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10th September 2024

Submitted by email planning.consultation@westoxon.gov.uk

Dear Sir or Madam,

Re: West Oxfordshire District Council Community Infrastructure Levy Draft Charging Schedule June 2024 Consultation

Introduction:

We write in collaboration with local landowners in relation to land interests within the village of Ducklington.

Victoria Land are actively promoting land in Ducklington for residential development and details have been submitted to West Oxfordshire for consideration as part of their call for sites exercise. The introduction of CIL would impact proposals and this submission sets out our concerns with the draft charging schedule.

Residential Uses:

The charging schedule has changed since the last draft in March 2020, which differentiated between size of site and their locations. Presumably the drawbacks of this approach have resulted in the new approach within the current draft, now published for consultation. The main difference is that for residential sites with 11 or more homes, the previously proposed rates ranged from £100/sqm to £150/sqm. This has now risen significantly to a single rate of £225/sqm, with little justification for the large increase in rates. We feel that the current approach is flawed and important factors have not been considered.

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Charging rates are split between the following types of sites:

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.

We disagree with the level of the rates being set and as illustrated above there is no justification for the increase up to £225/sqm. It is widely accepted that build costs have significantly risen since 2020. At paragraph 2.1.7 of the Dixon Searle report they refer to build cost price surges in 2021 and 2022 with an increase of 8.7% in 2023. In addition, planning application fees have increased and the level information required for residential applications to be validated has also risen, with the introduction of new assessments for consideration. Furthermore, Dixon Searle also acknowledge that average sales prices over the 12 months to October 2023 decreased in England by 1.4% and that they see prices remaining flat or possibly falling slightly (paragraph 2.1.14). It is therefore, difficult to justify such a large increase in CIL rates since the proposals in 2020.

We also disagree with charging being split as proposed above;

The sliding scale of CIL rates appears to indicate a hierarchy of sites expected and preferred to deliver new housing, with the priority given to strategic sites, that are nil rated compared to Green Field sites (GF)

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having the highest rate at £225/sqm. Due to ongoing failure to deliver a 5 year housing land supply and a failure to deliver the strategic sites (see below) GF sites have potential to be an important supply of housing across the district. However, with the highest CIL rate viability and thus deliverability could be impacted.

This also seems to be contrary to policy H2, which allows the delivery of undeveloped sites to come forwards if certain criteria are met. Policy H2 permits the development of both previously developed land (PDL) and GF sites. GF sites should therefore not be compromised by unviable CIL rates.

The schedule states that rates for PDL land are less due to additional costs to bring such sites forwards. This generic assumption used to assess viability as part of the evidence base ignores the costs involved to bring forwards GF sites. Costs to deliver GF sites are different to those anticipated for PDL sites, but are equally as valid. It is likely that GF sites will deliver a greater proportion of affordable housing compared to PDL as this is often offset by high EUV's. Furthermore, GF sites often deliver local infrastructure specific to the site and its locality and it is incorrect to generalize that all GF sites have fewer development costs than PDL sites.

The new draft also ignores the fact that current planning policy requires the delivery of varying levels of affordable housing, depending on a site's location within the district. Therefore, not all GF sites can be treated equally.

The evidence base does not recognize that the burden to provide onsite biodiversity is greater for small sites. It is often difficult to provide 10% net gain on site, necessitating the requirement to provide additional land or financial contributions.

There is not sufficient justification for the discount for flatted only schemes, which are not considered PDL and must therefore be GF sites. Setting such a low rate will encourage the development of flatted schemes on GF sites. A low rate suggests West Oxfordshire has a specific demand for flatted schemes, which they want to attract through a discounted CIL rate. This does not appear to be evidenced anywhere. The West Oxfordshire 2011 Housing Needs Assessment is cited within the current Local Plan, which identifies a need for 2 and 3 bedroom homes and a balanced mix of housing types (paragraphs 5.75 & 5.78 of the Local Plan 2031). Given the equal need for flats and houses on sites not previously developed, we suggest all GF sites have a rate of £25/sqm.

Strategic Sites are Nil rated. The delivery of the Local Plan's housing strategy relies primarily on these strategic sites. Whilst it is acknowledged that these sites have other infrastructure obligations to be delivered, if other sites are not expected deliver significant levels of housing, little CIL will be generated and other infrastructure projects across the district will be neglected. This therefore, raises the question as to whether the introduction of CIL is actually necessary. If the main sources of housing are not expected to contribute and are already providing necessary infrastructure, why is CIL required?

In addition to the above, and in comparison with the 2020 schedule specialist housing for the elderly has been ignored. Despite consideration of specialist housing within the evidence base, there is no reference within the charging schedule, whether within classes C2 or C3. It is assumed that C2 uses would be

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considered non-residential development and therefore nil rated as per the table at paragraph 3.5. However, sheltered housing, usually C3 use class may also require supporting infrastructure and the costs and viability assumptions of these sites are very specific due to funding sources and sales rates, among other considerations. Therefore, specific consideration should be given to specialist housing.

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It is considered that the introduction of CIL by the end of 2024 is too early given the position of the current Local Plan and proposed changes to the NPPF which will need to be considered.

The current Local Plan is now out of date and the emerging Local Plan has only reached Reg 18, with a further Reg 18 consultation proposed for October 2024. Should future local plan policies introduce new requirements that have an impact on the viability of residential development, these would need to be considered as part of the calculation of CIL rates. For example additional regulations to achieve carbon neutral development. It would therefore be sensible to wait for the new Local Plan before setting CIL rates.

As set out above, the proposed Charging Schedule sets a Nil rate for Strategic sites. West Oxfordshire are currently unable to deliver a 5 year land supply, and West Oxfordshire agreed with this position at appeal in July 2024 (ref APP/D3125/W/23/3333790). Part of the reason for the undersupply is the reliance on the strategic sites to deliver the majority of the housing supply for the plan period. As these sites are not currently being delivered, the growth strategy of the plan is failing.

Given the above failure of the current local plan to deliver strategic housing sites, GF sites have the potential to contribute to the supply of sustainable housing as part of the strategy for the emerging Local plan. It is also worth bearing in mind, that as part of the current NPPF review, the government have set new mandatory housing targets. West Oxfordshire have a requirement to deliver an additional 340 homes per annum (in addition to their standard method calculated supply of 549 homes pa), plus any unmet need from Oxfordshire City. Presumably to meet this level of supply additional sites will need to be considered for allocation, particularly when considering current under supply. A call for sites exercise was undertaken as part of the Local Plan process and the results of this are yet to be published. Should some GF sites be required through allocation to deliver housing numbers (plus enabling infrastructure), it is crucial that the CIL rates applied to GF sites do not prevent their delivery due to viability. Until the growth strategy of the new Local Plan is published, it is too early to set CIL rates.

As part of the NPPF review currently under consultation until 24th September 2024, the government have proposed to remove the need to provide First Homes. In addition there is also an emphasis on social rented homes when considering rented tenures for affordable housing. Whilst proposals are not yet adopted, the Ministerial Statement is a material consideration. The CIL rates have been based on viability assumptions including First Homes and a different mix of affordable housing rented tenures, which may now be incorrect. Given the new NPPF is expected to be adopted before the end of 2024 it would seem sensible to wait for this before progressing with the introduction of CIL.

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Conclusion

We do not think that it is an appropriate time to consider a new CIL charge as emerging local and national policy changes could have significant implications for the way CIL should be calculated and thus impact the viability and deliverability of new sites. In addition, we disagree with a sliding scale of rates that appears to penalize GF sites, which have the potential to make a significant contribution to the supply of housing, which is currently failing under the current local plan policies. In a climate of continued under delivery of housing supply, plus the failure to deliver strategic sites the viability of GF sites should not be compromised.

The most significant housing supply is expected to be delivered through the strategic sites. As these sites are nil rated, there is little justification for charging CIL at all. Rather than capturing contributions from deliverable sites, CIL appears to have been set to prioritize certain types of sites and dissuade others. However, this is contrary to current local plan policies.

We would urge West Oxfordshire to consider whether CIL is required and if it is, to ensure that it is fully in line with local and national policy objectives, particularly the delivery of 889 homes per annum.