



WEST OXFORDSHIRE
DISTRICT COUNCIL

WEST OXFORDSHIRE DISTRICT COUNCIL

Name and date of Committee	CABINET – 25 MAY 2022
Report Number	Agenda Item 8
Subject	COMMUNITY INFRASTRUCTURE LEVY (CIL)
Wards affected	All
Accountable member	TBC
Accountable officer	Chris Hargraves, Planning Policy Manager Tel: 01993 861686 Email: chris.hargraves@westoxon.gov.uk
Summary/Purpose	To provide an update on the introduction of the Community Infrastructure Levy (CIL) in West Oxfordshire.
Annexes	-
Recommendation/s	Please write recommendations using letters and italics as below. <i>a) That Cabinet note the content of the report; and</i> <i>b) Agree that of the four potential options identified, that Option 2 be progressed in terms of taking CIL forward in West Oxfordshire.</i>
Corporate priorities	CIL is intended to help fund new and enhanced infrastructure to support new development. As such, it relates to a number of priorities set out in the Council Plan (2020 – 2024) including meeting housing needs, supporting strong local communities and maintaining a vibrant district economy.
Key Decision	NO
Exempt	NO
Consultees/ Consultation	The Council's most recent CIL Draft Charging Schedule (DCS) was published for consultation from 10 July – 21 August 2020. 171 responses were received.

1. BACKGROUND

- 1.1. Members will be aware that CIL is a charge which local planning authorities can impose on some forms of development (e.g. new housing). It is charged on a £per m² basis according to floor area. CIL is intended to complement other forms of developer contributions including Section 106 legal agreements.
- 1.2. CIL is optional rather than mandatory with around 50% of local authorities having it in place. In Oxfordshire, Oxford City, South Oxfordshire and the Vale of White Horse have CIL in place whereas West Oxfordshire and Cherwell do not.

2. PROGRESS TO DATE

- 2.1. West Oxfordshire's first CIL charging schedule was submitted for independent examination in September 2015 and discussed as part of the Local Plan examination in November 2015. However, it was subsequently suspended alongside the Local Plan in January 2016.
- 2.2. Further consultation on a revised CIL charging schedule took place in January 2017 and Officers had hoped to submit it for examination alongside the Local Plan in March 2017. However, the appointed Local Plan Inspector advised the Council that he did not wish to examine both CIL and the Local Plan at the same time, so no further progress on CIL was made, with Officer resources instead being devoted to the examination and subsequent adoption of the Local Plan in September 2018.
- 2.3. Following adoption of the Local Plan, progress with CIL was re-instigated with new consultants appointed in June 2019 to prepare fresh viability evidence. Subsequently, in February 2020, Full Council agreed a new CIL charging schedule for consultation. However, due to the impact of Covid-19, consultation on the draft charging schedule was delayed and subsequently took place from 10 July – 21 August 2020.
- 2.4. 171 consultation responses were received and these have all been made available [online](#). The vast majority of respondents (c. 155) objected specifically to the proposed exemption of the Local Plan strategic housing sites from having to pay CIL. A number of other, more general concerns were also raised.
- 2.5. Importantly, during the consultation, the Government published a Planning White Paper which suggested that CIL would be replaced. This was subsequently confirmed in the Queen's speech of May 2021 and as a result, in September 2021 Cabinet formally agreed that any further progress with CIL should be held in abeyance.
- 2.6. Most recently, following the Queen's Speech of 10 May 2022, the Government has published a new Levelling-Up and Regeneration Bill which has now received its first reading in the House of Commons.
- 2.7. The explanatory notes to the Bill confirm that the current system of securing developer contributions (through section 106 agreements and the Community Infrastructure Levy) will be replaced with a new Infrastructure Levy (IL).

3. OPTIONS FOR PROGRESSING CIL IN WEST OXFORDSHIRE

- 3.1. Whilst the Levelling-Up and Regeneration Bill confirms the Government's intention to replace CIL (and Section 106) with a new, locally set Infrastructure Levy (IL), any such proposals are likely to take a considerable period of time before they become law.
- 3.2. They are also subject to potential change and would likely be accompanied by some form of transitional arrangements.
- 3.3. As such, Members are invited to consider whether or not they wish to make further progress with CIL in the interim, with the main options being outlined below.

Option 1 – Progress Straight to Submission and Examination

- 3.4. When the Council's most recent CIL Draft Charging Schedule (DCS) was considered by Cabinet and Council in February 2020, it was agreed that, subject to there being no significant issues raised during the 6-week consultation, that the draft charging schedule be formally submitted for independent examination.
- 3.5. As outlined above, whilst a very large number of responses were received to the consultation (171 in total) the vast majority of these (c. 155) focused on the single issue of whether the Local Plan strategic sites should be exempt from having to pay CIL or not.
- 3.6. Given that this and the other issues of concern raised through the consultation would be discussed and resolved as part of any CIL examination, the first option is to progress straight to submission.
- 3.7. However, given that the supporting evidence was prepared in 2019, clearly a significant period of time has elapsed since then and there have been some significant 'macro' changes, not least Covid-19 and Brexit.
- 3.8. As such, whilst progressing straight to examination is clearly an option, there is a risk that the viability evidence underpinning the draft charging schedule is found to be out of date and that the examiner would not be able to conclude that the proposed CIL rates are reasonable.

Option 2 – Viability Evidence Partial Update

- 3.9. A second option is to commission a partial update of the supporting viability evidence to ensure that it remains robust in terms of key assumptions on land values, sales values, build costs etc.
- 3.10. Depending on the outcome of that exercise, the District Council could then submit the draft charging schedule as is, or potentially with minor modifications.
- 3.11. Alternatively, if the viability update suggested more significant changes to the draft charging schedule were needed, the District Council could consider the need for re-consultation on a revised charging schedule prior to submission.
- 3.12. Whilst there will be a cost associated with commissioning an update of the viability evidence, any such update would reduce the risk of the Council's evidence being found to be out of date at examination.

Option 3 – Commission New Viability Evidence and Prepare a new Draft Charging Schedule for Consultation

- 3.13. The third option is essentially to start from scratch by commissioning completely new viability evidence and preparing and consulting on a new CIL draft charging schedule prior to submission and examination.
- 3.14. Whilst this would arguably be the most ‘robust’ option, it clearly has a more significant cost and time implication compared to Option 2. There is also a risk of ‘consultation fatigue’ as this would be the fourth time that the District Council would have consulted on a CIL draft charging schedule.

Option 4 – Continue to Defer Any Further Progress

- 3.15. The fourth option is to continue to defer any further progress with the introduction of CIL into West Oxfordshire given the Government’s stated intention to replace CIL and to instead, work towards the introduction of the new Infrastructure Levy (IL) at the earliest opportunity.
- 3.16. The advantage of this option is that no further resources would be necessary in the short-term. However, as it may take a considerable period of time for the new Levelling-Up and Regeneration Bill to become law, clearly it creates uncertainty and presents something of a missed opportunity for additional revenue to be secured through CIL whilst it remains in place.

4. RECOMMENDED WAY FORWARD

- 4.1. Of the four options outlined above, the recommendation of Officers is to pursue Option 2 and commission a partial update of the Council’s CIL viability evidence prior to submission and examination of its draft CIL charging schedule.

5. FINANCIAL IMPLICATIONS

- 5.1. There will be a relatively modest cost associated with commissioning the updated viability evidence. It should be noted however that a proportion of future CIL receipts (5%) would be able to be spent on administrative costs such as this.

6. LEGAL IMPLICATIONS

- 6.1. The report raises no direct legal implications.

7. RISK ASSESSMENT

- 7.1. The report raises no specific risks.

8. EQUALITIES IMPACT

- 8.1. The report raises no specific implications in relation to the public sector equality duty or Equality Act 2010.

9. CLIMATE CHANGE IMPLICATIONS

9.1. The report raises no direct climate change.

10. ALTERNATIVE OPTIONS

10.1. The alternative options are as set out in the report.

11. BACKGROUND PAPERS

11.1. None.