

To: Cabinet
Date: 18th October 2023
Report of: Head of Planning Services
Title of Report: Community Infrastructure Levy (CIL) – CIL Charging Schedule Partial Review for Consultation

Summary and recommendations	
Purpose of report:	To seek approval for the Draft CIL Charging Schedule to be published for public consultation
Key decision:	Yes
Cabinet Member:	Councillor Louise Upton, Cabinet Member for Planning and Healthier Communities
Corporate Priority:	A Vibrant and Sustainable Economy; Meeting Housing Needs; Strong and Active Communities; A Clean and Green Oxford.
Policy Framework:	The Community Infrastructure Levy (CIL) is a charge on new developments which helps to fund infrastructure, as is set out in CIL Regulations 2010 (as amended). ¹ A revised CIL charging schedule has been drafted to support the policy requirements of the Local Plan 2040.
Recommendations: That Cabinet resolves to:	
1	Approve the Community Infrastructure Levy (CIL) Draft Charging Schedule to be published for public consultation (Appendix 1)
2	Authorise the Head of Planning after consultation with the Cabinet Member for Planning and Healthier Communities, to make any minor typographical changes to the Draft Charging Schedule before publication
3	Authorise the Head of Planning to formally publish the Draft Charging Schedule and associated evidence base for public consultation

Appendices	
Appendix 1	Draft Charging Schedule for Partial Review
Appendix 2	Statement of Representations Procedure
Appendix 3	Risk Assessment

¹ <https://www.legislation.gov.uk/ukdsi/2010/9780111492390/contents>

Introduction

1. The CIL Charging Schedule sets out a tariff in the form of a standard charge on new development to help the funding of infrastructure in Oxford. The City Council has been charging CIL on qualifying developments since 2013. The rates charged have risen with inflation but have not been reviewed since the first Charging Schedule was published.
2. The purpose of this report is to request approval for the publication of a partial review of the CIL Charging Schedule to go to public consultation alongside the Local Plan 2040.
3. CIL regulation 16 sets out that for a CIL charging schedule to go to examination, the Council must provide a Draft Charging Schedule (Appendix 1) and publish the appropriate evidence regarding infrastructure costs, funding sources and viability for public consultation.
4. New viability evidence has been produced to support a review of the Charging Schedule and provide evidence for the Local Plan 2040. In line with this evidence, partial amendments to the existing CIL Charging Schedule are proposed to be published for consultation.
5. Following analysis and consideration of the responses to the consultation, a Draft Charging Schedule will be submitted for full examination alongside the Local Plan 2040.

Changes proposed in the Partial CIL Review

6. The main conclusions from the viability report regarding CIL rates are that to accommodate the policies of the local plan, most use classes would not be able to absorb an additional increase in the CIL rate beyond annual indexation.
7. Hence, most rates in the proposed charging schedule remain fixed and are to be indexed as usual on an annual basis, to account for inflation since the original CIL charging schedule was adopted in October 2013.
8. The use classes E(g) business and B2/B8 industrial, however, can demonstrate viability at higher rates of CIL and the recommendation of the report is that rates can be increased for these uses to the same rates as C3 residential.
9. The rates for these use classes were previously set at a much lower rate than most residential and employment uses in the original Charging Schedule and have remained this way for the past decade. However, over time the capital values of business and industrial developments have significantly appreciated, and higher rates of CIL can now be accommodated.

10. The amended CIL rates will be as follows (full schedule in Appendix 1):

Development Type*	Jan 2023 Rates per m ²	Proposed rates per m ² following Partial Review
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E Business (Office, R&D, Light Industrial)	£31.59	£158.00
B2 General industrial	£31.59	£158.00
B8 Storage or distribution	£31.59	£158.00

Consultation

11. If Cabinet approves the proposed changes for a partial review of the CIL Charging Schedule, the Council will take the charging schedule to consultation from Friday the 10th of November 2023 to Wednesday the 3rd of January 2024.
12. A statement of representations procedure (Appendix 2) has also been drafted, which informs consultees how they can respond to the proposed changes in the Draft Charging Schedule.
13. Full copies of the economic viability evidence will be published alongside the charging schedule for consultation.

Steps following consultation:

14. Following consultation, all feedback will be gathered, and any main issues would be summarised in a summary of representations report.
15. If any modifications are to be made to the Draft Charging Schedule following the consultation, a statement of modifications will be written to state any changes made.
16. The summary of representations and statement of modifications would be brought to Cabinet to approve the charging schedule to be submitted for examination.
17. The Draft Charging Schedule would then be submitted to the Secretary of State for examination alongside the supporting evidence base documents and the summary of representations and modifications (Regulation 19).² These documents would be made available on the Council website and made accessible to the public. Any persons who requested during the consultation process that they be informed of the submission will be notified.

Financial implications

18. The City's Council's Infrastructure Delivery Plan (IDP) report demonstrates an estimated infrastructure funding gap of £892m and maintains that the use of CIL will help to fund infrastructure and support development in the area.³
19. The rate at which the CIL tariff is set will determine the amount of income received by the Council from new development to be spent on infrastructure projects. The Council works in partnership with the County Council and other infrastructure providers to help fund and prioritise infrastructure projects within the IDP.

² <https://www.legislation.gov.uk/ukxi/2010/948/regulation/19/made>

³ https://www.oxford.gov.uk/download/downloads/id/8129/oxford_idp_report_-_final_feb_2022.pdf

20. Over current and previous years, the Council has been receiving relatively low amounts of B2/B8 applications but is seeing an increase in E(g) class applications, particularly for R&D use. We anticipate that increasing the rates for these development uses will help to ensure that more funding can be generated for infrastructure, without affecting the viability of development.

21. If and where issues of viability or economic impact may arise, the exceptional circumstances relief policy introduced in 2019 can be considered to mitigate risk of delivery of sites on a case-by-case basis.⁴

Legal issues

22. The Council is required to comply with the consultation and publicity requirements set out in the CIL Regulations 2010 (as amended) to amend the Charging Schedule and this report sets out the steps to be taken to meet those requirements. There are no other legal implications that arise from this report.

Equalities impact

23. There are no equalities impacts arising from this report.

Carbon and Environmental Considerations

24. There are no direct carbon or environmental considerations arising from this report, although increasing CIL rates for industrial and office/R&D developments could help to better generate funds to be spent on infrastructure which mitigates the environmental impacts of development in the city.

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https://www.oxford.gov.uk/downloads/file/6330/discretionary_exceptional_circumstances_relief_policy