

SOUTH OXFORDSHIRE DISTRICT COUNCIL COMMUNITY INFRASTRUCTURE LEVY CHARGING SCHEDULE¹

Examiners Main Issues and Questions (MIQs)

15 June 2015

Issue 1 – Legal and procedural matters

- a) Does the Charging Schedule comply with the procedural requirements of the 2008 Planning Act and the 2010 Regulations as amended?

Issue 2 – Is the Charging Schedule supported by appropriate available evidence on infrastructure requirements?

- a) Does the Infrastructure Delivery Plan (February 2015) clearly identify the infrastructure needed to support future growth in the district up to 2027?
- b) What is the total cost of infrastructure needed to support development on each of the three strategic sites (Didcot North-East, Ladygrove East site and Wallingford site B)? What is the funding gap for these strategic sites?
- c) How have infrastructure costs been apportioned between South Oxfordshire District Council and the Vale of White Horse District Council, in relation to those infrastructure items that are cross boundary or affect both authority areas?
- d) What contribution is it anticipated that CIL would make towards bridging the funding gap, taking account of potential receipts from residential, office and retail development?
- e) Does the submitted evidence clearly explain how planning obligations would operate alongside a new CIL regime in South Oxfordshire?

¹ The basis for the Examination is the Draft Charging Schedule, published for consultation between 26 February 2015 and 26 March 2015, along with the Statement of Modifications published for a 4 week period of consultation on 8 May 2015.

Issue 3 – Residential rates: Is the Charging Schedule supported by appropriate available evidence on viability?

- a) Do the residential site typologies tested in the viability evidence adequately reflect the type, density and size of schemes likely to come forward in South Oxfordshire? Has sufficient testing been undertaken of strategic sites?
- b) What account has been taken of new Government policy² which states that affordable housing and tariff-style obligations should not be sought on sites of 10 or less units? What are the implications for the South Oxfordshire Charging Schedule and the accompanying evidence base, including the Viability Assessment?
- c) In relation to residential development, have reasonable assumptions been made in relation to other factors affecting viability of development and up to date evidence used? Including:
 - Sale prices
 - Site coverage and density
 - Build costs – including; costs associated with the provision of garages; whether costs should vary by size/type of scheme; whether data is up to date.
 - Affordable housing
 - Residual S.106/S.278 costs – including; the suitability of the costs used in the appraisal work; historical evidence underpinning the assumptions; the timing of Section 106 payments in the cashflow.
 - Fees and promotion costs – including; a breakdown of the fees which have been included in the appraisals.
 - Developer's profit
 - Benchmark land values – including; evidence on how these figures have been produced.
- d) The residential viability work incorporates assumptions regarding the phasing of CIL payments. What are the implications of this approach for overall scheme viability? Are the Council able to demonstrate, through sensitivity testing, what impact alternative phasing (including no phasing of payments) would have on overall scheme viability?
- e) The Council has indicated that the Viability Study (February 2015) includes updated appraisals of retirement housing. What changes have been made to the appraisal inputs, and how do the results differ from those in the Viability Study (October 2014)? Are there any other differences between the two documents?

² Ministerial Statement dated 28 November 2014, and updated text in the Planning Practice Guidance.

Issue 4 – Residential rates: Are the proposed charging rates informed by and consistent with the evidence? Would the proposed charging rates put the overall development of the area at risk?

- a) Are residential uses clearly defined in the table in the Charging Schedule, avoiding duplication?
- b) Are the proposed £150 psm³ and £85 psm CIL charging rates for residential development and the geographical areas justified by the appropriate available evidence and reasonable?
- c) Will the residential charging rates apply to student accommodation? If so, is this charge justified by the evidence and reasonable?
- d) Is the nil CIL rate for residential development on the three strategic sites justified by the viability evidence and reasonable?
- e) Should a nil CIL rate also apply generically to all strategic sites, say of 500 or more dwellings, which come forward in the district? If not, how does the Council propose to deal with other large strategic sites which come forward, including those highlighted in the Council's emerging Local Plan 2031?
- f) Are the other nil CIL rates for residential development justified by the viability evidence and reasonable?
- g) What are the viability buffers associated with the CIL residential charges? (where the buffer is measured as the difference between the maximum CIL rate that could be levied, and the CIL rate proposed, in percentage terms)
- h) Are the buffers sufficient to allow viable residential development across the district? What is the Council's latest housing trajectory over the Plan period, and would the CIL charges affect delivery of the planned housing provision?
- i) What are the implications of the proposed CIL charges for cross-border strategic sites, in terms of development and infrastructure deliverability?

³ Per square metre

Issue 5 – Office rates: Is the Charging Schedule supported by appropriate available evidence on viability? Are the proposed charging rates informed by and consistent with the evidence? Would the charging rates put the delivery of office development in the area at risk?

- a) In relation to office development, have reasonable assumptions been made in relation to factors affecting viability of development and up to date evidence used? Including:
- Rental income
 - Build costs
 - Fees
 - Residual S.106 costings
 - Profit levels
 - Current use value
- b) Is the CIL charge of £35 psm for office development (including research and development) justified by the evidence and reasonable?
- c) What is the overall viability buffer associated with office development? (where the buffer is measured as the difference between the maximum CIL rate that could be levied, and the CIL rate proposed, in percentage terms)
- d) Would the office CIL charge affect the delivery of office development and/or mixed use commercial schemes in the district? Would there be any particular implications for the delivery of cross-border sites?

Issue 6 – Retail rates: Is the Charging Schedule supported by appropriate available evidence on viability? Are the proposed charging rates informed by and consistent with the evidence? Would the charging rates put the delivery of retail development in the area at risk?

- a) In relation to retail development, have reasonable assumptions been made in relation to factors affecting viability of development and up to date evidence used? Including:
- Rental income
 - Build costs
 - Fees
 - Residual S.106 costs
 - Contingencies
 - Profit levels
 - Current use value
- b) Are the definitions of 'supermarkets, superstores and retail warehouses' and 'small centre retail' sufficiently clear?

- c) Is the CIL charge of £70 psm for supermarkets, superstores and retail warehouses justified by the evidence and reasonable?
- d) Is the nil CIL charge for small centre retail justified by the evidence and reasonable?
- e) What are the overall viability buffers associated with retail development? (where the buffer is measured as the difference between the maximum CIL rate that could be levied, and the CIL rate proposed, in percentage terms)
- f) Would the CIL charge for supermarkets, superstores and retail warehouses affect the delivery of these uses in the district?

Issue 7 – Other rates

- a) Are the proposed nil CIL charging rates for hotels and 'other uses' justified by the evidence and reasonable?