

To: Cabinet
Date: 15 May 2019
Report of: Scrutiny Committee
Title of Report: Scrutiny Committee recommendations concerning the Community Infrastructure Levy (CIL) Draft Charging Schedule

Summary and recommendations	
Purpose of report:	To present a Scrutiny Committee recommendation for Cabinet consideration and decision
Key decision:	No
Scrutiny Lead Member:	Councillor Andrew Gant, Scrutiny Committee Chair
Cabinet Member:	Councillor Alex Hollingsworth, Cabinet Member for Planning and Transport
Corporate Priority:	Meeting Housing Needs
Policy Framework:	Housing and Homelessness Strategy 2018-21, Local Plan 2036
Recommendation: That the Cabinet states whether it agrees or disagrees with the recommendations in the body of this report.	

Introduction and overview

1. The Scrutiny Committee met on 15 May 2019 to consider a report concerning modifications proposed to the Community Infrastructure Levy (CIL) Draft Charging Schedule, which the Cabinet will be asked to approve for submission to the Secretary of State for examination on 29 May. The Committee would like to thank Carolyn Ploszynski, Planning Policy and Design, Conservation and Trees Manager, for attending the meeting to answer questions.

Summary and recommendation

2. The Committee's discussion on this report principally related to the exceptional circumstances relief proposal. The regulations allow for the Council to have an Exceptional Circumstances Relief Policy so that it can offer relief from CIL in circumstances where a specific scheme cannot afford to pay the levy.
3. Councillors were concerned that the introduction of such a policy would provide developers with an increased opportunity to claim viability challenges. Some

questioned whether the policy was necessary. The Committee noted that some of the responses to the consultation came from those who have a vested interest in being exempt from CIL.

4. The Committee discussed the application of an Existing Use Value (EUV) in establishing the economic viability of CIL in a given scheme. Some councillors were of the view that the viability assumptions of this approach are flawed, and should not be used. There were concerns that people may purchase land for a higher fee than its market value, and then use that as a means of claiming that their operation is not viable if paying for CIL. The officer clarified that although an uplift to the Existing Use Value is appropriate to assume in viability testing as set out in the Viability Assessment attached as appendices 3 and 4, Government guidance is clear that the price paid for land is not a relevant justification for failing to accord with relevant policies in the plan.

5. The Committee heard that the policy is not intended to be a means of opening up negotiations, and that the relief would only apply in circumstances where Section 106 funds were already being paid. Councillors welcomed assurances that officers would offer further advice on how the decision making process associated with granting relief will take place. The Planning Policy and Design, Conservation and Trees Manager explained that it was important to note that the majority of sites would be viable and the policy would only ever be relevant in relation to few, if any. Furthermore, this was a discretionary policy which could be withdrawn at any point in the future.

Recommendation 1: That the Council ensures that any application of the Exceptional Circumstances Relief Policy receives thorough councillor oversight and that a standard operating procedure is devised to ensure this process is in place. This process should protect the Council against unreasonable and frequent viability claims, and ensure that the relief scheme is only used in the most exceptional of circumstances.

Report author	Stefan Robinson
Job title	Scrutiny Officer
Service area or department	Law and Governance
Telephone	01865 252191
e-mail	Srobinson@oxford.gov.uk