<td>Northern Gateway</td>
<td>Mixed use (R&amp;D employment-led)</td>
<td>75,000m² offices (20,000m² by 2016 with rest by 2026) plus any of following: emergency services centre, 200 dwellings, up to 2,500m² retail and 120-180 bed hotel.</td>
<td>Detail to be included in Northern Gateway Area Action Plan - preparation to begin January 2012.</td>
</tr>
<tr>
<td>Ref &amp; Name</td>
<td>District Area</td>
<td>Use</td>
<td>Capacity (total across area)</td>
<td>Notes</td>
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<tr>
<td>CS7 (M)</td>
<td>Land at Barton</td>
<td>Housing-led mixed use</td>
<td>800-1,200 dwellings, community building + primary school, health centre, bridge over A40, open space</td>
<td>Detail included in the Submission version 'Barton Area Action Plan' to be finalised following public examination in 2012</td>
</tr>
<tr>
<td>CS8 (R)</td>
<td>Land at Summertown</td>
<td>Housing</td>
<td>200-500 dwellings</td>
<td>Contingency site (should other allocated sites not produce development)</td>
</tr>
</tbody>
</table>

**Sites & Housing Development Plan Document (draft - subject to public examination in 2012)**

<table>
<thead>
<tr>
<th>Ref &amp; Name</th>
<th>District Area</th>
<th>Use</th>
<th>Capacity (total across area)</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Centre sites</td>
<td>Housing &amp; offices</td>
<td>71 dwellings (estimate)</td>
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<tr>
<td>SP1 Avis (R)</td>
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<tr>
<td>SP4a &amp; b Bertie Place Recreation Ground &amp; Land Behind Wytham Street (R)</td>
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<tr>
<td>SP7 Canalside (R)</td>
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<tr>
<td>SP18 Fox &amp; Hounds public house &amp; former petrol station, Abingdon Road (R)</td>
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<tr>
<td>SP26 Land north of Roger Dudman Way (SA)</td>
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<tr>
<td>SP40 Oriel College site at</td>
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<tr>
<td>King Edward Street &amp; High Street (SA)</td>
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<tr>
<td>SP48 Radcliffe Observatory Quarter (SA)</td>
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<tr>
<td>SP53 St Cross College Annex (R) or (SA)</td>
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<tr>
<td>SP63 West Wellington Square (RS)</td>
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<tr>
<td><strong>Cowley Road sites</strong></td>
<td>Housing &amp; offices</td>
<td>270 dwellings (estimate)</td>
<td>0.2 hectares employment</td>
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<tr>
<td>SP12 Cowley Marsh Depot (R)(RS) or (SA)</td>
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<tr>
<td>SP13 Crescent Hall (R)</td>
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<td>SP22 Jesus College Sports Ground (R)</td>
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<td>SP27 Lincoln College Sports Ground (R)</td>
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<tr>
<td>SP52 St Clements Car Park (R) or (SA)</td>
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<tr>
<td>SP54 South Parks Depot (R) or (SA)</td>
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<td>SP56 Temple Cowley Pools (R)</td>
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<td>SP58 Travis Perkins (R+E)</td>
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<tr>
<td>SP59 Union Street car park (R) or (SA)</td>
<td>Cowley/Blackbird Leys sites</td>
<td>Housing &amp; offices</td>
<td>1,034 dwellings (estimate)</td>
<td></td>
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<tr>
<td>SP5 Blackbird Leys Central Area (R+E)</td>
<td></td>
<td></td>
<td>30 hectares employment</td>
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<tr>
<td>SP6 BT site, Hollow Way (R) or (SA)</td>
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<td>SP9 Court Place Gardens, Iffley Village (R) (RS) or (SA)</td>
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<tr>
<td>SP10 Cowley Centre (R+E)</td>
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<tr>
<td>SP11 Cowley Community Centre (R)</td>
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<tr>
<td>SP15 East Minchery Farm Allotments (R)</td>
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<tr>
<td>SP24a &amp; b Kassam Stadium sites (R)</td>
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<tr>
<td>SP25 Land north of Littlemore Mental Health Centre (R)</td>
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<tr>
<td>SP29 Littlemore Park (R+E)</td>
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<tr>
<td>SP35 Northfield Hostel (R)</td>
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<td>SP36 Northfield</td>
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<tr>
<td>School (R)</td>
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<tr>
<td>SP42 Oxford Business Park (E)</td>
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<tr>
<td>SP43 Oxford Science Park at Littlemore (E)</td>
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<tr>
<td>SP44 Oxford Science Park at Minchery Farm (E)</td>
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<tr>
<td>SP47 Paul Kent Hall (R) or (SA)</td>
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<td>SP49 Railway Lane (R)</td>
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<td>SP50 Rover Sports &amp; Social Club (E)</td>
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<tr>
<td>SP64 Windale House (R)</td>
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<tr>
<td><strong>Headington sites</strong></td>
<td>Housing &amp; employment</td>
<td>504 dwellings (estimate)</td>
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<td></td>
<td></td>
<td>13 hectares employment</td>
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<tr>
<td>SP3 Barton Road Cricket Ground (R)</td>
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<tr>
<td>SP8 Churchill Hospital Site &amp; Ambulance Resource Centre (R) (RS)+ (E)</td>
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<tr>
<td>SP19 Government Buildings site (R) + (SA)</td>
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<tr>
<td>SP20 Harcourt</td>
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<tr>
<td>Site</td>
<td>Summertown sites</td>
<td>Housing &amp; employment</td>
<td>420 dwellings (estimate)</td>
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<tr>
<td>House (R) or (SA)</td>
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<tr>
<td>SP23 John Radcliffe Hospital site (E)</td>
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<tr>
<td>+ (R) or (SA)</td>
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<tr>
<td>SP31 Manor Ground (R)</td>
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<tr>
<td>SP33 Marywood House (R)</td>
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<tr>
<td>SP34 Nielsen (R+E)</td>
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<tr>
<td>SP37 Northway Centre (R)</td>
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<tr>
<td>SP41 Oxford Brookes Gipsy Lane Campus (SA)</td>
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<tr>
<td>SP51 Ruskin College Campus (SA)</td>
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<tr>
<td>SP61 Warneford Hospital (E) + (R) + (SA)</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SP62 Warren Crescent (R)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SP2a, b &amp; c Banbury Road University Sites (RS)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SP14 Diamond Place &amp; Ewert House (R)+(E)+(SA)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Location</td>
<td>Description</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SP16 Elsfield</td>
<td>Hall (R+E)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SP45 Oxford</td>
<td>University press</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sports Ground (R)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SP65 a &amp; b</td>
<td>Wolvercote paper Mill (R+E)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* M = mixed use, R = residential, RS (may include student accommodation), SA = student accommodation, E = employment.
5 INFRASTRUCTURE REQUIREMENTS

5.1 Having regard to the preceding chapters of this plan TVP has determined that the proposed level of growth in the City will significantly increase demand for policing services and place increased pressure on TVP’s infrastructure base, thereby jeopardising the delivery of effective policing unless it is mitigated via the provision of additional policing infrastructure. TVP supports economic growth and has therefore sought to minimise the level of additional infrastructure to the absolute minimum required to satisfactorily cater for increased demands on policing generated by the proposed level of growth. Accordingly, this chapter sets out priority infrastructure that is required to maintain an adequate level of service delivery.

5.2 The impact of proposed growth within Oxford has been assessed across each of TVP’s seven Neighbourhood Policing Areas, however only those areas where additional infrastructure is required to cater for new development are set out below.

5.3 TVP has also assessed the implications of growth upon the strategic accommodation requirements for TVP. Put simply, an increase in population leads to an increase in incidents, which in turn requires an increased Police response in terms of officers (and support staff) and these have to be accommodated somewhere. TVP have identified an opportunity to adapt their two key police stations (St Aldates and Cowley) to facilitate additional floor space.

5.4 In summary the residual amount of development to be delivered in Oxford City results in a requirement for an additional 65 Officers (including PCSO’s) and 12 support staff, please note we have not included the central support staff that undertake core functions (i.e. HR, IT, Accounts). Clearly not all officers will require accommodation/floor space (please note we are not talking just about desks, unlike most “offices” Police Officer requirements also extend to lockers and significant changing rooms) at anyone time therefore we apply a 50% reduction in floor space requirement. TVP operate on a 12 sqm per “workstation/person” ratio therefore the overall floorspace requirement is;

\[(77/2) \times 12 = 462\ \text{sq m}\]

It should be noted that we have requested additional accommodation by way of Neighbourhood Offices in Barton and the Northern Gateway – amounting to 50sqm, this is deducted from the overall figure therefore leaving an overall requirement for 412 sq m. Applying an estimated cost of £1600 per sqm for adaptation and fit out, equates to an overall contribution request of £659,200. Officers will see from the details set out below that this additional accommodation will be provided at St Aldates (40%) and Cowley Police Stations (60%) both of which have been identified as having potential capacity, subject to the alteration/adaptation works taking place.
**Neighbourhood: Oxford North**

<table>
<thead>
<tr>
<th>Location:</th>
<th>Infrastructure requirement:</th>
<th>Approximate Cost:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northern Gateway</td>
<td>Neighbourhood drop-in office within Northern Gateway development, approximately 25 sqm in size (could form part of Emergency Services hub with fire and/or ambulance services).</td>
<td>£52,500 plus land</td>
</tr>
<tr>
<td>Operating out of Police Office</td>
<td>1no. PCSO</td>
<td>£6,140 start-up cost plus £33,063 annual charge for 5 years.</td>
</tr>
<tr>
<td></td>
<td>1no. Police bicycle and bike kit, plus 5 years servicing.</td>
<td>£1,290</td>
</tr>
</tbody>
</table>

**Justification:**

The development at Northern Gateway plus the potential 420 dwellings and 2 hectares of employment will impact on police resources. The PCSO equipped with the bicycle, will add capacity to the Neighbourhood Team and will allow visibility for the public.

**Do Nothing Scenario: (Impact if the additional infrastructure is not delivered)**

The ability of the Police to meet its objectives will be compromised, and the incidence of crime will increase thus impacting on the ability to police this development and the rest of the neighbourhood.
Neighbourhood: Oxford North East

<table>
<thead>
<tr>
<th>Location:</th>
<th>Infrastructure requirement (shared with Barton Risinghurst):</th>
<th>Approximate Cost:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating out of Cowley Police Station/office</td>
<td>1no. PCSO</td>
<td>£6,140 start-up cost plus £33,063 annual charge for 5 years.</td>
</tr>
<tr>
<td></td>
<td>1no. Neighbourhood Van with a working platform i.e. Vauxhall Vivaro Van with a desk with LAN connection.</td>
<td>£20,000 (purchase plus adaptation cost) plus £6,800 pa non-fuel running costs.</td>
</tr>
</tbody>
</table>

Justification:

TVP consider that the optimal response to the new development in Barton and Headington is to share the additional infrastructure resources with its adjacent Oxford Barton Risinghurst neighbourhood team.

The development proposed at Barton, together with the redevelopment proposed elsewhere in Oxford City's Headington area could add 1,700 new homes and community infrastructure, plus 13 hectares of employment. If the Ruskin College proposals also come forward this would mean an additional 170-190 dwellings.

The new population in an already challenging area will lead to an increase in levels of crime and will have a resultant impact on the ability of the Police to ensure visibility in its service and in response times. The additional PCSO will add capacity to the neighbourhood team; the Neighbourhood Van will allow a mobile and visible policing presence thus increasing the efficiency of existing Police Officers to be able to cope with the increased demand on their resources caused by the new development.

TVP has also made submissions regarding the provision of a replacement neighbourhood office in Barton to serve the new and existing development.

Do Nothing Scenario: (Impact if the additional infrastructure is not delivered)

The ability of the Police to meet its objectives will be compromised, and the incidence of crime will increase thus impacting on the ability to police this development and the rest of the neighbourhood.
### Neighbourhood: Oxford Barton Risinghurst

<table>
<thead>
<tr>
<th>Location:</th>
<th>Infrastructure requirement (shared with Oxford North East):</th>
<th>Approximate Cost:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barton</td>
<td>Neighbourhood drop-in office within new development, approximately 25 sqm in size</td>
<td>£52,500 plus land</td>
</tr>
</tbody>
</table>

**Justification:**

TVP consider that the optimal response to the new development in Barton and Headington is to share the additional resources with its adjacent Oxford Barton Risinghurst neighbourhood team whilst delivering a new neighbourhood facility to serve the existing and new community associated with the planned growth in Barton.

**Do Nothing Scenario: (Impact if the additional infrastructure is not delivered)**

The ability of the Police to meet its objectives will be compromised, and the incidence of crime will increase thus impacting on the ability to police this development and the rest of the neighbourhood.
<table>
<thead>
<tr>
<th>Neighbourhood: Oxford Central</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Location:</strong> Operating out of St Aldates Police Station/office</td>
</tr>
<tr>
<td><strong>Infrastructure requirement:</strong> 1no. PCSO 1no. Police bicycle and bike kit, plus 5 years servicing. Adaptation of existing Police Station to provide accommodation for additional Police Officers and support staff to mitigate against the impact of growth</td>
</tr>
<tr>
<td><strong>Approximate Cost:</strong> £6,140 start-up cost plus £33,063 annual charge for 5 years. £1,290 £263,680 estimated cost</td>
</tr>
</tbody>
</table>

**Justification:**

Together with the development proposed in the West End, some 700-900 new dwellings plus new retail and offices are proposed.

The new population, retail and employment will lead to increased levels of crime and will impact on the ability of the Police to ensure visibility in its service and in response times. The PCSO equipped with the bicycle, will add capacity to the Neighbourhood Team and will allow visibility for the public.

**Do Nothing Scenario: (Impact if the additional infrastructure is not delivered)**

The ability of the Police to meet its objectives will be compromised, and the incidence of crime will increase thus impacting on the ability to police this development and the rest of the neighbourhood.
Neighbourhood: Oxford Cowley

<table>
<thead>
<tr>
<th>Location:</th>
<th>Infrastructure requirement:</th>
<th>Approximate Cost:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating out of Cowley Police Station</td>
<td>Part time PCSO (potentially shared post with Oxford South East Neighbourhood). 1no. Police bicycle and bike kit, plus 5 years servicing. Adaptation of existing Police Station to provide accommodation for additional Police Officers and support staff to mitigate against the impact of growth</td>
<td>£3,070 start-up cost plus £16,532 annual charge for 5 years. £1,290 £395,520 estimated cost</td>
</tr>
</tbody>
</table>

Justification:

It is difficult to quantify the level of development proposed within this Neighbourhood however it is considered that there will be an impact on Policing the area. The part time PCSO will add capacity to the Neighbourhood Team, allowing visibility of the Police to the public.

Do Nothing Scenario: (Impact if the additional infrastructure is not delivered)

The ability of the Police to meet its objectives will be compromised, and the incidence of crime will increase thus impacting on the ability to police this development and the rest of the neighbourhood.
Neighbourhood: Oxford South East

<table>
<thead>
<tr>
<th>Location:</th>
<th>Infrastructure requirement:</th>
<th>Approximate Cost:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating out of Cowley Police Station/office</td>
<td>1.5no. PCSOs</td>
<td>£9,210 start-up cost plus £49,595 annual charge for 5 years.</td>
</tr>
<tr>
<td></td>
<td>1no. Neighbourhood Van with a working platform i.e. Vauxhall Vivaro Van with a desk with LAN connection.</td>
<td>£20,000 (purchase plus adaptation cost) plus £6,800 pa non-fuel running costs</td>
</tr>
</tbody>
</table>

Justification:

The proposed high levels of development in this part of the City will challenge Police resources.

The additional PCSOs will add capacity to the neighbourhood team; the Neighbourhood Van will allow a mobile and visible policing presence thus increasing the efficiency of existing Police Officers to be able to cope with the increased demand on their resources caused by the new development.

Do Nothing Scenario: (Impact if the additional infrastructure is not delivered)

The ability of the Police to meet its objectives will be compromised, and the incidence of crime will increase thus impacting on the ability to police this development and the rest of the neighbourhood.

5.5 There are no requirements for the Oxford East Neighbourhood Area.

5.6 A full schedule of additional (priority) infrastructure required by TVP to address the impacts of growth in Oxford is attached as Appendix 1. The schedule lists the infrastructure identified above.
APPENDICES

1. Schedule of Policing Infrastructure Requirements
APPENDIX 1

Infrastructure required by TVP to address the impacts of growth in Oxford (following pages)
<table>
<thead>
<tr>
<th>LOCATION</th>
<th>INFRASTRUCTURE</th>
<th>NEED FOR INFRASTRUCTURE</th>
<th>INDICATIVE (INCLUDING FUNDING)</th>
<th>COST PROPOSED</th>
<th>TIMESCALE FOR DELIVERY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oxford North</td>
<td>Neighbourhood drop-in office within Northern Gateway development&lt;br&gt;1no. PCSO&lt;br&gt;1no. Police bicycle and bike kit, plus 5 years servicing.</td>
<td>To provide an on-site facility/presence&lt;br&gt;Provide police visibility and deterrent.</td>
<td>£52,500 plus land.&lt;br&gt;£6,140 start-up cost plus £33,063 annual charge for 5 years&lt;br&gt;£1,290 (S106 or CIL)</td>
<td>As development is delivered.</td>
<td></td>
</tr>
<tr>
<td>Oxford North East</td>
<td>1no. PCSO&lt;br&gt;1no. Neighbourhood Van with a working platform i.e. Vauxhall Vivaro Van with a desk with LAN connection.</td>
<td>Provide police visibility, efficiency and deterrent.</td>
<td>£6,140 start-up cost plus £33,063 annual charge for 5 years&lt;br&gt;£20,000 (purchase plus adaptation cost) plus £6,800 pa non-fuel running costs&lt;br&gt;(S106 or CIL)</td>
<td>As development is delivered.</td>
<td></td>
</tr>
<tr>
<td>Oxford Central</td>
<td>1no. PCSO&lt;br&gt;1no. Police bicycle and bike kit, plus 5 years servicing. Adaptations to existing Police station.</td>
<td>Provide police visibility and deterrent.</td>
<td>£6,140 start-up cost plus £33,063 annual charge for 5 years&lt;br&gt;£1,290</td>
<td>As development is delivered.</td>
<td></td>
</tr>
<tr>
<td>Oxford Cowley</td>
<td>Part time PCSO (potentially shared post with Oxford South East Neighbourhood)&lt;br&gt;1no. Police bicycle and bike kit, plus 5 years servicing. Adaptations to existing Police station</td>
<td>Provide police visibility, efficiency and deterrent.</td>
<td>£3,070 start-up cost plus £16,532 annual charge for 5 years&lt;br&gt;£1,290</td>
<td>£395,520 estimated cost (S106 or CIL)</td>
<td>As development is delivered.</td>
</tr>
<tr>
<td>Oxford South East</td>
<td>1.5no. PCSOs</td>
<td>Provide police visibility, efficiency and deterrent.</td>
<td>£9,210 start-up cost plus £49,595 annual charge for 5 years. £20,000 (purchase plus adaptation cost) plus £6,800 pa non-fuel running costs. (S106 or CIL)</td>
<td>As development is delivered.</td>
<td></td>
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<td>------------------------</td>
<td></td>
</tr>
<tr>
<td>1no. Neighbourhood Van with a working platform i.e. Vauxhall Vivaro Van with a desk with LAN connection.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oxford Barton Risinghurst</td>
<td>Shared with above</td>
<td>Provide police visibility, efficiency and deterrent.</td>
<td>As above</td>
<td>As development is delivered.</td>
<td></td>
</tr>
<tr>
<td>Neighbourhood drop-in office within new development</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To provide an on-site facility/presence to serve the existing and new community</td>
<td></td>
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<td></td>
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</tr>
</tbody>
</table>
Response to Oxford City Council on CIL

Further to the meeting to discuss the CIL Charging schedule, the University of Oxford would like to make the following points:

1. The University notes the wording in the Regulations which provides that an owner of a material interest in land is exempt from payment of CIL if that "landowner" is a charity and the chargeable development will be used wholly or mainly for charitable purposes.

While the applicant for planning permission will also have to submit an application for a charitable exemption, this should be a formality and the Council should confirm that they will be in a position to issue this at the same time as the grant of planning permission.

2. The University of Oxford considers that the Council should adopt the exceptional circumstances discretionary relief under Regulation 55. While the areas to be covered by this relief are discretionary, the Council should be willing to grant the University relief from CIL where the development meets the charitable purposes test but is on land owned by a third party and the University does not have a material leasehold or freehold interest in the land. This would apply to space at the local NHS hospital sites which is (or is to be) occupied by the University as the provider of a medical school or for medical research but is owned by the NHS Trust and in respect of which the University does not have a qualifying material interest.

3. The University would welcome further clarification from and discussion with the Council as to the relationship between Section 106 Agreements and CIL for exempt development.

4. The University considers that the figure of £100m² attached to residential development including student accommodation is too high, particularly if the Sites and Housing DPD is adopted. As the Council requires the Universities and colleges to provide additional accommodation for their students, this development should be encouraged by reducing the CIL charge. Apart from other considerations, student accommodation will not require the same level of local public expenditure on education, libraries, public open space or community facilities as a conventional housing development because those will substantially be provided by the relevant University and/or college, and this should be reflected in the CIL liability.

5. The Council should be looking at the development proposed, not hypothetical changes of use in existing student accommodation which would justify an increased
figure when this would be a change of use subject to planning permission and a Section 106 agreement if necessary.

6. The University would welcome the opportunity to discuss the proposed charging schedule with the Council directly. Please would you suggest some dates for a meeting.
From: Morgan Barbara
Sent: 17 August 2012 13:41
To: GARCIA-OPOAZO Marla
Subject: Re: Community Infrastructure Levy (CIL): Consultation on CIL Preliminary Draft Charging Schedule

Dear Sir/Madam

Network Rail has been consulted by Oxford City Council on the Community Infrastructure Levy (CIL): Consultation on CIL Preliminary Draft Charging Schedule. Thank you for providing us with this opportunity to comment on this Planning Policy document. This email forms the basis of our response to this consultation request.

Network Rail is a statutory undertaker responsible for maintaining and operating the country’s railway infrastructure and associated estates. Network Rail owns, operates, maintains and develops the main rail network. This includes the railway tracks, stations, signalling systems, bridges, tunnels, level crossings and viaducts. The preparation of development plan policy is important in relation to the protection and enhancement of Network Rail’s infrastructure. In this regard, please find our comments below.

CIL / Developer Contributions

The Community Infrastructure Levy should set a strategic context requiring developer contributions towards rail infrastructure where growth areas or significant housing allocations are identified close to existing rail infrastructure.

Many stations and routes are already operating close to capacity and a significant increase in patronage may create the need for upgrades to the existing infrastructure including improved signalling, passing loops, car parking, improved access arrangements or platform extensions.

As Network Rail is a publicly funded organisation with a regulated remit it would not be reasonable to require Network Rail to fund rail improvements necessitated by commercial development. It is therefore appropriate to require developer contributions to fund such improvements.

Specifically, we request that a Policy is included within the document which requires developers to fund any qualitative improvements required in relation to existing facilities and infrastructure as a direct result of increased patronage resulting from new development.

The likely impact and level of improvements required will be specific to each station and each development meaning standard changes and formulae may not be appropriate. Therefore in order to fully assess the potential impacts, and the level of developer contribution required, it is essential that where a Transport Assessment is submitted in support of a planning application that this quantities in detail the likely impact on the rail network.

To ensure that developer contributions can deliver appropriate improvements to the rail network we would recommend that Developer Contributions should include provisions for rail and should include the following:

- A requirement for development contributions to deliver improvements to the rail network where appropriate.
- A requirement for Transport Assessments to take cognisance of impacts to existing rail infrastructure to allow any necessary developer contributions towards rail to be calculated.
- A commitment to consult Network Rail where development may impact on the rail network and may require rail infrastructure improvements. In order to be reasonable these improvements would be restricted to a local level and would be necessary to make the development acceptable. We would not seek contributions towards major enhancement projects which are already programmed as part of Network Rail’s remit.

Level Crossings

Development proposals arising from the Community Infrastructure Levy affecting the safety of level crossings is an extremely important consideration for emerging planning policy to address. The impact from development can result in significant increases in the vehicular and pedestrian traffic utilising a crossing which in turn impacts upon safety and service provision.

As a result of increase patronage, Network Rail could be forced to reduce train line speed in direct correlation to the increase in vehicular and pedestrian traffic using a crossing. This would have severe consequences for the timetable and would also effectively freeze any future train service improvements. This would be in direct conflict with strategic and government aims of improving rail services.

In this regard, we would request that the potential impacts from development affecting Network Rail’s level crossings is specifically addressed through planning policy. We request that a policy is provided confirming that:

1. The Council have a statutory responsibility under planning legislation to consult the statutory rail undertaker where a proposal for development is likely to result in a material increase in the volume of a material change in the character of traffic using a level crossing over a railway: Schedule 2 (0) (a) of the Town & Country Planning (Development Management Procedure) Order, 2010.
2. Any planning application which may increase the level of pedestrian and/or vehicular usage at a level crossing should be supported by a full Transport Assessment assessing such impact; and
3. CIL monies / developer contributions are directed towards funding of required qualitative improvements to the level crossing as a direct result of the development proposed.

We trust these comments will be considered in your preparation of the forthcoming policy document.

Regards,

Barbara Morgan
Town Planning Technician (Western)

Please send all communications and consultations to汤村鎮路晓雯@网络铁路ial.co.uk or by post to Network Rail, 3rd Floor, TempleHouse, Bessemer Way, Bishop Stortford, Hertfordshire, England.

The content of this email (and any attachment) is confidential. It may also be legally privileged or otherwise protected from
Community Infrastructure Levy - Preliminary Draft Charging Schedule

View Response
Answers to Community Infrastructure Levy - Preliminary Draft Charging Schedule

**FINAL RESPONSE**

Submitted by Deborah Ceadel on 20 Aug 2012 12:11

Response visibility: Unknown. Change to: Anyone who can view responses Just managers

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**Public Profile**

- **Name**: Deborah Ceadel
- **Email**: dceadel@darbys.co.uk
- **Date**: 20 Aug 2012 12:11

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**Private Profile**

- **Postal Address**: Darbys
  52 New Inn hall Street
  Oxford
- **Postcode**: OX1 2DN
- **Gender**: Female
- **What is your age?**: 45-59
- **If you are under 16, what is your date of birth?**: 
- **What is your ethnic group?**: White British
- **Your ethnic group (if you answered other)**: 
- **Are you disabled?**: No
- **Organisation Name**: 
- **Job Title / Position within the Organisation**: 

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DARBYS REF. C10
Areas of Interest

Survey Types  Online Consultations

Q1

Please give us your comments on Oxford’s CIL Preliminary Draft Charging Schedule. We would be interested to hear your views on:

• the proposed range of CIL charges; and
• the infrastructure funding gap supporting them.

My comments are not to do with the range of charges/funding gap, but relate to the Council’s decisions a) not to adopt exceptional circumstances relief (reg 55) and b) not to offer payment by installments. Generally, it seems to me both these options offer additional flexibility which could be useful, particularly in a situation where the Council is feeling its way over the level of charges and their impact on viability/the delivery of needed development.

As regards a), while it is accepted that reg 55 relief would not apply in the majority of cases, it would be helpful to have it available for large sites where there was a preference for costly infrastructure (eg a school, sports facilities) to be provided on site. At the consultation meeting on 26 July it was explained that the Council would achieve flexibility if need be through relaxing affordable housing requirements. But surely it would be helpful to have a relaxation in CIL as a further alternative?
From: Iain Smith  
Posted At: 20 August 2012 09:48  
Posted To: planningpolicy@oxford.gov.uk  
Conversation: Community Infrastructure Levy Preliminary Draft Charging Schedule - Comments by the Watkin Jones Group  
Subject: Community Infrastructure Levy Preliminary Draft Charging Schedule - Comments by the Watkin Jones Group

Please find below the comments of the Watkin Jones Group in respect of consultation on the Community Infrastructure Levy Draft Charging Schedule (July 2012), together with contact details which are provided at the end of the email. Please can you confirm receipt. I have completed and attached a completed comment form.

Watkin Jones Group is an active developer, constructor and operator of purpose built student accommodation across the UK. Having delivered approximately 20,000 student bedrooms since the late 1990s, the Group has gained considerable experience in developing purpose built student accommodation. It is on the basis of this experience that the following comments have been made which relate to the levy proposed from student accommodation in the city.

The Group consider that the proposed rate of levy, as set out in the ‘Community Infrastructure Levy (CIL) Preliminary Draft Charging Schedule’, together with other levies and planning obligations sought from student accommodation will over burden developers, the result of which is that development will be deterred. This is contrary to the principles and requirements of the National Planning Policy Framework (NPPF) and, in respect of student accommodation in the city, contrary to the requirements of Policy CS25 of the Core Strategy which seeks to promote purpose built student accommodation, to relieve the pressure from students living in houses in multiple occupation.

A CIL rate of £100 per square metre for purpose built student accommodation is proposed. This appears overly burdensome in comparison with the current level of planning obligations sought from development, which typically seeks the equivalent of £30 to £50 per square metre of development. Together with this, the Council is also seeking to introduce a levy of £140 per square metre of student accommodation towards the provision of affordable housing in the city, through the Sites and Housing Development Plan Document (SHDPD) which will shortly be the subject of an examination in public.

The result of the above levies, in combination, is that purpose built student accommodation it expected to be required to provide obligations of between £240 and £290 per square metre of development.
(dependant on the level of site specific planning obligations). The level of obligations is between five and ten times the amount which has recently been sought from purpose built student accommodation in the city. This is a substantial and unsustainable increase.

This matter was recently considered within Counsel's opinion prepared on behalf of a series of Oxford colleges and related parties (St Catherine's College, Christ Church, Estate's Bursar Committee, Merton College, McLaren Property, Lincoln College, Jesus College and University College) in respect of the proposed affordable housing levy sought from student accommodation. The opinion, prepared by David Elvin QC and Stephen Morgan of Landmark Chambers, states that the introduction of the affordable housing levy is inconsistent with the requirements of Policy CS25, which seeks to promote the provision of purpose built student accommodation. The introduction of a (substantial) CIL, such as that which is proposed, is contrary to the requirements to Policy CS25 as it will deter developers from constructing student accommodation.

Whilst the Group does not object to the introduction of a CIL in principle, it has significant concerns with the rate of levy which is proposed and which should be reduced substantially. As an example, the London boroughs currently seek the provision of the city-wide Mayoral CIL together with either borough led CIL or planning obligations sought under Section 106 of the 1990 Act. In its recent experience, the Group notes that student accommodation developments in the City of London typically provide in the region of £120 to £150 per square metre in combination. The proposed combination of levies and contributions in Oxford will be double this. Taken into account with the high costs of land in Oxford and the inherent constraints of sites given the highly urban nature of development sites, these matters will be deter developers and investors seeking to undertake development in the city.

The NPPF affirms that the planning system should support economic growth, highlighting how it is essential for the system to encourage and not act as an impediment to sustainable growth. The NPPF continues to state that local authorities should plan proactively to meet the development needs of business and support an economy fit for the 21st century. The proposed CIL does not support the aforementioned matters and is therefore also contradictory to national policy.

Furthermore, it is understood that CIL sought from development will be 'pooled' with contributions obtained from other developments to be used towards a variety of infrastructure projects in the city. The CIL therefore appears to require student accommodation to make contributions towards infrastructure projects (e.g. schools) which are not relevant to the users of student accommodation. The Group highlights the requirements of the Community Infrastructure Levy Regulations (2010) and indeed Circular 05/2005 'Planning Obligations' which seek to ensure that obligations sought from development are relevant and directly related to the proposed development. These 'tests' are clearly not met by the current CIL schedule. Other requirements of the aforementioned regulations and circular require obligations to be "fairly and reasonably related in scale and kind to the proposed development". It has been demonstrated elsewhere that such a 'test' would not be 'passed' within Oxford.

In summary the proposed CIL charging schedule, in combination with other obligations sought from development in the city together with the nature of development sites, are out of balance when weighed up against the aforementioned issues and will deter investment. It has been demonstrated that the proposed charging schedule is inconsistent with the requirements of the NPPF and Policy CS25 which seek to promote development, including student accommodation, across the city.

It is respectfully requested that the above points are taken into account by the Council.

Kind regards,

Iain Smith BA (Hons) MTPL MRTPI
Planning Director

Watkin Jones Group
Unit 2 Welfield Business Park

22/08/2012
Oxford City Council: Community Infrastructure Levy Preliminary Draft Charging Schedule Public Consultation July-August 2012 Representations on behalf of University College, Oxford

The Community Infrastructure Levy Regulations 2010 (Regulation 14) deals with setting rates and states:

"14.-(1) In setting rates (including differential rates) in a charging schedule, a charging authority must aim to strike what appears to the charging authority to be an appropriate balance between-

(a) the desirability of funding from CIL (in whole or in part) the actual and expected estimated total cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding; and

(b) the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.

(2) In setting rates in a charging schedule, a charging authority may also have regard to actual and expected administrative expenses in connection with CIL to the extent that those expenses can be funded from CIL in accordance with regulation 61."

The College is principally concerned regarding the proposed CIL rate of £100 per m2 in respect of student accommodation set out in the table at paragraph 11.

Although University College is a registered charity and therefore would benefit from charitable relief from CIL under Regulation 43 where the development proposed is for a charitable purpose, there may be circumstances where a CIL charge is required for development promoted by the College.

No justification has been given as to why the City Council is not proposing to accept payments in installments despite the Regulations permitting the payment of CIL in installments. Under existing S106 planning obligations it is a matter of standard practice to phase the trigger payments of financial contributions, related to the impact from the development, but also to acknowledge the upfront cost burden of development in terms of cash flow.

The Council has commissioned CBRE to prepare a Student Accommodation – Community Infrastructure Levy Analysis (March 2012) report. This report highlights that of the nine sites examined, only 6 were viable with a CIL contribution of £80 per square metre, and only 5 viable at £100m2 and 4 viable with a CIL contribution of £140-200m2.

CIL must strike a balance between the desirability of funding CIL and the actual and expected costs of infrastructure required to support development; and the effects of such a charge on economic viability. The draft Charging Schedule therefore highlights that a rate of CIL charge set at £100m2 for student accommodation is neither appropriate or viable in the majority of cases. Paragraph 29 of the CIL Guidance on Charge Setting and Charge Schedule Procedures confirms that “Charging Authorities should avoid setting a charge right up to the margin of economic viability across the vast majority of sites in their area.”
Therefore the proposed rate for student accommodation is not consistent with the Council’s own evidence on economic viability across the charging authority’s area and evidence has not been provided that shows the proposed rate would not put at serious risk overall development of the area.

Whilst 6 sites are viable at £80m2, adopting a buffer to avoid running close to the margin of economic viability means that £60m2 would be more appropriate for those sites which are viable. However, this still leaves one third of sites assessed remaining unviable.

The Council should provide further evidence of the effect of the £140m2 affordable housing contribution compared to the impact of CIL at different rates. For example, what effect on viability would the omission of an affordable housing contribution have on the viability of different CIL rates.

What is clear from the CBRE report is that the combination of CIL (set at any rate) and an affordable housing contribution renders one third of all student accommodation schemes as unviable. This is not considered acceptable. Paragraph 173 of the NPPF advises that pursuing sustainable development requires careful attention to viability and costs in plan-making and decision-taking. Sites and the scale of development identified should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. To ensure viability, costs of development should provide competitive returns to a willing landowner and willing developer to enable the development to be deliverable.

Paragraph 7.4.3 of the Core Strategy requires that student accommodation be purpose built. Student accommodation is expressly considered by Policy CS25 and this policy seeks to reconcile the pressures for student accommodation and housing: there is no reliance upon or reference to the requirement for student accommodation to subsidise affordable housing. The provision of purpose built student accommodation is an objective supported by the Core Strategy. Yet the combination of CIL and affordable housing in lieu financial contributions will render the majority of student accommodation development as unviable: not only does this fail the CIL Regulation 14 test but will be compounded by the consequences for the delivery of accommodation for students in the City. If such development is made unviable to pursue, greater pressure on the wider housing stock and housing market will result as students take up alternative forms of accommodation. This would be counter to the housing objectives of the Core Strategy.

Therefore in summary the Council has failed to find an appropriate balance between the desirability of funding from CIL (in whole or in part) the actual and expected estimated total cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding; and the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.

Furthermore, the application of CIL to student accommodation as a matter of principle is questionable on the basis that the impact of students is negligible in terms of additional infrastructure. New student accommodation will have a restriction to prevent students from bringing in cars to their accommodation. In addition, there will be likely use of University health facilities, no children needing to be educated, and the positive use of existing sustainable modes of travel such as walking, cycling and public transport. The Council has failed to justify the relationship between the infrastructure sought and the need generated by student accommodation.

The Council must provide further evidence to support its case for charging CIL on student accommodation. At present it is not considered that the costs of CIL at the rate proposed and the affordable housing contributions sought as part of the Sites and Housing Plan would provide competitive returns to a willing landowner and willing developer to enable the development to be deliverable.
Accordingly it is considered that the Council has failed to use appropriate available evidence to inform the draft charging schedule (section 212(4)(b)) of the 2008 Planning Act. University College therefore strongly objects to the proposed CIL charge on student accommodation.

Nick Paterson-Neild
Associate
Barton Willmore LLP
BY E-MAIL

Our Ref: MW/C.690A/140

22 August 2012

Planning Policy Team
Oxford City Council
St Aldate's Chambers
109-113 St Aldate's
Oxford
OX1 1DS

Dear Sirs

The BMW Group
Representations to the Community Infrastructure Levy
Preliminary Draft Consultation (July 2012)

Higham & Co acts on behalf of BMW Group (BMW) and in this respect we write to raise concerns regarding the proposals for the Community Infrastructure Levy (CIL) as set out in the Preliminary Consultation Draft (July 2012).

As you are aware BMW represents a major employer within Oxford with MINI Plant Oxford. BMW makes a very significant contribution to the economic prosperity of the City.

Our concerns relate to assumptions made in the Preliminary Draft Charging Schedule and its potential impacts on the delivery of future industrial development at Plant Oxford. They are summarised as follows:

1. **Infrastructure Funding Gap**

   In respect of the infrastructure funding gap identified in the CIL Infrastructure Evidence table July 2012, without further detail on how the infrastructure schemes have been costed, it is not possible to make a decision as to whether or not the funding gap is indeed sufficient to justify the introduction of CIL.

2. **Charge Levels**

   The Community Infrastructure Levy and overview document produced by the Department for Communities and Local Government (May 2011) makes it clear that contributions should not be set at levels which discourage development. It states at Paragraph 23:
"Charging authorities wishing to introduce the levy should propose a rate which does not put at serious risk the overall development of their area. They will need to draw on the infrastructure planning that underpins the development strategy for their area. Charging authorities will use that evidence to strike an appropriate balance between the desirability of funding infrastructure from the levy and the potential effects of the levy upon the economic viability of development across their area."

Paragraph 25 goes on to indicate:

"Charging authorities will need to strike an appropriate balance between the desirability of funding infrastructure from the levy and the potential effects of the imposition of the levy upon the economic viability of development across their area."

We do not consider that the CIL level for B2/B8 industrial development as set out in the Preliminary Charging Schedule is justified. The proposed level would seriously jeopardise the objective of managed economic growth in Oxford and concomitantly be counter to the aims set out in the Core Strategy and the emerging Sites and Housing Plan.

Whilst it is fully understood that there is a general intention to simplify developer contributions for infrastructure provision through the introduction of the levy, the payments suggested are excessive and should be reduced to a sustainable level.

To prevent CIL being a prohibitive burden on economic development, the charging rate for B2/B8 industrial use should be set at a level which is realistic and will avoid any risk to the delivery of industrial development. In order not to thwart inward economic investment, numerous Charging Authorities in England have set a zero CIL rate for industrial development. Neighbouring Swindon is an example. We consider that Oxford City Council should adopt the same approach.

We therefore propose that there is no CIL charge for industrial (B2/B8) land uses.

If there is to be a CIL charge for B2 & B8 industrial uses it follows on from the above that it should be set significantly below the current proposed level, and certainly lower than for B1 Offices.

3. Viability Evidence Base

The Oxford City Council Community Infrastructure Level Assessment (July 2012) produced by Jones Lang LaSalle does not accurately assess the economic viability of industrial development within Oxford.

There is a complete lack of an evidence base in determining the CIL level for industrial development.

Also, the Report does not accurately assess the overall economic viability of the development types as the assumptions within the assessments are too simplistic and inaccurate. Specifically in relation to industrial development, the justification for the
proposed CIL charge is not predicated on a sufficient evidence base and therefore the conclusions drawn are unreasonable and wholly unsound.

The logic of Jones Lang LaSalle in suggesting, at Paragraph 5.12 of the Report, that CIL will not prevent industrial sites coming forward as land prices are already inflated must be questioned.

There is a lack of detail provided on the consultation process, the actual source of information and the rationale for assimilating the information to help justify the inputs and assumptions made. It can be confirmed that my client, a major employer in Oxford was not approached to provide any input into the Report.

Your Authority should reconsider the rates for industrial development. Through a proper form of consultation with stakeholders including existing industrial occupiers, the review should agree what might be an appropriate formula. This will need to allow for flexibility that will ensure that future industrial developments ultimately are viable and as a consequence deliverable.

4. Instalments Policy and Payment Deadline

No reasoned justification is provided by your Authority for:

(1) Not offering payment in instalments
(2) Setting a 60 day payment deadline

Should CIL be introduced we consider that your Authority should allow payment in instalments through the provision of an Instalments Policy. Your Authority should use its powers to set flexible payment deadlines to allow the CIL to be paid in a series of agreed instalments from the commencement date of development through to occupation. Instalment charges should be site/development specific. Agreement and negotiation of CIL instalments should be considered on an individual site-by-site basis to ensure that payments are tailored to a development’s individual characteristics.

If an instalments policy is not adopted and the CIL charge is required in a single payment then we consider that for industrial development the payment should be due on occupation of the new building rather than 60 days from the commencement of the development. The latter places a major financial burden on the developer. It is only the occupation that can be reasonably linked to the principal of CIL.

5. Discretionary Relief for Exceptional Circumstances

Exceptional circumstances relief (CIL Regulation 55) should be made available within the City. This will allow your Authority to assess developments on a case by case basis and allow other development costs (i.e. S106 obligations) to be taken into account. This will ensure that the viability of developments are not unduly jeopardised or undermined.
We therefore register our client’s objection to the proposals as drafted. Please acknowledge receipt of these representations marking correspondence for the attention of Matthew Waugh at this office.

Yours faithfully

[Signature]

Higham & Co
21 August 2012

Delivered by Post

Planning Policy Team
Oxford City Council
St Aldate's Chambers
109-113 St Aldate's
Oxford OX1 1DS

Dear Sirs

OXFORD COMMUNITY INFRASTRUCTURE LEVY: PRELIMINARY DRAFT CHARGING SCHEDULE (JULY 2012)
SUBMISSION OF REPRESENTATIONS BY WESTGATE OXFORD ALLIANCE

We act on behalf of Westgate Oxford Alliance (WOA), freeholder of the Westgate Centre, and submit the following representations to the City Council’s Preliminary Draft Community Infrastructure Levy (CIL) Charging Schedule.

Evidence base

1. The report to the City Executive Board (dated 4 July) that sought to approve the draft Schedule discusses the CIL rates of other authorities that have been considered by the City Council. Paragraph 19 of the report refers to the Council’s CIL rates following “the simple format favoured by the majority of those who have already adopted CIL, and fall within the range of rates per square metre already adopted”. Whilst the review of schedules prepared by other authorities forms part of the research process it is important that the rates in the Council’s schedule are based on its own viability work. We therefore seek clarification that the rates have been set on the basis of a review of the city’s infrastructure requirements and associated funding gap only.

Funding gap

2. The ‘Infrastructure funding gap’ schedule dated July 2012 details the various infrastructure schemes and associated cost estimates and funding gaps. Several of these figures have been revised since those provided in the schedule that was presented to the City Executive Board in July, whilst CIL rates have stayed the same. The funding gap is critical to setting the CIL rates. WOA therefore seeks confirmation that, for the purposes of the Preliminary Schedule, these are now fixed.
Duplication

3. It is likely that some of the listed infrastructure schemes will be brought forward (in full or part) by major development proposals, for example some of the highway works in association with the Westgate Centre proposal. It is therefore important that there is no duplication in provision and costs to developers. The process by which this will be considered and addressed by the Council should be clearly detailed in the Council’s supporting documentation to the Schedule.

Exceptional circumstances

4. CIL Regulation 55 states that a charging authority “may grant relief (“relief from exceptional circumstances”) from liability to pay CIL in respect of a chargeable development if: it appears to the charging authority that there are exceptional circumstances which justify doing so; and the charging authority considers it expedient to do so”. We note that paragraph 17 of the draft Schedule confirms that no such relief is proposed to be available from the City Council. WOA objects to this exclusion and requests that this be introduced.

5. Both the NPPF and the CIL Regulations do not seek to prevent the implementation of (sustainable) economic development. The NPPF clearly requires that development that is sustainable should go ahead, without delay, and the CIL Regulations require consideration to be taken into account (when setting rates) of the potential effects of the imposition of CIL on economic viability of development across its area. In light of this background WOA considers that it is essential for the Council’s Charging Schedule to offer exceptional circumstances relief so that it can be used in cases where an otherwise acceptable development will not be implemented because of onerous CIL levy rates (and, in some cases, combined Section 106 contributions).

6. Paragraph 2.3 (first bullet point) of Jones Lang LaSalle’s (JLL) CIL Assessment (July 2012) states that:

“....If [the methodology] acknowledges that individual site characteristics will fundamentally affect the viability of actual developments on the ground, although its aim is to show whether CIL rates can be borne by most development to help the City Council answer the question: will CIL charges ‘taken as a whole’ put economic viability of development across the city at risk?’

7. Paragraph 3.7 also states that:

“.....in an urban area such as Oxford, sites may be subject to “exceptional” cost items, such as demolition costs, land remediation (brownfield site costs), or other site-specific infrastructure requirements, which will be difficult to predict in advance of intrusive investigations. Where individual sites are subject to such cost items, the viability of new net GIA development floorspace to support as high a level of CIL tariff will be reduced accordingly’

8. In terms of residential uses, JLL’s Residential CIL Analysis (July 2012) acknowledges that CIL will have significantly different effects on residential sites due to the ‘variation in size, type of scheme, its location, and the current use of the site’.
9. We understand that JLL’s CIL Assessment was based on no exceptions or instalments policy, but consider that the aforementioned points demonstrate the need for introducing an element of discretionary flexibility. As currently drafted the City Council can take no account of exceptional circumstances that apply to individual developments that might make an otherwise acceptable scheme in planning terms undeliverable due to onerous CIL (and potentially section 106) requirements.

10. There is a vast number of potential exceptional circumstances, which are not all discussed in the evidence base to the draft Schedule. In the case of the Westgate Centre, exceptional circumstances (those that are over and above those normally applicable and/or acceptable to developments) include: diversion of Trill Mill culvert; significant flood attenuation measures; archaeology; and payment of interim car park income to the Council. Such costs clearly affect the ability to also pay standard CIL rates that apply to all developments including those that do not have to address such matters.

11. In addition, WOA considers that flexibility needs to be applied to the general application of individual CIL rates. For example, the service yard associated with the current concept scheme for Westgate Centre is unsurprisingly significant in scale and on the basis that this is ancillary to the retail use the current c.2,500 sq m net increase in the overall service yard floorspace could potentially generate a c.£250,000 CIL payment in its own right. The blanket application of the £100 per sq m rate to retail is considered inappropriate and unjustified. There will also be other examples where the City Council should exercise its professional judgement in the application of individual CIL rates.

12. For these reasons WOA requests that an exceptional circumstances clause be incorporated in to the Schedule, which can then be implemented at the discretion of the Council.

Instalments policy

13. As currently drafted, the Schedule requires full CIL payment within 60 days from the date development commences. WOA objects to there being no instalments policy and requests that this be introduced.

14. For major schemes such as that being promoted by WOA at the Westgate Centre (which is referred to at paragraph 2.18 of JLL’s CIL Assessment) and schemes where there is a necessary phased implementation it is considered unreasonable to require full payment within 60 days. In certain circumstances, the Council should be able to agree payment by instalments (even if only in exceptional circumstances). The inflexibility of having no instalments policy is likely to prohibit some development being progressed and implemented.

15. WOA concurs with the benefits, listed at paragraph 5.17 of JLL’s CIL Assessment, associated with the introduction of an instalments policy, namely improving overall scheme viability and potentially increasing the amount of CIL development could support (as a result of deferred
payment of costs, the developer’s cash flow will be improved and offer better scope for supporting a higher CIL payment).

16. The initial Westgate Centre concept scheme is at the early stages in the planning and design process. Notwithstanding our comments detailed in this letter, the broad brush CIL payment (using current draft rates) for the project is likely to be over £4 million. It is considered wholly unreasonable for this to be paid within 60 days of commencement of development. Payment by instalments will assist with the overall financial returns of the project and will reflect the implementation programme.

Review process

17. We note that the mechanisms and process for both the collection and distribution of CIL are still being developed and request that the Council’s methodology for reviewing the CIL process and its implementation is clearly detailed, including the ability to review CIL rates (a requirement supported by JLL in its assessment).

JLL CIL Assessment – further comments

18. As acknowledged by senior officers, WOA’s proposed development at Westgate Centre will be the most significant application to which CIL applies. Paragraph 1.6 of JLL’s CIL Assessment states that discussions have taken place with key stakeholders including developers/landowners. We would have appreciated an involvement in the consultation process both on the basis as a significant landowner and that WOA is progressing a major planning application in the city centre. WOA welcomes dialogue with JLL and the Council in relation to JLL’s Assessment and its various assumptions, which are now discussed in brief, and the suggested CIL rates.

19. WOA understand that JLL has used its in-house knowledge and that of local agents to understand the Oxford property market and set rental and land values assumptions for viability modelling. Paragraph 2.22 summarises the local market conditions. The bullet points do not provide details of the retail market conditions. We therefore request confirmation that this research was undertaken and that this information is provided. We also seek clarification as to the consideration afforded to the proposed significant influx of additional retail and leisure floorspace.

20. Page 13 refers to a £285 per sq ft retail rental figure that has been used in JLL’s appraisal without any detailed justification or consideration of an adjustment in light of the supply of retail floorspace in the city. WOA is not aware of such a rental figure relating to existing city centre retail. CBRE (the City Council’s advisor) has validated considerably lower ERVs for retail at less than half this £285 per sq ft sum. This value represents a significant consideration in the calculation of CIL rates and WOA therefore requests confirmation that this is a rent per sq ft figure and if so the provision of evidence to justify this quoted sum.
21. Paragraph 4.15 provides a very brief summary of 'other costs' to be factored in to JLL's appraisals. We request that a comprehensive list is provided. For example, costs such as Section 106, finance rates, consultants' fees, marketing costs are currently excluded and have a significant effect on development costs and the delivery of projects.

22. The Assessment factors an allowance for risk, which includes a 5% build cost contingency. For major projects, including those smaller than the Westgate Centre proposal, we consider that this percentage is too low. It is WOA's usual approach to allow for 10% on construction costs and 5% on all costs.

23. We require greater justification in relation to the statement that retail development (Classes A1-A5) is able to support the highest CIL rates (paragraph 1.11, first bullet point). Values generated by retail development vary considerably both in terms of the individual A Class uses and in the scale of individual development projects. The latter being dependent upon the amount of net additional floorspace created. There is inevitably a significant difference between a major, retail-led mixed use regeneration scheme, such as that being proposed by WOA, and a small-medium sized retail development.

24. The rental difference between Class A1 (shops) and A3 (food and drink) uses is significant, with A3 uses attracting much lower rents. This difference has been validated by in the case of the Westgate's commercial viability by CBRE, advisors to the City Council on the Development Agreement. The inclusion of Class A3 uses in mixed use, town centre schemes is increasingly important particular in terms of promoting long term sustainability and encouraging activity throughout the day. We therefore request that the group rate for Classes A1-A5 uses (£100 per sq m) is broken down and a separate, lower Class A3 CIL rate, in comparison to the wider retail classification, introduced. If considered appropriate, WOA would be willing to offer its professional expertise to JLL and the Council on this matter.

25. As confirmed in the Council's adopted planning policy documents, there is a clear quantitative and qualitative need for a significant volume of additional retail in the city centre. This historic lack of supply and resultant pent up demand clearly influence values. We request information regarding JLL's consideration of the effects of this difference in quantum, detailing how it has been considered in its Assessment and consequently in the proposed CIL rates.

26. Paragraph 1.13 of JLL's Assessment states that a number of risk tolerances and contingency costs have been factored in to its viability appraisals. We seek confirmation of these details and how they have been taken into account.

27. One of the overall findings of JLL's CIL Assessment is that the Oxford market benefits from development values which are higher in comparison to less commercially attractive areas in England. JLL does not consider that a 'modest £20 CIL rate per sq m' for any other development type not specified in the Schedule will put at risk the overall growth expected from the adopted Core Strategy. This may be the case but the detailed assessment of this £20 rate is not provided
in the Assessment or the publicly available CIL evidence base and therefore appears unsubstantiated. WOA requests more details on this matter.

We trust that the above points will be considered by the policy team and WOA welcomes the opportunity to discuss these with you in more detail. In the meantime should you have any queries please contact Sarah Stevens in the first instance.

Yours faithfully

Turley Associates

Turley Associates
Planning Policy Team  
Oxford City Council  
St Aldate's Chambers  
109-113 St Aldate's  
Oxford  
OX1 1DS

22 August 2012  BY EMAIL & POST
Our ref: JAFG/JCW/G3108
Your ref:

Dear Sirs

Oxford Community Infrastructure Levy

We are writing on behalf of Christ Church to respond to the City Council’s consultation on its Preliminary Draft Charging Schedule. As you will be aware Christ Church has freehold interests in a number of properties identified as development opportunities in the West End area, as well as its operational sites in Oxford.

Christ Church’s comments on the Preliminary Draft Charging Schedule are limited to the four areas set out below.

Charging levels and evidence base

Christ Church does have reservations about the reliability of the viability evidence on which those charges are based. This is for the reasons set out in our hearing statement on behalf of Christ Church to the EIP on the Sites and Housing DPD (Sites and Housing AAP EIP CD 8.17.2.73)

In summary, the King Sturge report uses Existing Use Value (EUV) plus a 30% margin as a benchmark to provide a broad indication of likely land values across Oxford. Considerable doubt has been placed upon this type of approach for both scheme specific and area-wide studies. Guidance, such as that from the Royal Institution of Chartered Surveyors (RICS) has called into question the basis of EUV methodology, given that there is firstly no market evidence to support EUVs and, secondly, the margin mark-up is arbitrary, inconsistent and cannot be evidenced. We also consider EUV (plus a margin) to be inconsistent with the NPPF paragraph 109, footnote 5. This identifies a “willing seller” not a “willing seller based on a margin above EUV”.

There is also a lack of transparency in the modelling of the residential appraisal exercise. We assume the empirical model is bespoke as there is no specific explanation of it or software which has been used. The model needs to be transparent in order to be able to examine both the appropriateness and corrections in the outputs of the model.

The City Council should consider these matters as it prepares the evidence base in advance of independent examination.
Instalment Policy

We note that the City Council is not intending to provide an instalment policy.

We consider that this is inappropriate. Without an instalment policy, CIL on all developments (except phased outline permissions) will become payable 60 days after the commencement of development. For larger developments, such as those that may be brought forward in the West End area, this will mean that potentially large CIL payments will need to be made at the start of development. The full financing costs (eg interest) of these payments will therefore need to be met throughout the whole development programme.

Allowing instalment payments for larger developments would not reduce overall CIL receipts but would allow developers to stagger payments across the development programme so substantially reducing financing costs. The City Council should allow for instalment payments for larger developments. This would ease funding costs for developers but not reduce CIL receipts for the Council.

Infrastructure List

We note that the development of Frideswide Square is included in the Infrastructure Funding Table, published alongside the formal Preliminary Draft Charging Schedule (Item 1, Frideswide Square and approaches improvements).

We assume that the Infrastructure Funding Table will form the basis of the Regulation 123 list. We support the inclusion of the proposed Frideswide Square public realm works on the Regulation 123 list, as it is important that CIL raised from developments in the West End can be used to partially fund these works if necessary.

Other Matters

The definition of $C_2$ provided at Annex 2 of the Schedule is incorrect. This has been revised by the 2011 Community Infrastructure Regulations, and we suggest this be adjusted in subsequent versions of the document.

We trust that these comments are helpful and we look forward to reviewing the Draft Charging Schedule in due course. In the meantime, please contact James Wickham or Alex Gillington of this office if it would be helpful to discuss these comments further.

Yours faithfully

Gerald Eve LLP

jwickham@geraldeve.com
Direct tel: 020 7333 6353

Cc J Lawrie Esq – Christ Church
     P Lindon Esq – Savills
Community Infrastructure Levy - Preliminary Draft Charging Schedule

View Response
Answers to Community Infrastructure Levy - Preliminary Draft Charging Schedule

FINAL RESPONSE
Submitted by Caroline Dawson on 23 Aug 2012 10:15

Public Profile
Name  Caroline Dawson
Email  
Date  23 Aug 2012 10:15

Private Profile
Postal Address
Postcode
Gender
What is your age?
If you are under 16, what is your date of birth?
What is your ethnic group?
Your ethnic group (if you answered other)
Are you disabled?
Organisation Name  PLANNING POTENTIAL
Job Title / Position within the Organisation
Areas of Interest
Survey Types  Online Consultations
Q1

Please give us your comments on Oxford's CIL Preliminary Draft Charging Schedule. We would be interested to hear your views on:

- the proposed range of CIL charges; and
- the infrastructure funding gap supporting them.

COMMENTS ON BEHALF OF BRITISH RAIL RESIDUARY BODY

The Council's decision not to allow CIL payments in instalments is not supported as it will materially affect development viability. The Council is enabled to allow phased payments but has chosen not to adopt this more flexible and responsive approach.

The Council's evidence base makes clear that phased payments would improve scheme viability and, potentially, allow greater CIL contributions (para 5.17 JLL Non Residential Viability) and these facts justify a policy approach which allows payments in instalments.

This is particularly the case with larger schemes which will be built out in phases and which would not only need to find considerable CIL payments at Day 1 of a development which might take many years but such large schemes are reliant on a consistently supportive market to allow each consecutive phase to proceed. If the market falls, it is not uncommon for developments to stall or be put on hold to await an upturn. It is illogical for the Council to promote a CIL cost to such developments which might raise the financial risk of later phases not being promptly implemented and to take funds for infrastructure at Day 1 which may not be needed for several years when the scheme is largely or wholly complete. Indeed, in extreme circumstances, schemes may never complete yet full CIL would have been paid.

On behalf of BRBR we recommend that the CIL policy allow payment in instalments over the period of development.

There is also no clarity in the CIL policy as to the use of CIL funds where localised infrastructure is needed. For eg, if a scheme in the West End pays CIL it should be expected that this will fund the necessary infrastructure in that area in order that the occupiers and users of the completed developments are properly served. If the application of developer funds is to be in the hands of the Council, there should be a commitment to use these to the direct benefit of the particular area or scheme.

We, therefore, ask that the CIL Policy make clear that the particular allocation of funds is focused on infrastructure schemes of direct connection with or benefit to the development.
Dear Ms Garcia

Community Infrastructure Levy (CIL): Consultation on CIL Preliminary Draft Charging Schedule

Thank you for seeking Natural England’s comments regarding the above. Natural England is a non-departmental public body. Our statutory purpose is to ensure that the natural environment is conserved, enhanced, and managed for the benefit of present and future generations, thereby contributing to sustainable development.

Natural England has no specific comments to make on the Preliminary Draft Charging Schedule. However we note that CIL revenue will be spent on the infrastructure needed to support development in Oxford.

Paragraph 114 of the National Planning Policy Statement advises that Local planning authorities should set out a strategic approach in their Local Plans, planning positively for the creation, protection, enhancement and management of networks of biodiversity and green infrastructure. We advise the Council considers how the local plan will achieve conformity with this aspect of the NPPF, and whether CIL monies will be required to deliver the Council’s Core Strategy policies, in particular with respect to green space provision. The Council may wish to make provision within the CIL to enable funding for essential green infrastructure in the event of a strategic funding gap and where such an investment would represent good value for money.

For any correspondence or queries relating to this consultation only, please contact Amanda Grundy on 0300 060 1454. For all other correspondence, please contact consultations@naturalengland.org.uk.

We really value your feedback to help us improve the service we offer. We have attached a feedback form to this letter and welcome any comments you might have about our service.

Yours sincerely

Amanda Grundy
Lead Adviser, Sustainable Land Use
A. Objection on behalf of Merton College, McLaren Property
B. General Objections on behalf of JPPC

A. Representation on behalf of Merton College and McLaren Property

1. The Community Infrastructure Levy Regulations 2010 as amended by The Community Infrastructure Levy (Amendment) Regulations 2011 require that an appropriate balance is struck between the desirability of funding from CIL (in whole or in part) the actual and expected estimated cost of infrastructure required to support the development of its area taking into account other actual and expected sources of funding and the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area (Regulation 14).

2. Merton College and McLaren Property are concerned about the proposed charging schedules and the effects that it would have on the viability of development. In particular, comments have been made in respect of the Sites and Housing Plan in relation to the research undertaken by CBRE. It includes unrealistically low build costs but even so, notes that a number of sites would not prove to be economically viable with a CIL contribution at the level proposed.

3. In particular, it shows that the development of land called "St Cross College Annex" which is owned by Merton College and proposed to be developed for student accommodation by McLaren Property would not be viable. The proposed charge rate included in the draft Charging Schedule does not strike the appropriate balance required by Regulation 14. It would render the "St. Cross College Annex" development unviable using the Council's own research, and would similarly render a number of proposals on other sites unviable.

4. The proposed charging rate, on the Council's own evidence (albeit including unrealistically low costs) would be inappropriate and would threaten the provision of student accommodation which would otherwise be consistent with the development plan. As a consequence, the economic viability of development across the Council's area would be adversely affected. Such viability is threatened further as a consequence of the proposed Sites and Housing Plan's proposed charge of £140 per m² for affordable housing. Comments in its respect have been made to the Council and the Inspector undertaking the Examination of the Sites and Housing Plan and will not be repeated here.

5. The provision of purpose built student accommodation has been a fundamental part of the Council's development of its area for decades. The current Core Strategy Policy CS25 seeks to mediate between the pressures which arise from students living outside provided or purpose built accommodation (by house sharing in the private rental market) and the need for housing. It encourages the provision of additional purpose built accommodation for students. Sites are allocated for such purpose in the Sites and Housing Plan and the adopted Oxford Local Plan. As is made clear in the representations made against the Sites and Housing Plan there is no reliance on affordable housing from student accommodation. However, in the case of the "St Cross College Annex" site either with the CIL on its own or in combination with the proposed affordable housing contribution the development would be rendered unviable.
6. The proposed charging rate included in the draft CIL would be inappropriate and would undermine the appropriate development of the Council’s area.

7. Notwithstanding the representations in respect of the principle of the application of CIL, the proposed charging rate is not justified. The proposed rate (at £100 per m²) is the same as that included for Use Class C3 dwellingshouses, yet the impact of student accommodation and its occupants on the need for additional infrastructure would be likely to be negligible or less than conventional housing. The use of the same charging rate is not justified by any available evidence.

8. For larger scale developments, viability can be adversely affected if payments to Councils are required to be made upfront rather than being phased in an appropriate way. Given the impact shown by the Council’s own research in respect of viability, the Council has not provided any appropriate evidence that it has considered whether there would be beneficial impacts by the ability for payment to be made by instalments. The Council has provided no adequate justification for such a decision.

9. The Council has provided no evidence or justification for the administrative charge proposed to be included in the CIL. It has merely adopted the maximum charge without justification for doing so, which has inflated the charging rates.

B. General

1. The charging schedules are not accompanied by background documents containing appropriate available evidence. The Schedule is accompanied by a "Preliminary Draft Charging Schedule Infrastructure Funding Gap". The paper contains some, but not all, of the details of costings but no details of how such costs were assessed. It does not include full details of other methods of funding (or the extent to which they might be funded by other sources) and includes a number of schemes which are directly related to developments which could not go ahead without the works to which they relate being undertaken in relation to that particular development. Such works should not be included as they are not those which are required to support the development of the area and which should be funded through the CIL but are physical works without which the developments could not be permitted or contemplated.

A number of the items in the "Gap" are not directly related to the development of the area set out in the development plan or the method of implementation given in the development plan. A number of the schemes included relate to the making up of existing deficiencies and are unrelated to new development. It is apparent that everything that could be thought up has been thrown into the pot. In addition timescales for the proposed delivery of a number of the infrastructure needs are unrealistic.

Appropriate available evidence has not been included. As a consequence of this and the above, the need for additional infrastructure to support the development
of the area has been exaggerated, hence the Council's conclusion that the CIL would not fund all of the identified gap.

2. The evidence base and the effects on economic viability: The charging schedule relies in part on evidence which provided in a viability appraisal which has been questioned in relation to the Sites and Housing Plan. The evidence is not robust and should not be relied upon. Moreover, the Council has not considered fully the need to apply differential rates for different economic areas of the City.

Insufficient headroom exists for those developments which might be viable with the charging rates proposed. The Council has chosen rates which would be at the maximum edge of viability for a number of developments, whilst others would not be viable at those rates proposed. Whilst there is no requirement for such differential rates to be set, it is clear that there are sufficiently different areas of the City to justify consideration of differential rates which would make the CIL more flexible and applicable to local conditions.

The Council had not adequately examined the potential effects of the proposed charging schedule on the economic viability of development across its area.

3. The Council has chosen to use the maximum administration charge for the levy without evidence of justification. The Council has not struck an appropriate balance between securing additional investment for infrastructure and the potential effect of imposing CIL across the area, including such a high administration charge which has not been justified.

4. The charge for residential development will have unfortunate consequences unless the Council takes the opportunity to remove certain ancillary parts of a development from charging. For example, it appears to be the case that charges will be made for garages which form part of a house at the same rate as the habitable accommodation. This may deter developers from the providing garages and would further undermine the economic viability of the residential development.

5. There is insufficient evidence to show that proper account has been taken of the viability of development by offering payments by instalments.

6. Any CIL should be kept under regular review and the charging schedule should include reference to such review and its regularity, particularly having regard to the potential effects on the economic viability of development across the area.
Planning Policy Team
Oxford City Council
St Aldate’s Chambers
109-113 St Aldate’s
Oxford OX1 1DS

23rd August 2012

Dear Sir/Madam

Community Infrastructure Levy (CIL)
Preliminary Draft Charging Schedule July 2012

I am writing in response to the consultation on the above on behalf of Kier Property and Worcester College, who control land at Northern Gateway.

The Preliminary Draft Charging Schedule raises a number of concerns which are set out below.

1. Large scale development is already contributing to infrastructure needs
2. The schedule does not allow for exceptional circumstances relief
3. The schedule makes no allowance for paying in instalments
4. The proposed CIL rates will potentially make development at Northern Gateway unviable

1. Large scale development is already contributing to infrastructure needs

The Northern Gateway is the main strategic employment site for the City and is critical to the delivery of Oxford’s spatial strategy, particularly in terms of the economy and wealth creation.

This key site will require the provision of significant site specific infrastructure, some of which is identified in the supporting Infrastructure Evidence Table. These include (but are not limited to) the A40/A44 link road (estimated at £4.7M) and the extension of the A44 bus lane (estimated at £1.8M). It is considered that contributions towards these works should be dealt with through a S106 agreement which will help ensure the timely delivery of important pieces of infrastructure.

With such high infrastructure costs the additional imposition of CIL rates on the site will be a major hindrance to bringing forward development potentially making it more difficult to the delivery and viability of the Northern Gateway.

The Schedule should make it clear that development should not be charged twice for the same piece of infrastructure through collecting both a planning obligation through Section 106 and a CIL payment.
2. The Schedule does not allow for exceptional circumstances relief

Discretionary relief is available for development which can demonstrate exceptional circumstances (as defined in CIL Regulation 55). Exceptional circumstances relief can be given subject to certain criteria which include where the charging authority consider that the cost of complying with the Section 106 agreement is greater than the charge from the levy payable and requiring payment of the levy would have an unacceptable impact on the economic viability of the development. It is likely that these circumstances will be applicable to development at Northern Gateway and the Schedule should be amended to allow for discretionary relief in accordance with the Regulations.

3. The Schedule makes no allowance for paying in instalments

The Schedule proposes that the full CIL payment should be made within 60 days from the date development commences. On a large site such as Northern Gateway, full CIL payment at the outset is completely unrealistic and will have a serious impact on viability where significant up-front infrastructure will be necessary to bring the site forward. The Northern Gateway site will take many years to build out and therefore any payments should either be paid on the commencement of each full or reserved matters permission or in-line with an approved phasing scheme. The Schedule does not address such issues for larger developments and should be amended accordingly.

4. The proposed CIL rates will potentially make development at Northern Gateway unviable

Notwithstanding the comments offered under point 1, the proposed CIL rates threaten both the viability and deliverability of both commercial and residential development in Oxford. It is notable that a significant number of local authorities have set a nil rate for commercial development. These include Plymouth, Portsmouth, Bristol, Exeter, Swindon, Wycombe, East Cambridgeshire and several London Boroughs. In these instances local authorities recognised both viability issues associated with delivering commercial development as well as the importance of creating jobs within their areas. Interestingly in East Cambridgeshire a £10/sqm rate was proposed originally but was subsequently reduced to zero in response to concerns about viability.

Therefore the imposition of CIL should not be considered applicable for the proposals at Northern Gateway which form a central plank of the Council’s Core Strategy.

Carter Jonas LLP is involved in submitting representations on CIL to various local authorities and would welcome the opportunity to be involved in any future discussions with the City Council on this matter.

Yours faithfully

[Signature]

Mike Robinson MRTPI
Associate
For and on behalf of Carter Jonas LLP

E: mike.robinson@carterjonas.co.uk
DD: 01865 404401
Planning Policy Team
Oxford City Council
St Aldate's Chambers
109-113 St Aldate's
Oxford
OX1 1DS

By email only

23rd August 2012

Dear Ms Garcia,

Re: Oxford City Community Infrastructure Levy Consultation

I am submitting the following comments on the above consultation on behalf of the Berks, Bucks & Oxon Wildlife Trust (BOWT). As BOWT’s concerns relate solely to issues affecting nature conservation I do not wish to make any comments on the charging schedule itself; the points I wish to raise relate to the Infrastructure Evidence Table used to support the draft schedule.

Summary
I am most concerned to find that no schemes have been identified within the evidence table that will deliver on the City’s commitment to biodiversity as set out in the Core Strategy policy CS12. There is a need for a scheme/s to be identified to deliver biodiversity protection and enhancement in line with Core Strategy and NPPF policies. I have proposed a scheme to be included; calculations of cost will need to be made and I have proposed a methodology for calculation. Further work needs to be done to identify the amount of priority habitat restoration/creation that should be supported by new development. Please see my detailed comments below.

Policy Background
Policy CS12 of the Core Strategy states:

‘Opportunities will be taken (including through planning conditions or obligations) to:
• maintain, restore and add to the network of unimproved flood meadows within the Thames and Cherwell flood plains;
• deliver Biodiversity Action Plan targets and meet the objectives of Conservation Target Areas;
• create links between natural habitats and identify a strategic Oxford habitat network; and
• ensure the inclusion of features beneficial to biodiversity (or geological conservation) within new developments throughout Oxford.'

Policy CS17 says:

'Developer contributions will be used to ensure that the necessary physical, social, economic and green infrastructure is in place to support development.'

The need for planning to protect and enhance biodiversity is supported by the NPPF, which sets out that planning policies should:

'Promote the preservation, restoration and re-creation of priority habitats, ecological networks, and the protection and recovery of priority species populations, linked to national and local targets, and identify suitable indicators for monitoring biodiversity in the plan.'

I therefore suggest that there is a need for an extra schedule as set out below.

### Proposed additional schedule

<table>
<thead>
<tr>
<th>Scheme Title</th>
<th>Scheme description and what it will achieve</th>
<th>How scheme delivers growth</th>
<th>Cost estimate</th>
<th>Gap in funding</th>
<th>Funding sources (secured and anticipated) and lead authority</th>
<th>Timescale</th>
</tr>
</thead>
<tbody>
<tr>
<td>City-wide biodiversity enhancements</td>
<td>Works to restore and create priority habitats, ecological networks and populations of priority species to deliver Biodiversity Action Plan targets and meet the objectives of Conservation Target Areas.</td>
<td>Helps ensure growth is ecologically sustainable Core Strategy Policies CS12, CS17 Supporting a cleaner greener Oxford</td>
<td></td>
<td></td>
<td>Agri-environment schemes (both secured and anticipated – data on value may be available from Natural England). Lead Authority: Oxford City Council/Oxfordshire Local Nature Partnership</td>
<td>2012-2026</td>
</tr>
</tbody>
</table>

### Calculation of costs

In order to generate a cost estimate for this scheme, I suggest that reference is made to the approach being used by South Oxfordshire District Council to calculate developer contributions towards the District's Green Infrastructure Strategy.

This approach draws on information available in the document 'UK Biodiversity Action Plan: Preparing Costings for Species and Habitat Action Plans – revised report to DEFRA and Partners (2006)' which, making reference to a suite of habitats representative of the District, was used to calculate average cost of habitat creation and the cost of land purchase added (calculated with reference to the RICS Rural Land Market Survey).

I have not been able to suggest a cost estimate, since key data relating to the amount of habitat restoration/creation that new development would be expected to support during the plan period is not available. The targets for habitat creation within Conservation Target Areas currently only cover the period to 2015 (they are available on the Oxfordshire Nature Conservation Forum website at: [www.oncf.org.uk/biodiversity/cta.html](http://www.oncf.org.uk/biodiversity/cta.html)), but could perhaps be used to generate an estimate for the plan period.
I understand that the Council is working on a Biodiversity Strategy, which I hope will implement the commitment in Policy CS12 to identify a strategic habitat network for the City. It may well be the case that this strategy could generate the missing information needed in terms of the amount of habitat restoration/creation needed to support the habitat network.

I would be very keen to engage with the Council on production of the Biodiversity Strategy, and I am happy to provide any further information I can in terms of generating an appropriate estimate for developer contributions towards biodiversity. Should you find it useful to meet to discuss these issues please do not hesitate to get in touch.

Yours sincerely,

Rebecca Micklem
Senior Conservation Officer (Oxfordshire)  beccymicklem@bbowt.org.uk
Community Infrastructure Levy (CIL)

Preliminary Draft Charging Schedule July 2012

Comment form

Your name: Edward Briscoe

Please insert your comments on Oxford’s CIL Preliminary Draft Schedule.
We would be interested to hear your views on:
- The proposed range of CIL charges
- The infrastructure gap supporting them

The CIL blanket application rate for residential dwellings proposed by floor space will produce vastly different results to those applied using your Planning Obligations Supplementary Planning Document (SPD). The rate CIL is simply not fair compared to the SPD; that is based on a typical number of persons per home. Infrastructure so provided is directly related to that needed by the new residents.
Your SPD anticipates occupants in Table 3

<table>
<thead>
<tr>
<th>No of bedrooms in property</th>
<th>Occupancy all people</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1.40</td>
</tr>
<tr>
<td>2</td>
<td>1.88</td>
</tr>
<tr>
<td>3</td>
<td>2.68</td>
</tr>
<tr>
<td>4+</td>
<td>4.41</td>
</tr>
</tbody>
</table>

By this measure a 4 bedroom property impacts by housing 315% more people than a 1 bedroom home and a 3 bedroom 191% more than a 1 bedroom home.
The CIL single rate per m² application inevitably favours one home size or another.

<table>
<thead>
<tr>
<th>City</th>
<th>1 bed</th>
<th>2 bed</th>
<th>3 bed</th>
<th>4 bed</th>
<th>5bed</th>
</tr>
</thead>
<tbody>
<tr>
<td>City sizes</td>
<td>50m²</td>
<td>67-75m²</td>
<td>95m²</td>
<td>100m²</td>
<td>120m²</td>
</tr>
<tr>
<td>CIL @£100/m²</td>
<td>£5,000</td>
<td>£6,700-7500</td>
<td>£9,500</td>
<td>£10,000</td>
<td>£12,000</td>
</tr>
</tbody>
</table>

I compare these with the SPD. If one aggregates current Oxford City SPD sums a developer may expect to pay the following:

<table>
<thead>
<tr>
<th>City</th>
<th>1 bed</th>
<th>2 bed</th>
<th>3 bed</th>
<th>4+bed</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPD@2Q06</td>
<td>£2,757</td>
<td>£5,753</td>
<td>£14,559</td>
<td>£22,361</td>
</tr>
</tbody>
</table>

The SPD also notes Adult Learning, Children Centres, Rights of Way and the Museum Resource Centre. It further provides for maintaining 1) ecology 2) local play areas and 3) neighbourhood play areas. Both CIL and the City SPD exclude affordable housing - that shortfall needs to be addressed via minor developments.

The blanket CIL floor space rate therefore favours family (3-4-5 bed) homes and penalises 1 and 2 bedroom property.

It clashes directly with current needs and objectives.

The building of one and two bedroom property should be encouraged; 4 bedroom executive homes should cross subsidise smaller property.

If the floor space for each property is key; that space should be factored. The rate adjusted so CIL is fairly spread and the right form of development encouraged.

One way to achieve this would be to square the floor space and reduce the rate of CIL applied to that sum.

For example a 3 bedroom 95m² home would attract a factor area of 9025 (As 95*95=9025). This factor would need a reduced CIL rate applied.

Reducing this from £100/m² to £1.62/m² may achieve parity with City SPD for 3 bed homes.

<table>
<thead>
<tr>
<th>Home size</th>
<th>1 bed</th>
<th>2 bed</th>
<th>3 bed</th>
<th>4bed</th>
<th>5bed</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPD@2Q06</td>
<td>£2,757</td>
<td>£5,753</td>
<td>£14,559</td>
<td>£22,361</td>
<td>£22,361</td>
</tr>
<tr>
<td>City sizes</td>
<td>50m²</td>
<td>67-75m²</td>
<td>95m²</td>
<td>100m²</td>
<td>120m²</td>
</tr>
<tr>
<td>Factored area</td>
<td>2500</td>
<td>4489-5625</td>
<td>9025</td>
<td>10,000</td>
<td>14,400</td>
</tr>
<tr>
<td>CIL @£1.62/m²</td>
<td>£4,050</td>
<td>£7,272-£9112</td>
<td>£14,620</td>
<td>£16,200</td>
<td>£23,328</td>
</tr>
</tbody>
</table>

The above successfully reduces the charge for one bedroom homes that may not impact on educational infrastructure.

It further maintains the sum sought for executive homes of 120m² and above.

The same observations apply to CIL outside Oxford City.

I hope this helps.

My very kindest regards

Ed

Edward Briscoe

You can submit your response on line at: www.oxford.gov.uk/consultation or send us the completed comment form via email or post to the address below.

Planning Policy Team
Oxford City Council
St Aldate’s Chambers
109-113 St Aldate’s
Oxford OX1 1DS

E: planningpolicy@oxford.gov.uk
T: 01865-252847 F:01865-252144

[Data protection: please note that your response will be available for inspection by the public in paper form at the Council's]
Offices or other locations as appropriate for the purpose of facilitating public access. However, if you would like your personal details other than your name and non specific address (e.g. Oxford) to be obscured please tick below

X

The City Council fully endorse and adhere to the principles of data protection as enumerated in the Data Protection Act 1998.
Community Infrastructure Levy (CIL)  
Preliminary Draft Charging Schedule July 2012  
Comment form

Your name: GEORGE BARNES
Organisation (if applicable): GL HEARN ON BEHALF OF TESCO STORES LIMITED

Please give us your comments on Oxford’s CIL Preliminary Draft Charging Schedule. We would be interested to hear your views on:

- the proposed range of CIL charges; and
- the infrastructure funding gap supporting them.

We act on behalf of Tesco Stores Ltd and are instructed to submit the following comments in respect of the Preliminary Draft Charging Schedule:

As a major investor and developer, Tesco have significant experience in bringing forward development including retail, residential and mixed use developments.

In order to ensure that future development is viable and deliverable, Tesco are concerned to ensure that the Community Infrastructure Levy does not, in accordance with the Regulations, put at serious risk the overall development of the area.

Tesco have therefore reviewed the Preliminary Draft Charging Schedule to seek to ensure that an appropriate balance has been struck between the desirability of funding infrastructure from the levy and the potential effects of the levy upon economic viability of development across the borough.
Having reviewed the Preliminary Draft Charging Schedule, Tesco is concerned that the balance may not have been struck, and that the evidence may not fully justify the approach currently proposed.

Tesco are keen to share the benefit of their significant experience to ensure that the CIL does strike the appropriate balance. Tesco would therefore welcome the opportunity to meet with you to discuss these issues in advance of the preparation of your Draft Charging Schedule, and looks forward to reviewing the Draft in due course.

You can submit your response online at: www.oxford.gov.uk/consultation or send us the completed comment form via email or post to the address below.

Planning Policy Team
Oxford City Council
St Aldate’s Chambers
109-113 St Aldate’s
Oxford OX1 1DS

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Data protection: please note that your response will be made available for inspection by the public in paper form at the Council’s offices, or other locations as appropriate for the purpose of facilitating public access. However, if you would like your personal details other than your name and non-specific address (e.g. Oxford) to be obscured please tick this box: □

The City Council fully endorse and adhere to the principles of data protection, as enunciated in the Data Protection Act 1998
Barton Preliminary Draft Charging Schedule (CIL) Representation

On behalf of the Barton Oxford LLP.

Introduction

The Barton Oxford LLP is working closely with Oxford City Council to promote the land at Barton for the development of between 800 and 1200 homes. The Proposed Development is seeking to provide much needed additional housing for Oxford City both in terms of market housing and the provision of affordable homes. In addition the scheme is anticipated to provide new community facilities including primary school, sports provision and open space.

Oxford City Council’s Community Infrastructure Preliminary Charging Schedule was published in July 2012, supported by a paper setting out infrastructure projects needed to deliver growth in Oxford.

Barton Oxford LLP has reviewed the draft documents taking into consideration the need for the timely delivery of infrastructure to support the Proposed Development at Barton. We have the following observations relating to the draft documents relating to potential impacts upon the Proposed Development, which we consider Oxford City Council should take into consideration in taking forward its Community Infrastructure Levy.

Barton Oxford LLP does not wish to raise comments on the proposed range of CIL charges at the present time.

Providing Certainty over Section 106 Obligations and Potential CIL Requirement for Barton

Given the strategic importance of the site, timescales in determining the application and adoption of the CIL charging schedule, Barton Oxford LLP would like the Council to provide greater certainty over likely obligations required through Section 106 and CIL.

Section 106 drafting is currently in progress as part of pre-application discussions pertaining to the Proposed Development. This has identified significant amounts of key infrastructure required to support the Proposed Development. According to the current timetable it is considered that, if granted, the outline planning permission and associated Section 106 for Barton would be in advance of the formal adoption of the CIL Charging Schedule currently anticipated to be in early Summer 2013. However, this of course cannot be not guaranteed given unknowns that may arise during the decision making period.

Initial discussions with OCC officers has therefore outlined that if determination is after the adoption of the CIL Charging Schedule, the site will be liable to CIL.

Barton Oxford LLP consider that in order to provide certainty to both the Council and developers during the negotiation process that provision should be made to enable the site to be exempted from the CIL to ensure that a viable and robust Section 106 agreement that provides for the timely provision of the critical infrastructure can be negotiated in this particular case.

It is considered that this can be achieved by excluding site related infrastructure from CIL as part of the “Regulation 123 Schedule”, and enabling the site to be eligible for discretionary relief under Regulation 55.
Barton Oxford LLP considers that this may be achieved through clarification of infrastructure items to be included within the R123 schedule, and appropriate drafting of the CIL Charging Schedule.

**Exclusion of Barton site specific infrastructure from the “Regulation 123 Schedule”**

In order to ensure there is no overlap between CIL and Section 106 contributions, resulting in developers paying twice for infrastructure, Regulation 123 of the CIL regulations requires the local authority to produce a Regulation 123 Schedule setting out which items or types of infrastructure are to be funded through CIL. This will enable Oxford City Council to continue to effectively operate S106 agreements. This effectively excludes infrastructure included within the Reg 123 schedule from Section 106 obligations.

The guidance as set out within the Planning Officers Society advice notes *CIL and Infrastructure Planning* (October 2011) and *Section 106 Obligations and the Community Infrastructure Levy: An Advice Note* (April 2011) provides advice on ensuring there is no overlap between CIL and Section 106.

The April 2011 guidance note identifies that "there may be certain sites where the on-site requirement for the provision of infrastructure (which for very large sites could include for example education, health and flood prevention works) may be such that it may be more beneficial to use S106 obligations rather than CIL." The guidance note provides an example of a large urban extension with a primary school where the CIL liability would be less than the cost of the school where it would be in the interest of the authority (and future residents) to exclude this development from CIL liability by specifying it as an exception in the Regulation 123 List.

Barton LLP consider that the significant on site requirements for the development is best secured through Section 106 rather than CIL providing provision is made to enable discretionary relief in the CIL charging schedule as set out below.

The Barton Area Action Plan, subject to examination in July 2012, highlights the following on-site infrastructure items to be provided through Section 106:

- Affordable housing.
- Community facilities.
- Primary school (including any temporary accommodation).
- Public open space and sport and recreation facilities, including the linear park and a replacement recreation ground.
- Allotments or land for community use for food cultivation to replace the uncultivated allotment land.
- On-site highways and transport infrastructure.
- A40 junction/roundabout.
- Pedestrian and cycle links.
• Layout to allow provision for public transport.
• Drainage and flood prevention.
• Biodiversity.
• Energy infrastructure and other utilities, including rationalising, re-aligning and burying the power lines.

The AAP identifies the following infrastructure to be provided through CIL (if a charging schedule is available, otherwise provided through Section 106):

• Secondary school contributions.
• Links between the linear park and Play Barton.
• Public realm improvements to links between the new development and Barton.
• Off-site works to provide appropriate pedestrian and cycle connections or necessary improvements to the existing networks including the existing crossing between Headington and Barton.
• Any required upgrades to the water supply and waste water drainage/treatment networks.

At present the following site related infrastructure items are included within the Councils Infrastructure Funding Gap schedule which would be brought forward to form the basis for the Regulation 123 Schedule:

<table>
<thead>
<tr>
<th>Infrastructure Item</th>
<th>Estimated Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>29a New Barton 1.5FE primary</td>
<td>£7,214,000</td>
</tr>
<tr>
<td>29b Extension to new Barton Primary School</td>
<td>£1,400,000</td>
</tr>
<tr>
<td>43 Barton Community Hub</td>
<td>Unknown</td>
</tr>
<tr>
<td>44. Barton Linear Park</td>
<td>£500,000</td>
</tr>
<tr>
<td>81. Barton Extension Transport Schemes (including A40 junction)</td>
<td>£1,300,000</td>
</tr>
</tbody>
</table>

£10,414,000

In addition the Infrastructure Funding Gap schedule identifies the following other requirements that may be required to support development across Oxford, but may be effectively provided through a Section 106 contribution:

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Estimated Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>34. Secondary Schools Growth (including Cheney, Cherwell, and Oxford Academy and Oxford Spire Academy)</td>
<td>£16.07 million</td>
</tr>
<tr>
<td>35. Special Educational Needs – extensions to existing schools</td>
<td>£0.76 million</td>
</tr>
<tr>
<td>36. Sixth Form – extensions to existing schools</td>
<td>£2.92 million</td>
</tr>
<tr>
<td>51. Positive Futures Programme</td>
<td>£0.40 million</td>
</tr>
<tr>
<td>52. Access to employment and training support</td>
<td>£0.10 million</td>
</tr>
</tbody>
</table>
53. Crime reduction in hotspot areas | £0.15 million
83. Parking Management (Controlled Parking Zones) | £0.94 million

Based upon the preliminary draft charging schedule, and an initial estimation of likely site capacity, the LLP has calculated that a potentially significant funding gap could be incurred if site specific infrastructure is included within the CIL Regulation 123 schedule, rather than provided through Section 106 contributions (in accordance with the AAP).

In addition, given the significant funding to be provided through on-site infrastructure it may be more appropriate for off-site contributions to be provided through S106, rather than CIL. In particular the LLP are keen to ensure that funding for Secondary School provision directly related to the scheme is made available at an early stage to support the Proposed Development. This may be enabled through appropriate drafting of the Regulation 123 schedule and negotiated through the Section 106 agreement associated with the Proposed Development.

The exclusion of these items from the CIL would allow the City Council to acknowledge that such items directly related to the development would be harder to fund through CIL and indeed better provided for in terms of delivery, certainty and the creation of a well supported community through the Section 106 agreement related to the planning permission.

**Eligibility for discretionary relief for exceptional circumstances**

It is the LLP’s understanding that in order to limit the CIL obligations relating to a development, provision must be made in the Charging Schedule for “discretionary relief”. This may be for discretionary charitable relief (Regulations 44 and 45) or discretionary relief for exceptional circumstances (Regulation 55-57).

We note that in Paragraph 17 of the Preliminary Charging Schedule the Council have excluded the potential for sites to be eligible for discretionary relief under Regulations 44, 45 or 55.

Regulation 55 states that:

*A charging authority may only grant relief for exceptional circumstances if—*

A) It has made relief for exceptional circumstances available in its area (which Oxford City Council presently are not proposing to do);

B) A planning obligation under section 106 of TCPA 1990 (b) has been entered into in respect of the planning permission which permits a chargeable development (which will be required for the Barton development) and

C) The charging authority—

i. Considers that the cost of complying with the planning obligation is greater than the chargeable amount payable in respect of a chargeable development (which based upon current available information will be the case with regard to the Barton development)
ii. **Considers that to require payment of the CIL charged by it in respect of a Chargeable Development would have an unacceptable impact on the economic viability of the Chargeable Development** (which the LLP consider will be the case if it is to provide all required site infrastructure via Section 106)

iii. **Is satisfied that to grant relief would not constitute a State aid which is required to be notified to and approved by the European Commission** (which would be confirmed through the negotiation process, although the LLP consider this not to be the case given the above).

We would therefore request that the City Council amend paragraph 17 of the draft charging schedule to state that discretionary relief is available to Barton Oxford LLP, which would enable contributions for all related infrastructure to be made through the Section 106 agreement.

The Council's attention is drawn towards the Newark and Sherwood District Council adopted CIL charging schedule which includes the following clause regarding discretionary relief following examination:

"7.2 In addition, the District Council proposes to make discretionary relief available for: Exceptional circumstances under Regulation 55-57. In exceptional circumstances where, for instance, the application of CIL would make development unviable, relief from CIL liability may be available. It should be noted that this relief will only be available in the event that a Planning Obligation Agreement has been entered into, and it is considered that the costs of complying with the agreement are greater than the chargeable amount of CIL."

We consider that the inclusion of a similar paragraph will provide the Council with sufficient flexibility to ensure that the full benefits of the Proposed Development at Barton is provided through effective planning obligations that establishes the necessary critical linkages to the provision of infrastructure across the site, through its phased delivery and the creation of the new community.
Representation to:

Oxford City Council
Community Infrastructure Levy (CIL)
Preliminary Draft Charging Schedule Public Consultation

August 2012

Submitted by:

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Wytham Ct
11 West Way
Botley
Oxford
OX2 0QL
Ref: OXDV
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2.0 National Policy
3.0 Comments on Preliminary Draft Charging Schedule
4.0 Comments on the Viability Appraisal
5.0 Conclusions

APPENDICES

1. Map 1, Affordable Housing Viability Study June 2011
2. Savills Research Documents
1.0 INTRODUCTION

1.1 This Representation has been prepared by Savills on behalf of a number of house builders, under the Home Builders Federation's agreement with Savills to represent their members.

1.2 The representation is made in respect of the Preliminary Draft Charging Schedule put forward for public consultation in the period July - August 2012. Our comments relate to the justification for the proposed rates for residential development.

1.3 In setting the rate of CIL, Regulation 14(1) of the 2010 Community Infrastructure Levy, England and Wales Regulations (as amended) (No. 948) states that "an appropriate balance" needs to be struck between "a) the desirability of funding from CIL (in whole or in part)" against "b) the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development". The term 'taken as a whole' implies that it may be acceptable for some schemes to be rendered unviable by the level of CIL charge; however, there is a clear requirement to ensure that most developments are able to proceed. The Government provides further guidance on the meaning of the appropriate balance from paragraph 7 of the Community Infrastructure Levy Guidance – Charge Setting & Charging Schedule Procedures (March 2010).

1.4 Likewise, the purpose of CIL must be to positively fund the infrastructure required to enable growth (i.e. to implement the strategy set out in the Core Strategy). This is clearly outlined by Regulation 59(1) which states "A charging authority must apply CIL to funding infrastructure to support the development of its area". Section 216 of the Planning Act 2008 defines infrastructure as:

- "(a) roads and other transport facilities,
- (b) flood defences,
- (c) schools and other educational facilities,
- (d) medical facilities,
- (e) sporting and recreational facilities,
- (f) open spaces, and
- (g) affordable housing (being social housing within the meaning of Part 2 of the Housing and Regeneration Act 2008 (c. 17) and such other housing as CIL regulations may specify)"

1.5 There is a requirement under Regulation 123 to provide a list of "relevant infrastructure" to be wholly or partly funded by CIL. It is also possible under Regulation 60(1) for CIL to be used to reimburse expenditure already incurred on infrastructure, a tool which could have useful implications.
1.6 Given the focus of CIL is to be supportive of development, it is important that the test of viability considers those sites/areas which are central to the delivery of the Oxford City Core Strategy. It would not be acceptable to simply dismiss a proportion of the sites as being unviable, without due consideration of wider planning and corporate objectives of the City Council.

1.7 One of the key tests of the examination of a Charging Schedule is that "Evidence has been provided that shows the proposed rate would not put at serious risk overall development of the area". The assessment of planned development is therefore an inherent test of the Examination.

1.8 This representation outlines certain concerns with the Viability Appraisal (comprising the Affordable Housing Viability Study June 2011 and the CIL Residential Viability Addendum July 2012) prepared by Jones Lang Lasalle, previously King Sturges (Section 5). Dependent on the further response to these, Savills may provide further evidence on viability for consideration at the Draft Charging Schedule and Examination stages.

1.9 In this context the key findings of this representation are as follows:

- No provision for payment in instalments
- Lack of Regulation 123 list
- Exception relief should be made available
- Early review is essential to respond to changing market conditions and impact of CIL on housing delivery
- Limited or no evidence supplied within the Viability Appraisal with respect to sales values, build cost and other assumptions
- No clear evidence that the specific sites tested are representative of the housing delivery pipeline
- No sensitivity testing undertaken or viability buffer applied

1.10 In the conclusion to this representation we identify how the proposed approach to CIL should be amended so that it meets the forthcoming tests of Examination.

2.0 NATIONAL POLICY

2.1 With regard to the preparation of Charging Schedules and supporting documentation it is important to have regard to the available Government guidance and law, notably, the CLG Community Infrastructure Levy – an Overview (May 2011), CLG Community Infrastructure Levy Guidance – Charge Setting & Charging Schedule Procedures (March 2010), CLG Community Infrastructure Levy Relief (May 2011), the 2008 Planning Act and CIL Regulations 2010 (as amended 2011). It is also important that the preparation of CIL is in the spirit of the
National Planning Policy Framework (NPPF) notably that it is delivery focused and ‘positively prepared’. Our comments are based on these publications and the Regulations.

**National Planning Policy Framework**

2.2 The National Planning Policy Framework (NPPF) outlines 12 principles for both plan making and decision taking, notably (criterion 3), that planning should "proactively drive and support sustainable economic growth". Furthermore, that plan making should "take account of market signals such as land prices and housing affordability". Paragraph 19 outlines that "the Government is committed to ensuring that the planning system does everything it can to support sustainable economic growth". An important element of economic growth is new development, including residential development.

2.3 Paragraph 174 refers to the "cumulative impacts" of standards and policies relating to the economic impact (such as affordable housing) and that these should not put the implementation of the plan at serious risk. This is very relevant when setting the CIL rates with regard to wider plan provisions.

2.4 The Ministerial Statement of Greg Clark (March 2011) remains the current guidance to decision makers. It has a 'get on with' development message and makes clear that Local Planning Authorities should not impose unnecessary burdens on development.

**Charge Setting and Charging Schedule Procedures 2010**

2.5 The Government has provided, through Community Infrastructure Levy Guidance – Charge Setting and Charging Schedule Procedures (March 2010), guidance on the preparation of CIL, notably:

- The need for balance (as per Regulation 14)
- The need for ‘appropriate available evidence to inform the draft Charging Schedule’ (as per Schedule 212(4) (b)) of the 2008 Act

2.6 The Guidance states at paragraph 7 that "CIL is expected to have a positive economic effect on development across an area in the medium to long term". It also makes clear that it is up to Local Authorities to decide ‘how much’ potential development they are willing to put at risk through CIL. Clearly this judgement needs to consider the wider planning priorities. We outline in Section 4 why an element of caution is appropriate, recommending that a viability buffer of at least 30% should be applied.

2.7 The Guidance indicates that the scope of the CIL examination process permitted by the Regulations is limited. Paragraph 9 states: "The Independent Examiner should check that:"
• The charging authority has complied with the required procedures set out in the Planning Act 2008 and the CIL Regulations;
• The charging authority draft charging schedule is supported by background documents containing appropriate available evidence;
• The proposed rate or rates are informed by, and consistent with, the evidence on economic viability across the charging authority's area; and
• Evidence has been provided that shows the proposed rate would not put at serious risk overall development of the area"

Supporting Documentation

2.8 Despite the narrow Regulatory requirements of the Examination, the Council must make it clear at the earliest opportunity the supporting documentation needed to operate CIL and to make it available for input/ comment. This is absent from the preliminary draft charging schedule issued for consultation. Making this information available will enable stakeholders to comment on the effective operation of CIL. Whilst this supporting information is not tested at Examination, this information is critical to allow for the successful implementation of the charging schedule.

2.9 The documentation should include:

• Guidance on how to calculate the relevant 'chargeable development'/ level of CIL
• Guidance on liability to pay CIL/ Appeals process
• Policy for payments by instalments (as recommended within this representation)
• Approach to payments in kind (notably valuation process for ascertaining land value and also the potential to accept land for infrastructure as a payment in kind)
• Guidance on relief from CIL and a policy on exceptional circumstances for relief from CIL
• An indication of the first proposed Regulation 123 List to assist with demonstrating what is to be funded by CIL to help support development delivery and hence not subject to Section 106

New Homes Bonus

2.10 The New Homes Bonus is being offered by the Government to incentivise additional house building. The opportunity to re-invest the funds gained to facilitate additional development and hence local economic growth is critical to responding to the Government's growth agenda and is supported.
2.11 The receipts from New Homes Bonus could well greatly exceed that achievable from CIL. It is unclear whether the New Homes Bonus has been taken into account when appraising the Infrastructure Gap.

3.0 COMMENTS ON PRELIMINARY DRAFT CHARGING SCHEDULE

3.1 Ascertaining the level of CIL is essentially a development viability exercise and owing to this it is critical that the level of CIL is based on robust and credible evidence. The CIL – An Overview document outlines that “Charging Authorities wishing to introduce the levy should propose a rate which does not put at serious risk the overall development of their area” (Paragraph 23). It will therefore be important that the rate is based on reality and the viable level of funding towards the planned provision of infrastructure needed to deliver the development plan. It is therefore critical to set the level of CIL based on what can be afforded rather than what may theoretically be desired, to reduce the risk of an unacceptable shortfall.

3.2 It is accepted that an infrastructure funding gap exists, and hence that in principle CIL is justified in the City. It is however considered that the supporting evidence should outline and take account of alternative funding sources (i.e. New Homes Bonus) and also apply a more appropriate balance to infrastructure priorities.

3.3 The objectives of CIL are fundamentally to assist with the delivery of developments as CIL receipts are used toward the funding of new major infrastructure (as per Regulation 59(1)). The CIL Charging Schedule and supporting documentation must therefore outline the positive actions proposed by the City Council to enable the actual delivery of major infrastructure, which may require additional ‘top up’ funding, or the Council using its powers under the Local Government Acts (2000 and 2003) and CIL Regulations (2010 as amended 2011) to borrow money to ‘forward fund’ infrastructure delivery (see CIL – An Overview paragraphs 17 and 18). Such action would ‘unlock’ and assist with development delivery.

Geography

3.4 The geography of the planned development is an important consideration. It is clear from the available evidence that disparities in value vary between areas. There is concern that the proposed rate of CIL does not sufficiently cater for the lower value areas of the City, which as demonstrated within the adopted Core Strategy and emerging Sites and Housing DPD will accommodate a large proportion of planned residential development.

3.5 The economic differences within the City are demonstrated by average residential values as demonstrated by Map 1 (page 40) of the Affordable Housing Viability Study June 2011; a
copy is attached at Appendix 1. The map shows £/sq ft sales values for residential dwellings across the 14 sample sites ranging from £186 to £397, a differential of 113%. 

Reviewing CIL

3.6 With regard to reviewing CIL, the Council should proactively outline a review mechanism for CIL as part of annual monitoring process (required by both the CIL and Local Development Regulations). The CLG CIL Charge Setting and Charging Schedule Guidance outlines that the Government 'strongly encourages' reviews to ensure that CIL is fulfilling its aim and responds to market conditions. It will therefore be necessary to outline the CIL review process. Our recommendation is that the first review takes place within 24 months of adoption.

Installments Policy

3.7 In terms of an installments policy, it is recognised that the CIL Regulations restrict this to being defined by time and not build rate. This is a significant shortcoming and one which is also subject to separate representations to Government.

3.8 We note that the Preliminary Draft Charging Schedule states that no installment policy will be offered. This means that the full CIL charge must be paid in a lump sum on commencement of development. On larger development schemes there are significant up front and start up costs, meaning that short term Return on Capital Employed rates are low. House builders will reflect this added risk by requiring a higher overall project profit level, or in some cases may decide not to bid for the land opportunity at all (or not to begin construction, dependant on the situation at hand). We attach at Appendix 2 a number of recent Savills research documents highlighting the difficulties in bringing forward large bulk land projects in the current economic climate.

3.9 The absence of an installments policy may prompt house builders to submit reserved matters applications for unnecessarily small and numerous phases (thus taking up unnecessary council resources), and in extreme cases may delay or stall completely the delivery of housing on identified sites. To address this concern, provision should be made for CIL to be payable on commencement of development on each phase or parcel.

4.0 COMMENTS ON THE VIABILITY APPRAISAL

4.1 The proposed CIL rate has been supported by evidence produced by Jones Lang LaSalle/ King Sturge (Affordable Housing Viability Study June 2011 and CIL Residential Viability Addendum July 2012). We refer to these two documents jointly within this representation as the Viability Appraisal. In accordance with Regulation 14(1) the viability appraisal prepared
must be fit for purpose. It is clear that at Examination, the Charging Schedule will need to be supported by "relevant evidence" (Regulation 11(1) (f) / 19(1) (e)).

4.2 At this stage no alternative viability evidence has been prepared by us, although we may do so at the Draft Charging Schedule stage if it is felt this were required. It may however be more prudent for Savills on behalf of our clients to liaise directly with the council's consultants over the necessary changes to the viability study in the period running up to the publication of the Draft Charging Schedule.

The Requirement for a Viability Study

4.3 The requirement to justify the Charging Schedule with evidence of viability is outlined by CIL – An Overview paragraphs 25 and 26, which notably also makes reference to setting deferential rates. The CLG CIL Charge Setting and Charging Schedule Guidance (2010) at paragraph 29 outline “charging authorities should avoid setting a charge right up to the margin of economic viability across the vast majority of sites in their area”. It should not be assumed that all development can afford to pay or that all development should be charged the same levy. In certain circumstances relief should be offered where viability is an issue.

4.4 The fundamental premise is that to enable delivery, sites must achieve a credible land value and developers the required return on investment, otherwise development will be stifled. This is recognised by the NPPF (cumulative impacts reference at paragraph 174) and is 'in-built' within the CIL Regulations.

4.5 Evidence of viability must also adequately test scenarios in relation to the key sites required to deliver the planned growth.

The JLL Study

4.6 The JLL viability assessment is based on a series of residual valuation scenarios that models the gross development value achievable from a sample of 14 identified residential development sites and then discounts development costs and developer profit. In principle, the overall methodology of seeking to determine viability on a residual valuation exercise is considered appropriate. However we have a number of specific concerns about the inputs and assumptions made as discussed below.

4.7 Oxford City Council proposes adopting a single CIL rate for residential development across all parts of the City. This could potentially harm the delivery of development in low value areas and the council should therefore reconsider this point.
The JLL reports provide limited detail of the assumptions made in terms of density of
development on the sample sites, except where planning consent is already in place or
applied for. It cannot therefore be confirmed whether the inputs are realistic. In particular we
would like to understand what, if any, allowance has been made to reflect the fact that in all
but the smallest development schemes, the net developable area is significantly smaller than
the gross area that is required to support the development. Examples of non income
generating land include active open space, play areas, passive open space, community
facility sites, school sites, public realm, land for sustainable urban drainage schemes and
strategic infrastructure corridors. We would ask the Council to seek clarity on this as this issue
is a fundamental matter which underpins the viability appraisal.

There is also no apparent evidence in the Viability Appraisal that a suitable net to gross ratio
has been allowed for in relation to flatted, or apartment, development. Due to communal
areas being required, up to 20% (dependant on design, limitations if converting an existing
building etc) of the Gross Internal Area may be non income generating. Again we would ask
for clarification so as to be able to consider the robustness of any assumptions.

Sample site selection

In contrast to the majority of other local authorities who have commenced the process of
determining CIL charging levels, Oxford City Council’s consultants have based their viability
testing on number of specific residential development sites rather than a number of
hypothetical typologies. Although we agree that this approach has its merits in looking at “real
world” examples, we would comment that there is limited evidence in the viability appraisal
that the sample sites chosen accurately reflect the projected residential development pipeline
within Oxford City, in particular over the short term.

To better reflect the likely residential development pipeline we have identified 5 site types
which share similar characteristics, under existing and emerging policy. These are set out in
the table below.
### Type of Development

<table>
<thead>
<tr>
<th>Type</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 3 dwellings</td>
<td>No requirement for affordable housing (on site or contribution). No financial contributions required under S106 agreement.</td>
</tr>
<tr>
<td>4 to 9 dwellings</td>
<td>Requirement for 15% of GDV to be paid as affordable housing contribution. No financial contributions required under S106 agreement.</td>
</tr>
<tr>
<td>10 to 50 dwellings</td>
<td>On site affordable housing required (50%). Financial contributions required under S106 agreement. No or limited on and off site infrastructure requirements.</td>
</tr>
<tr>
<td>50 to 200 dwellings</td>
<td>On site affordable housing required (50%). Financial contributions required under S106 agreement. Some on and off site infrastructure requirements likely.</td>
</tr>
<tr>
<td>200 dwellings plus</td>
<td>On site affordable housing required (50%). Financial contributions required under S106 agreement. Significant on and off site infrastructure requirements likely.</td>
</tr>
</tbody>
</table>

### 4.12

This has allowed us to make a comparison between the sample sites tested by JLL and the anticipated housing delivery pipeline. We have had particular regard to the Sites and Housing DPD Background Paper 20: Housing Land Supply Feb 2012, which sets out the council’s latest opinion on their short, medium and long term housing supply. Our findings are set out in the following table.

<table>
<thead>
<tr>
<th>Site type</th>
<th>Number of sites tested in CIL Viability Appraisal</th>
<th>Number of sites tested as % of whole sample sites (14)</th>
<th>Number of sites in 5 year supply pipeline</th>
<th>Number of dwellings in pipeline</th>
<th>Number of dwellings in pipeline as % of whole</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 3</td>
<td>2</td>
<td>14%</td>
<td>Unknown</td>
<td>245</td>
<td>9%</td>
</tr>
<tr>
<td>4 to 9</td>
<td>3</td>
<td>21%</td>
<td>12</td>
<td>96</td>
<td>4%</td>
</tr>
<tr>
<td>10 to 50</td>
<td>8</td>
<td>57%</td>
<td>28</td>
<td>608</td>
<td>22%</td>
</tr>
<tr>
<td>50 to 200</td>
<td>1</td>
<td>7%</td>
<td>10</td>
<td>1238</td>
<td>46%</td>
</tr>
<tr>
<td>200 plus</td>
<td>0</td>
<td>0%</td>
<td>2</td>
<td>525</td>
<td>19%</td>
</tr>
<tr>
<td></td>
<td>14</td>
<td>100%</td>
<td></td>
<td>2712</td>
<td>100%</td>
</tr>
</tbody>
</table>

### 4.13

Our analysis clearly demonstrates a mis-match between the sample sites tested and the anticipated housing delivery pipeline over the coming 5 years; 65% of the anticipated pipeline is to be delivered from sites in excess of 50 dwellings, and yet only 1 of the 14 tested sites...
(7%) will deliver 50 units or more. In addition, it should be noted that the 1 site tested was shown to be unviable assuming the proposed CIL level of £100 per sq M is adopted.

Developer profit

4.14 Within the residual appraisals, developer profit has been assumed to be 20% on cost for private housing, with no profit level being attributed to the affordable housing element (where applicable). A more appropriate level of development profit is circa 22% on cost. This is the minimum combined profit margin for both private and affordable units that the lending institutions are prepared to accept at the present time. An alternative benchmark would be 20% on Gross Development Value on market homes and 6% on cost on the affordable housing element. This recommendation has been confirmed through discussions with Savills valuation surveyors, who act for all the major UK lending institutions via either direct instructions on a site by site basis or through approved valuer framework agreements.

4.15 We would comment that developers are taking a commercial risk on the affordable housing element of a project, as in the majority of cases they will not have contracted with an affordable housing provider at a fixed price at the point that they commit to the development project (usually when they purchase land with outline permission). Therefore the assumption made by JLL that no profit should be applied to this element is flawed.

4.16 We do not agree with JLL’s comments that the model makes an allowance for a contractor’s profit on the affordable housing element through use of BCIS build costs; BCIS figures represent tender prices submitted by contractors. The majority of house builders undertaking speculative housing development will utilise contractors (rather than a permanently employed in house build team) for part if not all of the required build services, and as such will not benefit from the contractors profit level.

4.17 This matter therefore requires review; small changes in developer profit level assumptions can have significant impacts on residual land values and as such this matter alone could demonstrate the need for a lower CIL rate.

Sales Values

4.18 There is limited evidence within the Viability Appraisal to support the figures utilised to arrive at built product sales values. It is recommended that the comparables are made publically available. Land registry data is public information and therefore it should not be commercially sensitive in any way.
4.19 The principle of estimating the build costs from the RICS Build Cost Information Service is accepted. However the Viability Appraisal does not give details of the BCIS figures that have been used, and also relies on “anecdotal evidence”. Further information must be made available so that these assumptions may be fully examined, in particular with reference to mean versus median and local allowances.

Finance Costs

4.20 The JLL Viability Appraisal assumes that 40% of the costs required to deliver a project would be provided by way of equity, with the remaining 60% through borrowing, attracting lending fees and charges. This assumption ignores the fact that developers will in general apply an “opportunity cost” to any equity utilised to deliver a project, at a similar rate to funding rates, to reflect the fact that this equity could have been used elsewhere to generate low but relatively risk free returns. This approach is endorsed in the recent RICS Guidance Note “Financial viability in planning: 1st edition (GN 94/2012)” issued August 2012; paragraph E.3.2.7.2. states “Even where the funder has provided only part of the finance debt and the developer has used his own funds for the balance (equity), the appraisal should reflect the total cost of the funding”. It is recommended that this approach be applied to the Viability Appraisal to ensure robustness.

S106

4.21 It is unclear from the CIL Viability Residential Addendum July 2012 whether any allowance has been made for S106 costs which may be sought with regard to site specific mitigation, over and above the CIL charges. As mentioned earlier in this report, the CIL legislation maintains the ability for council to secure contributions through S106 agreements in addition to CIL. If no allowance has been made, a suitable allowance, with robust evidence to support the figures used, should be made to ensure that the viability appraisal is sound.

Abnormal costs/site servicing

4.22 The JLL Viability Appraisal states that no specific assumptions have been made to allow for decontamination or land or buildings to be demolished, site serving (upgrading of off site services to provide additional capacity) or abnormal access requirements. We believe that this is a fundamental flaw in the appraisal. Many of the identified sites in the anticipated short term pipeline, and the 14 tested sites, are brownfield in nature and may well require decontamination for example. An allowance should be made within any appraisals which support the proposed CIL charging schedules, to ensure robustness. This is supported by the
RICS Guidance Note “Financial viability in planning” which states in paragraph E.3.2.4.1 that “A typical viability assessment includes provisions for exceptional costs. This might include an unusual sewerage connection facility, high levels of site contamination and the need for extensive remedial works, flooding, site boundary and stabilisation works, particularly if there are substructure obstacles to overcome”.

**Netting Off**

4.23 We note that the CIL Residential Viability Addendum July 2012 considers the impact of CIL rates on two bases, both with or without netting off of existing floor space. The use of the figures which do not allow for the netting off of existing floor space is supported. For netting off to be taken into account when calculating the chargeable CIL level, the property must have been in continuous lawful use for 6 of the previous 12 months. There are numerous scenarios where this may not be the case, particularly where buildings are likely to have lain empty for a period of time due to the requirement to demonstrate the existing use is not viable prior to applying for permission for change of use or redevelopment. In addition, onerous rate charges on empty commercial buildings can often mean landowners choose to demolish existing buildings well in advance of any redevelopment.

**Affordable housing exemption**

4.24 We note that affordable housing development will be exempt from CIL charges, and have taken in good faith that this will be the case. However there is concern that the CIL regulations, as currently worded, potentially mean that the exemption cannot be applied. In many cases when development on site commences the Registered Provider does not own or control the land on which the affordable housing is to be built. Given that the exemption is to be made to Registered Providers, and the CIL charging liability runs with the land, it may be argued that the exemption cannot be made. The assumption that affordable housing will be excluded from CIL therefore needs to be reviewed.

**5 year (short term) housing supply**

4.25 As discussed above, the Sites and Housing DPD: Background Paper 20 sets out Oxford City Council’s latest position on the short, medium and long term housing supply. Against a requirement of 368 dwellings per annum, or 1,840 for the five year period, the document states that the existing identified deliverable supply is 2,682 dwellings representing a 46% over supply or surplus.

4.26 The preliminary draft charging schedule produced by the Council proposes a CIL charge of £100 per sq M to be applied to residential development. This is based on the Viability
Appraisal which states that, at this level and with no netting off of existing floor space, 4 of the 14 sample sites (29%) are unviable. A direct correlation would indicate that 29% of identified sites (and therefore dwellings) would be unviable, bringing the identified pipeline down to circa 1,904 dwellings, perilously close to the required supply of 1,840.

4.27 As discussed above, we would query whether the sample sites are representative of the anticipated supply pipeline, and as such whether the actual impact of CIL, even assuming the Viability Appraisal assumptions and results are robust, may actually bring the anticipated short term pipeline below the required number.

Viability buffer

4.28 In contrast to many other local authorities who are in the process of setting CIL rates, Oxford City appear not to have added in a "viability buffer" once the theoretical maximum CIL level which could be charged has been arrived at. A viability buffer is a reduction from the maximum CIL level which could theoretically charged to arrive at a lower figure to take account of the risk of affecting housing delivery by setting the level too high.

4.29 In reality, site specific circumstances will mean that the economics of the development pipeline will vary from the typical levels identified via analysis of a sample of 14 identified sites. This is inevitable given the varied nature of housing land supply and costs associated with bringing forward development. Therefore, there must be a viability buffer incorporated either into the benchmark land value or elsewhere through the CIL assessment process which would ensure delivery of sufficient housing to meet strategic requirements. This also helps allow for the sensitive nature of residual appraisals, as acknowledged in the JLL Viability Appraisal; “small changes in the inputs can result in a significant effect on the land value”. Without including a viability buffer, the council risk jeopardising delivery of a significant portion of the development pipeline if the inputs to the appraisals are too bullish.

4.30 Examples taken from other local authorities indicate that a reduction of the maximum CIL level by a minimum of 30% would appear to be the norm.

Sensitivity testing

4.31 We note that no sensitivity testing appears to have been carried out to establish how the results may change following changes in the key inputs. This would identify the risk level associated with the proposed CIL charging level.

4.32 We set out below a table identifying the differences between the Existing Use Value (plus 30% uplift) and residual land value as set out in the JLL Viability Appraisal, expressed as a
percentage of the EUV plus uplift, and as a percentage of the GDV expected to be generated by the development scheme.

<table>
<thead>
<tr>
<th>Site</th>
<th>EUV plus uplift</th>
<th>Site Value @ £100 per sq M CIL</th>
<th>Difference</th>
<th>Difference as % of EUV plus uplift</th>
<th>Difference as % of GDV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phipps Rd</td>
<td>£364,000</td>
<td>£74,594</td>
<td>£289,406</td>
<td>-80%</td>
<td>-96%</td>
</tr>
<tr>
<td>Oxford Stadium</td>
<td>£1,144,000</td>
<td>£460,957</td>
<td>£683,043</td>
<td>-60%</td>
<td>-3%</td>
</tr>
<tr>
<td>Ledon Road</td>
<td>£1,016,888</td>
<td>£533,039</td>
<td>£483,847</td>
<td>-48%</td>
<td>-15%</td>
</tr>
<tr>
<td>128 Bullington Rd</td>
<td>£222,300</td>
<td>£216,883</td>
<td>£5,407</td>
<td>-2%</td>
<td>-1%</td>
</tr>
<tr>
<td>Friar Pub</td>
<td>£202,157</td>
<td>£209,097</td>
<td>£6,940</td>
<td>3%</td>
<td>1%</td>
</tr>
<tr>
<td>Fox and Hounds</td>
<td>£412,256</td>
<td>£464,439</td>
<td>£52,183</td>
<td>13%</td>
<td>2%</td>
</tr>
<tr>
<td>Nicholas House</td>
<td>£497,907</td>
<td>£662,228</td>
<td>£164,321</td>
<td>33%</td>
<td>6%</td>
</tr>
<tr>
<td>Littlemore</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>351 Woodstock Rd</td>
<td>£520,000</td>
<td>£953,145</td>
<td>£433,145</td>
<td>83%</td>
<td>18%</td>
</tr>
<tr>
<td>Sutton Rd</td>
<td>£148,200</td>
<td>£306,718</td>
<td>£158,518</td>
<td>107%</td>
<td>7%</td>
</tr>
<tr>
<td>Elsfield Hall</td>
<td>£751,400</td>
<td>£2,022,082</td>
<td>£1,270,682</td>
<td>169%</td>
<td>23%</td>
</tr>
<tr>
<td>Temple Heights</td>
<td>£65,000</td>
<td>£208,756</td>
<td>£143,756</td>
<td>221%</td>
<td>14%</td>
</tr>
<tr>
<td>Wharf House</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jericho</td>
<td>£321,230</td>
<td>£1,484,353</td>
<td>£1,163,123</td>
<td>362%</td>
<td>31%</td>
</tr>
<tr>
<td>Barton Cricket Club</td>
<td>£327,600</td>
<td>£1,963,182</td>
<td>£1,635,582</td>
<td>499%</td>
<td>24%</td>
</tr>
<tr>
<td>The Old Dairy</td>
<td>£13,130</td>
<td>£100,503</td>
<td>£87,373</td>
<td>665%</td>
<td>26%</td>
</tr>
</tbody>
</table>

4.33 Our analysis shows that whilst 4 of the 14 sample sites (29%) are deemed to be unviable within the Viability Assessment, a further 2 sites (Friar Pub and Fox and Hounds Pub) should be considered marginally viable, with the differences between EUV plus uplift and site value being 3% and 13% of EUV plus uplift and 1% and 2% of Gross Development Value respectively. Small changes in appraisal inputs, as well as additional inputs which we identify earlier in this report (S106 costs, allowance for abnormal) would very quickly render these two sites unviable. This would render 43% of the sample sites unviable. It is conceivable that sensitivity testing and other amendments could easily also render Nicholas House and Sutton Road unviable, with differentials at 6% and 7% of GDV respectively. This would represent 57% of the sample sites being unviable.

5.0 CONCLUSIONS

5.1 Our clients are concerned with a number of aspects of the approach adopted by the Council and their consultants towards the setting of the CIL tariff for residential development. Notably with regard to a number of key assumptions made within the Viability Appraisal which are either unclear or we believe incorrect, and the selection of the sample sites which have been tested and whether they accurately reflect the anticipated residential development pipeline within the City.
5.2 The future Examination of CIL will address four key aspects:

Compliance with the procedures set out in the Planning Act 2008 and the CIL Regulations

5.3 It is too early to comment on this aspect of the Examination process.

The charging authority draft charging schedule is supported by background documents containing appropriate available evidence

5.4 Prior to the Examination a draft Regulation 123 Infrastructure List will have to completed and made available to stakeholders for consideration. This is in order to outline a robust infrastructure target to be funded via CIL.

The proposed rate or rates are informed by, and consistent with, the evidence on economic viability across the charging authority's area

5.5 The JLL Viability Appraisal does not convincingly demonstrate that the proposed CIL level for residential development will be viable across the City. This will put at risk planned residential development.

Evidence has been provided that shows the proposed rate would not put at serious risk overall development of the area

5.6 Again, the JLL Viability Appraisal does not convincingly demonstrate that the proposed CIL level for residential development will be viable across the City; Savills have identified the key elements which are either missing or incorrect within the Appraisal.

Other Considerations

5.7 In addition, it is strongly recommended that in pursuing CIL the City Council:

- Permits relief
- Proposes a workable instalments policy to ensure that larger development schemes which require significant up front and start up costs are not jeopardised by the requirement to pay the full CIL level on commencement of development
- Permits 'payments in kind' to avoid large strategic sites effectively 'paying double'
- Recognises that development will still also likely pay 'site specific' Section 106 and/or additional abnormal costs and factor this in the viability
5.8 We request that the evidence be revised and/or made readily available, as summarised by the list below:

- Evidence that the sample sites represent the anticipated development pipeline
- Assumptions on site densities, gross to net developable land ratio and gross to net ratio with regard to apartment development
- Evidence for the residential sales values suggested
- Abnormal Costs assumptions
- Build cost methodology and evidence
- Developer profit levels
- Finance rates on all costs, not just 60%
- S106 costs
- Viability buffer
- Sensitivity testing

5.9 We trust that the City Council finds this representation helpful and will make changes to the viability assessment and draft charging schedule in accordance with the recommendations. We would be happy to meet with the City Council and its advisors to discuss amendments to the approach taken.
APPENDIX 1

MAP 1, AFFORDABLE HOUSING VIABILITY STUDY JUNE 2011

INDICATIVE £/SQ FT FOR RESIDENTIAL UNITS AT EACH OF THE SAMPLE SITES
Table 6: Indicative unit values for each unit type, at each of the fourteen sample sites

10.24 Where sufficient information has been forthcoming, the average £/sq ft for residential property has been calculated. This is in very general terms and for indicative purposes only. The following plan illustrates the variation in values across Oxford. Please refer to Appendix 6 for a table detailing the £/sqft values for each site.

Map 2: Indicative £/sqft for residential units, at each of the sample sites.

10.25 Conclusions

10.26 Of the fourteen sample sites considered and from the research undertaken based on the data and information available, we are of the opinion that the areas with the highest residential values are located in Wolvercote, Summertown, Headington, Jericho & Osney and Hinksey Park. We consider this to be mainly attributable to either the location being very central; being
APPENDIX 2
SAVILLS RESEARCH DOCUMENTS
Large development sites are pivotal to the delivery of new homes in the UK. Strategic developments across the UK could supply enough homes for a quarter of all new households anticipated to be formed over the next 20 years. In London and the South East, the figure is over a third (see Graph 1 overleaf).

These sites have been hardest hit by restricted development finance in the post-crunch era. Housebuilders and developers have focused efforts on smaller sites as they seek to maximise returns on scarce capital.

Our projections suggest that housing output in England will continue to undershoot the number of new households forming each year. Unless the scale of output is

**SUMMARY**

An overview of the market

- Strategic development sites (mixed use and residential schemes with capacity for 250 or more housing units), could supply a quarter of new homes needed over the next 20 years.
- Some 45% of five-year housing pipelines identified by Local Authorities are accounted for by strategic sites.
- Many of these schemes are ‘log-jammed’ at a pre-planning stage, due to funding constraints and/or complex or uncertain planning status.
- Developers and house builders have focused on edge-of-town sites for family housing, targeting equity-rich owner-occupiers. These now make up 58% of sites in the survey.
- The public sector land initiative has ambitions to unlock land for 100,000 new homes. Our analysis suggests 65% of the sites involved are in lower value markets, and therefore of questionable viability.
- In a muted residential market, agents of delivery on strategic sites are utilising development partners with specialist expertise, who are needed in order to unlock value over the long term.
increased, the cumulative shortfall since 2006 will amount to 1.4 million homes by 2022. The viability of strategic development sites will be pivotal to meeting the housing demands of the UK.

**Future supply**

The vast majority of strategic sites are "brownfield" – that is they have been previously developed – but supply is now increasingly found on major greenfield sites. There has been a shift away from brownfield land for large developments which no longer stack up. Greenfield sites now account for 27% of schemes in our database, by number of units, as shown in Graph 2.

Developers and housebuilders catering to the equity-rich in the housing market are increasingly focusing their efforts on edge-of-town development for family housing. This is a trend that has been evolving post downturn.

At a time when the city centre flat market dominated in 2007, edge-of-town sites accounted for just 57% of the total, while city centre sites made up 54% (see Graph 3).

Funding – and appetite – for town centre apartment schemes dried up, so that today, while city centre schemes have slipped to less than a third (29%), edge-of-town sites now account for over half of those we monitor (58%).

**Housing Targets**

**Strategic sites' contribution to the five year land supply**

Analysis of Local Authority housing site trajectories highlight the importance local councils are placing on strategic sites to meet their five-year housing targets. Of those Local Authorities that publish a detailed housing site trajectory (around 10% of the total), 45% of their five-year delivery pipeline is accounted for by strategic sites. In London and the South East, the proportion of these sites is even higher, at 48%.

This emphasises the importance in making strategic sites viable to meet long-term housing need. This is particularly the case in London and the South East, where this analysis suggests the contribution of strategic sites to the short- to medium-term supply might be greatest, being regions where the housing need is most acute.

The recently published housing strategy for England sets out some initiatives for tackling stalled sites. Proposals include allowing developers to require local authorities to reconsider Section 106 agreements prior to April 2010, a flexible approach to planning obligations, and a £400 million building fund to unlock stalled schemes. In Local Enterprise areas where the provision of infrastructure is a barrier to development, a £500 million Growing Places fund will be made available. Such initiatives could go some way toward unlocking more of this strategic land for delivery.

**Graph 3**

**Edge-of-town schemes grow in prominence**

![Graph showing the growth of edge-of-town schemes](Graph source: Savills Research)
With so many more strategic sites on greenfield land, there is more of a log-jam of units at the early stage of the more contentious planning process. Some 44% of the unit pipeline on greenfield sites is tied up at a pre-planning stage, compared to 26% of the pipeline on brownfield land (Graph 4).

Many of these greenfield sites are either under option agreement, or allocated in local planning authority strategic housing land assessments, and face lengthy promotion and planning. The new National Planning Framework’s aim is to enable more sustainable development, and it will be necessary to consider the specific requirements of greenfield sites. Given their capacity for new housing delivery it may be necessary to look at ways of streamlining their promotion.

The public sector

The public sector has historically been a strong driver of strategic development projects. Their involvement in delivery has declined in recent years as austerity measures have taken hold and public funding has been curtailed. The public sector’s share of schemes, by number of units, has slipped from 22% in 2010, to 19% in 2011.

This has, however, been offset by an increase in the number of public/private initiatives. An increasing recognition of the need to involve private sector partners at an earlier stage of development has seen the proportion of public/private partnerships grow, albeit marginally, from 11.8% in 2010, to 12% in 2011.

Public land is an under-utilised resource and, recognising this, the government has announced its intention to release sufficient public land to deliver 100,000 homes by 2015.

Government departments with significant land holdings have identified land and property that could be released for new residential development, in the intention to make as much available under the ‘Build Now, Buy Later’ initiative.

Our analysis of this proposed public sector land supply points toward a potential demand/supply mismatch. Only 35% of public Initiative land over ten acres in size is located in market areas where house prices are above the national average. This is where development is likely to be most viable and where housebuilders tend to concentrate their efforts.

Analysis of deals done in the last four years shows 79% of all land has traded in these higher value markets, (Graph 5). There is therefore a question over the appetite for this public sector land. The commercial terms under which the land is released will be crucial.

The surplus public sector land in the lower value markets (85%), has the potential to meet excess housing demand and construction activity here will contribute to economic growth and sustainable development. However, there is likely to be less land value on these sites, to be shared among planning obligations, Community Infrastructure Levy and land value to the government department.

This is a situation where joined up government is needed to meet the right balance of policy objectives and where new mechanisms to release land value over the longer term are more likely to be needed.

Maximising value

Outside the public sector, conventional

Graph source: Savills Research

Graph source: Savills Research

savills.co.uk/research 03
Ownership and status by number of residential units

Graph 6

<table>
<thead>
<tr>
<th>Status</th>
<th>Number of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early stages</td>
<td>50,000</td>
</tr>
<tr>
<td>Planning applied</td>
<td>75,000</td>
</tr>
<tr>
<td>Outline PP</td>
<td>100,000</td>
</tr>
<tr>
<td>Full PP</td>
<td>150,000</td>
</tr>
<tr>
<td>Under Construction</td>
<td>200,000</td>
</tr>
</tbody>
</table>

Graph source: Savills Research

- Housebuilders control 12% of all sites (by number of units), but their involvement is concentrated at the construction stage, where they control 18% of developments (Graph 6).

This reflects housebuilders' expertise in the construction and delivery of the finished product. By contrast, commercial developers and property companies are particularly dominant at the early stages (30%), where they focus on promoting the site and guiding it through the planning process.

Private sector partnerships are among the largest ownership groups at the construction stage (19% by number of units). This is a reflection of landowners who wish to maintain an interest throughout the development process, while utilising the expertise of a specialised development partner.

Land values are currently stagnant for difficult strategic sites, and if landowners are to maximise the value of their assets, long-term commitment is required. Active investment in infrastructure and placemaking is central to unlocking value over the long term. Development partnerships containing a range of expertise are likely to be the best way to achieve this.

Background

This analysis of strategic development projects provides an insight into the changing state of the development landscape. We monitor all UK development schemes with at least 250 residential units, at all stages of development from pre-planning to construction.

As at October 2011, there were 1,300 sites in our database, accounting for a national pipeline of some 1.5 million homes. Of these, 21% (£14,000 residential units) are earmarked for London.

Other regions with significant numbers of strategic schemes are the East of England with 19% of the unit pipeline (260,000) and the South East at 13% of units (202,000). The majority of schemes are for mixed use development, with at least three different uses.

Our study reviews the viability of these schemes in the context of a challenging development environment.
SUMMARY

Recapitalised housebuilders fuel transactional activity in high value, high turnover markets

- Recapitalised housebuilders are fuelling transactional activity, leading to some value growth, particularly in the South East and other high value, high turnover locations.
- In central London, land values stand on average just -7% below their 2007 peak, having increased by 3.9% over the last six months.
- Average residential land values in the capital are now double that of land for hotel or office use.
- National Planning Policy Framework guidance may go some way to improve the supply of land in local authorities that have historically under-delivered on new housing.
- In the short-to-medium term, smaller land opportunities, fundable from housebuilders’ own balance sheets will dominate activity.
- We forecast serviced land values will return to their former peak levels by 2016.
- A separate market has emerged for larger sites or “bulk land” – we expect value for this type of site to remain flat for at least the next five years.

“In central London, land values stand on average just -7% below their 2007 peak”

Yolande Barnes, Savills Research
Re-capitalised housebuilders are fueling transactional activity and driving up values in buoyant markets. Nationally, greenfield values recorded growth of 1.1% in the first quarter of 2012.

Focus on the South East has seen greenfield values here grow by 1.0% over the same period, the biggest quarterly rise in the region since September 2010. This comes as housebuilders focus on delivering houses, rather than flats, in the region, which accounted for 63% of completions in 2010/11, up from 46% in 2007/08.

Interest in urban land remains restricted to manageable opportunities in the best towns, while larger urban sites, particularly those in secondary locations, are not trading. At the national level, urban land values increased by just 0.3% in the first quarter of this year.

**The funding environment**

The level of lending to companies active in real estate development and investment remains suppressed. The forthcoming Basel III banking regulations could further constrict this source of debt funding. There are banks willing to lend, and new players are emerging, but they are selective in their activity and terms are tight.

In the short to medium term, smaller land opportunities, fundable from housebuilders' own balance sheets will therefore continue to dominate. Our outlook for serviced land is positive. We anticipate serviced land values to return to their former highs by 2016 (See Graph 1).

Many large scale sites in weaker markets remain unviable, requiring significant upfront investment to stimulate development. Some of these markets may be aided by the Get Britain Building fund, which is making £570million available to unlock 15,500 homes for delivery by December 2014. The fund is focused on short term land with planning permission, deliverable by 2014.

While this will help in bringing some mothballed sites back into active use, it does not address the issue of viability on many pre-consented, medium to long term sites. The reality is that for the short to medium term, the majority of "bulk land" around the country will not stack up as a development opportunity. As a consequence, we forecast that bulk land values will remain flat over the next five years.

Nonetheless, some larger urban sites – in strong markets – are starting to move "above water" in rare cases where equity investment is being made available. We are seeing early examples of this via investor joint ventures with landowners. In many cases the bulk stock, or a portion of it, will be held for investment return, rather than sold to owner occupiers. In this way the value and viability of land can be realised over a longer time period.

**Land in London**

The London residential land market continues to outperform that of the rest of the UK. London residential land values grew by 3.9% over the last six months, bringing annual growth to 7.8%. This compares to land value growth outside London of 0.5% in the six months to March 2012, and annual growth of 1.6%.

Residential land values in the capital now stand, on average, just -7%
off their 2007 peak. Confidence in the London residential market remains high, as property prices in the capital continues to outperform the national average.

By contrast, a slowdown in occupier demand for office space, particularly in more peripheral London locations, is cooling speculative development of new office stocks. As a consequence, office development land values saw small falls of -2.9% over the last six months, the first falls recorded since 2009.

Values remain -49% off former highs. This is making the office to residential conversion proposition even more compelling in many locations.

Hotel development land values are also muted, recording increases of 1.8% in the last six months, they stand -34% off peak. Investment in the hotel sector slowed in the final quarter of 2011, and while anticipation of the Olympics has been keeping the market moving, activity is now beginning to wane.

This has resulted in a divergence in the relative value of residential, office and hotel land since 2007 (see Graph 2 for detail).

The value of land for residential use in London is now, on average, almost double that of either hotel or office use. This chimes with NPPF guidance supporting conversion of commercial sites into residential, where housing need can be identified.

It remains to be seen which local authorities will try to retain ‘employment generating land use’ and which will be more amenable to conversion.

Definitions:
- Bulk Land: Raw tract of agricultural land, with strategic brownfield or regeneration sites.
- Serviced Land: Land serviced to the point of ready developable without major remediation work, but at some scale.
- Serviced Plot: Fully serviced land parcels, masterplanned, design co-ordinated, requiring only the dwelling to be built.

OUTLOOK

The market in 2012 and beyond

- The strength of the market today has much to do with developers’ balance sheets. Those who are well capitalised are taking the opportunity to buy land at a time when the debt-laden are less able to do so.

- We do not anticipate any significant price growth in bulk land over the short to medium term. We do foresee an unprecedented opportunity for new investors or “land developers” to promote land to a fully serviced plots and enjoy significant value uplift. Given our positive outlook for serviced land, the opportunity lies in the transformation of bulk land into the kind of serviced product for which the market does have an appetite and ability to pay.

- This will only work in markets that have the strength to absorb new supply. Already, there has been a shift in towards the stronger and more active markets. These markets accounted for 42% of delivery in 2010/11, compared with 36% in the three years to 2007/08.

- Under the NPPF, local authorities with a good track record at allocating land for housing must earmark a five-year supply plus 5%. In local authorities where there has been a persistent under-delivery of housing, a five-year supply plus 20% must be earmarked. This, coupled with the general presumption in favour of sustainable development, may go some way to improving the supply of land in historically under-delivering markets.

- Confidence in London’s housing market continues; to see housebuilders focus development activity in the capital. Just 17,640 dwellings were completed in 2011. This is 56% of the Mayor’s target to deliver 32,250 homes per year until 2021. It is this underlying scarcity, coupled with the strength of the London market, that will underpin demand for land across London in the short and long term.
Dear Sirs,

Oxford City Council Consultation on Preliminary Draft Community Infrastructure Levy Charging Schedule

Thank you for the opportunity to comment on the preliminary draft charging schedule. This is an important stage in the introduction of the Community Infrastructure Levy for Oxford. Due to the time available for comment, this response is provided as officer comments; a formal response will be considered by the Cabinet at the next stage in the process.

The County Council’s officers comments on the preliminary draft are as follows:

- It supports the need for a Community Infrastructure Levy for Oxford and welcomes the City Council’s intention to introduce the levy.

- The basis for introducing the Community Infrastructure Levy is in part, the need to seek a contribution towards the cost of services and infrastructure provided by the County Council. The County Council would welcome the opportunity for an early discussion with the City Council to determine the mechanism for allocating funds raised through the Levy to specific infrastructure and/or services. As part of those discussions there will be a need to agree a protocol that will govern the arrangements by which the City Council transfers funds to the County Council in order that it may then deliver agreed priorities.

Direct line: 01865 815113
martin.tugwell@oxfordshire.gov.uk
The economy of the City of Oxford and hence the introduction of the Community Infrastructure Levy should not be considered in isolation of the rest of the city-region economy. The County Council therefore strongly encourages co-ordination of the work on Community Infrastructure Levy to take place through the county-wide Spatial Planning and Infrastructure Partnership.

The relatively high affordable housing requirements (when compared to the rest of the county) within the City appears to have the effect of reducing the rate at which the Community Infrastructure Levy can be set. The County Council is of the view that it is important to optimise the revenue raised through the Levy on the basis that development proposals should make the maximum contribution possible towards the infrastructure requirements arising from said development. Over emphasis on, and rigid adherence to targets for affordable housing may have the consequence that critical infrastructure may not be delivered. We would therefore welcome a discussion with the City Council on where the balance between these two competing needs might best lie.

It strongly encourages the City Council to amend the charging schedule to apply different rates for different forms of commercial development.

It strongly encourages the City Council to set the rate for D1 land use to zero.

It strongly encourages the City Council to make provisions for the payment of the Levy by instalments: requiring payment in full at the commencement of development potentially acts as a barrier to development.

The introduction of the Levy is taking place at a particular stage in the economic cycle. It is highly likely that the evidence base for the introduction of the Levy will change in the short to medium term. The County Council therefore strongly encourages the City Council to formally commit to an early review of the scheme (within 2 years of its introduction). It also strongly encourages that the City Council commits to undertake regular reviews of the scheme (no more than 3 year intervals).

The County Council notes that the introduction of the Community Infrastructure Levy means that the supplementary guidance on planning obligations within the City will need updating. The County Council would welcome a commitment from the City Council to undertake this work in parallel with that on the Levy.

The County Council looks forward to working with the City Council so that it can support the introduction of the Levy, and in particular address the issues set out in this response.

Yours faithfully

[Signature]

Martin Tugwell
Deputy Director
Growth & Infrastructure
24 August 2012

By email: planningpolicy@oxford.gov.uk

South Oxfordshire and Vale of White Horse District Council joint comments on Oxford City Council preliminary draft charging schedule

The joint comments of South Oxfordshire/Vale of White Horse District Council on Oxford City’s preliminary draft charging schedule are as follows.

The South Oxfordshire/Vale of White Horse District Council have considered Oxford City’s preliminary draft charging schedule and the supporting viability and infrastructure evidence. Having done so they ask the City Council whether:

1) an instalment policy ought to be introduced? Requiring payment of the full amount of CIL within 60 days of commencement could affect the viability of larger developments, and hence their delivery.
2) further explanation of the reasoning it has used to set the community infrastructure levy rates can be included in the supporting evidence. Without such explanation it is difficult to understand how the rates, especially for residential uses, have been derived from the viability evidence; and
3) the City Council could apply differential rates of community infrastructure levy for residential development which the viability supports, based on either wards or neighbourhoods, so as not to forgo potential additional revenue which may otherwise be lost through the application of a single City-wide rate?

Yours sincerely

Adrian Duffield
Head of Planning

Vale of White Horse District Council, Abbey Close, Abingdon, OX14 3JE
www.whitehorsedc.gov.uk

South Oxfordshire District Council, Benson Lane, Crowmarsh Gifford, Wallingford, OX10 8AX
www.southoxon.gov.uk
Dear Ms Garcia

Re: Community Infrastructure Levy (CIL) Preliminary Draft Charging Schedule July 2012

Thank you for allowing this extension of time to comment on the CIL Draft Charging Schedule.

I would be most grateful if you would consider the comments (below) relating to the Community Infrastructure Levy (CIL) Preliminary Draft Charging Schedule July 2012 on behalf of Oxford Brookes University.

These comments relate specifically to Use Class C2 charges and student accommodation:

- We welcome the discounting of existing floor space, which reduces the overall liability to pay CIL. Individually and cumulatively these charges act to prevent the University to build or acquire access to affordable student housing. As such they potentially constrain the University’s activities and the consequential contribution that the University make to the Oxford, regional and national economy.
- It is considered a bad time to introduce these charges, especially on educational institutions, at a time when we should be encouraging the educational sector and recognising the important economic function they have. In addition, by setting different CIL charges for different uses the council is discouraging certain use classes compared to others. CIL charge of £100 psrm is not proactive in promoting a world leading university.
- It would appear that the methodology for arriving at these CIL charges are inflexible and do not properly account for individual site circumstances.
- CIL charges will need to be constantly reviewed to properly take account of the current market of which will create a degree of uncertainty which is undesirable.
- Viability appraisals show the worse case scenario for development viability however if the economy worsens and the charges stay the same this will not be the worse case scenario?
- Matrixes do not indicate % of developer profit. Developer profit should be included in the formula as it cannot be assumed that every developer will expect the same level of profit especially where there is a higher level of risk (risk does also not appear to be factored into the methodology).
- The viability appraisal does not take account of the affordability of accommodation to students in light of the new student fee environment.

In 2011 the Council approved a development for 313 units of student accommodation at Dorset House, London Road (Ref 10/03136/FUL). The net internal floorspace of the development as given on the application form is 9,080 square metres. Applying the proposed CIL charge to this development would result in a fee of £908,000. In addition a contribution would be required under policy HP6 towards affordable housing provision which is £140 per square metre, which would give a contribution of £1,271,200, on top of which there would be a 5% administration charge, which would add a further fee of £33,560. The total fee due would be £2,242,760. Charging fees at this level will make the provision of student accommodation totally unviable as no students would be prepared to pay the fees which it would be necessary to charge. By contrast it would seem that when this application was approved in 2011 the only contribution was a £1,500 to amend the local parking order, together with the carrying out of highway works to the frontage.
The impact of these charges on a third party provider of student accommodation would be similar to that of the University. Until or unless land prices for suitable sites in suitable locations reduce commensurately with the additional costs these charges will increase the cost of student accommodation. University accommodation in Oxford is already some of the highest in the country outside of London and high cost accommodation acts to deter students from applying to the University. This is likely to become an increasing recruitment issue with the higher student fees.

I would be grateful if you would consider the above points in relation to the CIL Draft Charging Schedule July 2012.

If you have any questions please contact me.

Yours sincerely

Mark Utting, MPLAN
For West Waddy ADP
Dear Maria

Old Marston Parish Council currently have no comment on the above. Thank you for your help with this consultation.

Best wishes
Caroline Duffy
Clerk

Sent from my iPad