

To: Cabinet
Date: 13 March 2024
Report of: Scrutiny Committee
Title of Report: Request for Exceptional Circumstances Relief from the Community Infrastructure Levy

| Summary and recommendations | |
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| Purpose of report: | To present Scrutiny Committee recommendations for Cabinet consideration and decision |
| Key decision: | No |
| Scrutiny Lead Member: | Councillor Lucy Pegg, Scrutiny Committee Chair |
| Cabinet Member: | Councillor Louise Upton, Cabinet Member for Planning and Healthier Communities |
| Corporate Priority: | Enable an Inclusive Economy; Support Thriving Communities; Pursue a Zero Carbon Oxford |
| Policy Framework: | Council Strategy 2020-24 |
| Recommendation: That the Cabinet states whether it agrees or disagrees with the recommendations in the body of this report. | |

| Appendices | |
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| Appendix A | Draft Cabinet response to recommendations of the Scrutiny Committee |

Introduction and overview

1. The Scrutiny Committee met on 04 March 2024 to consider a report concerning a Request for Exceptional Circumstances Relief from the Community Infrastructure Levy (CIL). The report, which is due for Cabinet consideration on 13 March 2024, recommends that Cabinet approves the award of Discretionary Exceptional Circumstances Relief for CIL on the BMW Mini Plant and delegates authority to the Head of Planning & Regulatory Services to make any necessary minor corrections not materially affecting the report and to send the recommended outcome in writing to the claimant, as required by Regulation 57(7) of the CIL Regulations (as amended).

2. The Committee would like to thank David Butler (Head of Planning & Regulatory Services), Lorraine Freeman (CIL, Data Analysis and Reporting Team Leader) and Lan Nguyen (Senior Data Analyst) for attending the meeting to answer questions.

Summary and recommendations

3. David Butler, Head of Planning & Regulatory Services introduced the report, which provided the background to substantial upgrades to the existing BMW Cowley plant proposed under planning application 23/02166/FUL which was approved in December 2023 and set out the rationale for the recommendation to award Discretionary Exceptional Circumstances Relief (DECR) for the Community Infrastructure Levy (CIL) charge on the development.
4. The Committee asked a range of questions, including questions relating to the value of the proposed CIL exemption compared to the overall value of the project; the valuation judgement; the weight afforded to the environmental impact of electric vehicles being made in Oxford versus elsewhere; the likelihood of BMW pursuing the project if the Council did not grant a CIL exemption; subsidies; whether the Council was working with BMW in relation to investment in public electric vehicle infrastructure; similar CIL relief granted by other local authorities; legal risk in relation to equality of treatment of other local employers in relation to CIL exemption; and the positive impacts of the proposed development on the local and regional economy.
5. In particular, the Committee noted that the value of the proposed CIL exemption (£832,421) compared to the overall value of the project was insignificant, amounting to less than 0.1% of the total project cost. As such, the Committee was of the view that whether or not the CIL exemption was granted by the Cabinet would have very little bearing on whether or not BMW chose to pursue the already unviable project. The Committee agreed that the Cabinet should have regard to this fact in reaching its decision.

Recommendation 1: That the Cabinet, in the making of its decision, has regard to the relative insignificance of the value of the proposed CIL exemption compared to the overall project viability gap and thus the limited impact that the CIL exemption, if agreed, would have on influencing and/or changing the behaviour or intentions of BMW.

6. In addition, the Committee discussed the availability of other subsidies provided by other organisations (e.g. Central Government) and agreed that the Cabinet should have regard to this during consideration of whether or not to grant the CIL exemption, as other subsidies were available external to the Council.

Recommendation 2: That the Cabinet, in the making of its decision, has regard to the existence of other entities that are able to provide subsidies of a similar scale, in particular Central Government.

7. The Committee noted that, if the CIL exemption was agreed, there would be no funding from the development provided through CIL to mitigate the impact of the development. The Committee agreed that should the CIL exemption be granted,

the Council should ask BMW to provide a statement as to how it would mitigate the impact of the development without the use of CIL, given that it would be a significant development.

Recommendation 3: That the Council, should the CIL exemption be approved by Cabinet, asks BMW to provide a statement setting out how it will mitigate the impact of the development without the use of CIL monies.

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