



WEST OXFORDSHIRE
DISTRICT COUNCIL

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| Name and Date of Committee | EXECUTIVE – 22 JULY 2024 |
| Subject | COMMUNITY INFRASTRUCTURE LEVY (CIL) DRAFT CHARGING SCHEDULE |
| Wards Affected | All |
| Accountable Member | Councillor Andy Graham – Leader of the Council. Email: andy.graham@westoxon.gov.uk |
| Accountable Officer | Chris Hargraves – Planning Policy Manager. Email: chris.hargraves@westoxon.gov.uk |
| Report Author | Chris Hargraves – Planning Policy Manager. Email: chris.hargraves@westoxon.gov.uk |
| Purpose | To recommend that the Council approves a new draft CIL charging schedule for the purpose of public consultation prior to submission for independent examination. |
| Annexes | Annex A – Draft CIL Charging Schedule (June 2024) Annex B – CIL Viability Report (June 2024) |
| Recommendations | That the Executive resolves to: <ol style="list-style-type: none">1. Approve the Community Infrastructure Levy Draft Charging Schedule (DCS) attached at Annex A for the purposes of a six-week period of public consultation in accordance with the Community Infrastructure Levy Regulations 2010 (as amended);2. Delegate authority to the Planning Policy Manager to make any minor factual/typographical amendments to the CIL Draft Charging Schedule (DCS) following consultation with the Executive Member for Planning and Sustainable Development, prior to publication; |

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| | <p>3. Recommend to Council to delegate authority to the Planning Policy Manager to submit the CIL charging schedule for independent examination in accordance with the Community Infrastructure Levy Regulations 2010 (as amended) including any minor modifications, following consultation with the Executive Member for Planning and Sustainable Development, subject to there being no significant issues raised during the six-week consultation period; and</p> <p>4. Ensure that appropriate mechanisms are put in place to enable Town and Parish Councils to meaningfully contribute with regard to potential Section 106 planning obligations when these are being negotiated.</p> |
| Corporate Priorities | <ul style="list-style-type: none"> • Putting Residents First • A Good Quality of Life for All • A Better Environment for People and Wildlife • Responding to the Climate and Ecological Emergency • Working Together for West Oxfordshire |
| Key Decision | NO |
| Exempt | NO |
| Consultees/ Consultation | Subject to the approval of Members, the draft CIL charging schedule attached at Annex A will be published for a 6-week period of public consultation. |

1. INTRODUCTION

- 1.1** Members will be aware that the Community Infrastructure Levy (CIL) is a charge that may be levied on most forms of development to help fund infrastructure.
- 1.2** Despite several previous public consultations, CIL has not been adopted in West Oxfordshire and so last year, Members agreed that fresh viability evidence should be commissioned with a view to public consultation taking place on a new CIL draft charging schedule.
- 1.3** That viability evidence has now been completed and a new draft charging schedule has been prepared.
- 1.4** The purpose of this report is to summarise the main outcomes of the viability work and to agree that the new draft CIL charging schedule is published for consultation.

2. BACKGROUND

- 2.1** The Community Infrastructure Levy (CIL) is a charge that can be levied on most forms of development to help fund the infrastructure that is needed to support the future growth of an area. CIL is intended to complement and 'co-exist' alongside the current system of Section 106 planning obligations.
- 2.2** Whereas S106 agreements focus on site-specific matters and are agreed through a process of negotiation, CIL is effectively a fixed charge that can be spent on new and enhanced infrastructure across the whole District.
- 2.3** Section 106 agreements will remain a matter for negotiation based on site specific and local considerations and it therefore important that key stakeholders, in particular Town and Parish Councils, are given the opportunity to input into such discussions. This is reflected in the report recommendation 4).
- 2.4** The key advantage of CIL is that, unlike Section 106 agreements, which tend to apply to larger developments only, CIL can be charged on much smaller scales of development, thus ensuring that the cumulative impact of such development can be addressed through new and improved infrastructure provision.
- 2.5** Specifically, subject to certain exceptions, CIL is generally payable on all new dwellings and on other forms of development which involve the creation of more than 100m² net additional floorspace. The amount charged through CIL must be based on evidence of viability to ensure that it does not hinder development from coming forward.
- 2.6** CIL rates must be set out in a document called a 'Charging Schedule' which explains what types of development are liable for CIL and the relevant rates that apply. Rates are expressed as pounds (£) per square metre.
- 2.7** An initial CIL charging schedule was submitted for examination in 2015 but suspended alongside the Local Plan in 2016. A revised CIL charging schedule was then published in January 2017 but not progressed to examination as the Local Plan Inspector did not want to examine CIL and the Local Plan concurrently.
- 2.8** Further consultation took place in 2020 but the draft charging schedule at that time was not progressed to examination. Subsequently, last year it was agreed that new viability evidence should be commissioned to inform both CIL and in due course, the new Local Plan 2041.

2.9 The first stage of that viability work is now complete and has informed the preparation of a new draft CIL charging schedule.

3. DRAFT CIL CHARGING SCHEDULE

3.1 The new draft CIL charging schedule is attached at Annex A. It is based on the viability evidence attached at Annex B.

Proposed residential CIL rates

3.2 The draft charging schedule identifies the following CIL rates (£ per m²) for residential uses:

| CIL Zone | £ per m ² | Notes |
|---|----------------------|---|
| Residential District-wide (Greenfield) | £225 | Includes mixed housing development (i.e. a mix of housing and flats). On-site affordable housing on 11+ units. Nil Affordable Housing on sites between 1-10 units. Affordable Housing financial contributions apply on sites between 6-10 units in the Cotswolds National Landscape (formerly AONB). |
| Residential District-wide (Previously developed land) | £125 | As above. |
| 100% Flatted only development District-wide | £25 | Nominal rate. |
| Strategic Sites | £0 | Nil rated for CIL due to significant S106 and other development costs. |

3.3 Key points to note are that:

- In setting a single CIL rate for residential development on undeveloped greenfield sites and a single CIL rate for residential development on previously developed (brownfield) sites, the charging schedule reflects the Government’s Written Ministerial Statement¹

¹ <https://questions-statements.parliament.uk/written-statements/detail/2024-02-19/hcws264>

of 19 February 2024 and updated CIL Planning Practice Guidance² which state that higher residential CIL rates should not be set for developments which are not major developments on the grounds that these sites are not required to provide affordable housing contributions;

- The proposed rate for residential schemes on previously developed (brownfield) sites is lower (£125 per m²) than greenfield sites because of the additional costs associated with bringing such sites forward;
- 100% flatted developments have additional costs which warrant the application of a nominal CIL charge (£25 per m²);
- Strategic local plan sites (Salt Cross, West Eynsham, North Witney, East Witney and East Chipping Norton) are proposed to be CIL exempt because of the significant infrastructure costs associated with bringing such developments forward, which will be secured through other mechanisms including Section 106 agreements.

Proposed non-residential CIL rates

3.4 The draft charging schedule identifies the following CIL rates (£ per m²) for non-residential and commercial uses:

| CIL Zone | £ per m ² | Notes |
|---|----------------------|-----------|
| Large Format Retail e.g. Supermarkets, Foodstores, Retail Warehousing | £125 | |
| All other non-residential development | £0 | Nil rated |

3.5 It is relevant to note that on viability grounds, the only form of ‘non-residential’ development which is able to support a CIL charge is large format retail such as supermarkets, foodstores and retail warehousing.

4. NEXT STEPS

4.1 Taking the draft CIL charging schedule forward to consultation and submission for examination is a significant step forwards toward the implementation of CIL in West Oxfordshire. Public consultation on planning matters often results in concerns being raised about the impact of new development on infrastructure and the ability of such infrastructure to ‘cope’ whether that be in relation to wastewater capacity, school places or health care.

4.2 CIL represents an important potential source of infrastructure funding and importantly, unlike Section 106 planning obligations which tend to focus on larger developments, will help to ensure that the cumulative impact of smaller developments is addressed by ensuring that they

² <https://www.gov.uk/guidance/community-infrastructure-levy> - Paragraph 024

make a reasonable contribution towards infrastructure costs, whilst making sure that such developments remain viable.

- 4.3 Subject to the approval of Members, the draft CIL charging schedule will be published for a 6-week period of public consultation which is expected to take place from early August to mid-September 2024 (exact dates to be confirmed).
- 4.4 Following the consultation, the responses received will be considered and any necessary minor modifications to the draft charging schedule will be made before it is formally submitted for independent examination.
- 4.5 The examination stage is likely to involve a hearing session (noting that CIL examination hearings tend to be only 1 or 2 days) after which point the appointed CIL examiner will issue their report.

5. ALTERNATIVE OPTIONS

- 5.1 The District Council could choose not to progress CIL, but this would represent a missed opportunity to seek additional funding from new development towards the supporting infrastructure that is needed to support growth within the District. In particular it would mean that the cumulative impact of smaller development schemes which tend not to attract Section 106 planning obligations, would not be properly addressed.

6. FINANCIAL IMPLICATIONS

- 6.1 The progression of CIL to adoption will allow the District Council to charge qualifying developments with the CIL revenues received able to be spent on infrastructure provision as appropriate.
- 6.2 A proportion of future CIL receipts can be used to cover the relatively modest costs of consultation, submission, examination and adoption/implementation.

7. LEGAL IMPLICATIONS

- 7.1 The report raises no direct legal implications. The draft charging schedule will be published for consultation and submitted for examination in accordance with legislative requirements.

8. RISK ASSESSMENT

- 8.1 The report presents no significant risks.

9. EQUALITIES IMPACT

- 9.1 Affordable housing schemes will be exempt from CIL and therefore the report is not considered to raise any particular implications for any of the characteristics protected under the Equality Act 2010.

10. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

- 10.1 The report raises no direct implications although a proportion of future CIL receipts may be spent on infrastructure projects that have a climate change and ecological focus.

II. BACKGROUND PAPERS

II.1 None.