

# Bladon Parish Council



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## Community Infrastructure Levy (CIL) Draft Charging Schedule Consultation Response

Bladon Parish Council (BPC) welcomes the opportunity to provide comments on the Community Infrastructure Levy Draft Charging Schedule.

### Summary

Although Bladon Parish is unlikely to have development in the future due to various constraints in the Parish, such as a large portion of the Parish being in the Green Belt, the effect of the proposed CIL process may still be felt by the residents of Bladon.

Bladon residents rely upon many services in neighbouring towns such as secondary schooling, health, leisure and libraries. Also, due to its location on the A4095, it is affected by the increase in traffic generated from developments in the area and would benefit from several of the planned strategic highway improvements.

Due to the way that CIL operates there is a risk that the services that need to be improved to mitigate the increase in population, such as school provision or planned highway improvements, will not receive adequate funding.

This is a possibility due to various reasons such as:

- CIL is unlikely to generate as much funding as the current S106 process.
- Up to 5% of any CIL received is not available for infrastructure as it can be taken for administration.
- Unlike S106 which secures the contribution to specific services in specific geographical areas, CIL spending does not need to be directly related to the development paying CIL and there are no restrictions on what it is spent on as long as it supports the development of the area.
- Although the responsibilities for delivering most of the infrastructure needs of the area, including schools, highways/transport and health care, lay with other public bodies such as OCC and the NHS, WODC will be responsible for deciding which projects will receive CIL funds and may decide not to support funding requests from these other bodies.
- There are many service areas identified in the WODC Infrastructure Delivery Plan (IDP) that have never been requested under the S106 process but can now access CIL which means there will be more competition for funding.

BPC is also concerned that due to the way that CIL operates there is a high chance that towns/parishes will no longer benefit from any funds received from developments in their area as WODC may decide to use these CIL payments on other projects elsewhere in the district rather than on recreation and sports facilities, community buildings and bus infrastructure that are located in the town/parish.

This means that towns/parishes will have to accept developments knowing that the town/parish may not receive any mitigation for the impact these developments will have on their facilities.

More detailed comments are provided on the following pages.

**Detailed Comments**

Most of the areas covered by the consultation are regarding how WODC will apply the rules already provided by central government via the CIL regulations and as such BPC does not feel that there is any need to comment on these areas.

These areas are: which developments are liable to pay CIL; which types will not be liable/exempted from paying; how CIL will be calculated, charged and collected.

The area that BPC would like to provide more detailed comments on is the CIL rate and its impact on available funding.

**CIL Rate**

BPC understands that the CIL Rate is based on a viability assessment. BPC cannot comment on the viability assessment, but it does appear that the rate of £225 benefits the larger developers who tend to build larger/strategic developments and penalises the smaller developers who tend to build the smaller developments.

Using the following national housing standards (taken from WODC CIL Viability Assessment June 2020) the CIL chargeable for each dwelling would be:

1-bed/apartment 50sqm	= £11,250
2-bed house 75sqm	= £16,875
3-bed house 90sqm	= £20,250
4-bed house 130sqm	= £29,250

When taking both OCC and WODC contributions into account (excluding any benefits in kind) the figures above are lower than the average S106 contributions from many major/strategic sites.

In contrast, these figures will be higher than those currently paid by smaller developments and will be a completely new cost for any development of under 10 dwellings. The reason smaller developments tend to pay less S106 is due to their location and that there is normally capacity in the local infrastructure which means that S106 contributions cannot be justified.

There is a concern that these increased costs on the smaller developments, which currently do not pay on average as much per dwelling, will be passed on to the purchasers and will increase the housing prices even more in an area with already high and unaffordable house prices.

Also, this increase in cost to small developers may delay or stop these smaller development sites from being built, which could in turn also affect house prices as it is a matter of supply and demand.

Another issue with CIL is that it is not chargeable for the affordable housing that is built as part of a development, which is another benefit for the larger developers.

For larger developers, this means they will end up paying less than they do now under the S106 process. This is because S106 is currently calculated/applied to all dwellings built on the development and by CIL excluding affordable housing then the larger developers will now only be charged for 50-60% of the dwellings built.

To illustrate the comments above about major/strategic sites paying less toward infrastructure, an example of how much CIL would be requested vs actual secured S106 has been given in Appendix A.

This example shows that a site in Long Hanborough providing 150 dwellings including 50% earmarked as affordable housing secured £4,463,870 (£29,759.13 per dwelling) in S106 contributions, excluding any benefits in kind. When using the CIL rate proposed and the fact that affordable housing is exempt and 5% is deducted for administration, the amount secured for

infrastructure improvements drops considerably to £1,460,981 (£9,739.87 per dwelling), a difference of £3,002,889.

WODC may be expecting that the additional contributions from smaller sites will offset the reduced contribution from major/strategic development sites, but this may not be the case as there may not be enough small developments to compensate for the loss in revenue from the major/strategic sites.

These points above show that the introduction of CIL is in actuality only a benefit to the large major housebuilders, it will penalise the smaller developers and may not generate as much funding as the current S106 process.

It is also possible that S106 could generate more funding than currently achieved if the items of infrastructure identified as being needed in the Council's Infrastructure Delivery Plan (IDP) such as healthcare, social care and emergency services were included in the funding requests from the relevant public bodies/councils.

### **Spending CIL**

As confirmed under para 2.3, CIL payments go into a general funding pot and under the CIL regulations, these funds can be spent on providing, improving, replacing, operating, or maintaining infrastructure that supports the development of the area.

Not only do the CIL payments go into a general funding pot, but this fund is now open to service areas that did not secure or rarely secured S106 funds in the past; for example, Armed Forces, Criminal Justice, Telecommunications, Water, Healthcare and Emergency Services. This means there will be more competition for funding.

There is no information provided regarding the process for determining how funds will be spent or how WODC will work with others to agree on priorities for spending the CIL funds. This is an important issue as most of the infrastructure needed for development is delivered by other public bodies such as the County Council and NHS.

Although the flexibility under CIL may appear to be a benefit, it does mean that there is a high risk that towns/parishes may not receive adequate funding to improve facilities in their town/village as the only requirement under the CIL regulations is for the District to pass on to town/parish councils 15%, capped at £100 per council tax dwelling for parishes with no local plan, of the CIL received from developments in the parish.

### **CIL Cap**

The example in Appendix A shows that due to the cap Long Hanborough would have only received £155,000 in CIL compared to £468,500 in S106 funding for just the Long Hub and Outdoor Pitch infrastructure and does not include the other contributions.

BPC would like to comment that the information provided in paragraph 6.4 is not clear regarding how much CIL can be passed over to towns/parishes. For example, it does not refer to the cap being based on the number of council tax dwellings in the town/parish or what happens if multiple developments pay in the same year and the cap is triggered.

After reviewing the regulations and other information available online, it is clear that the capped number of dwellings is to be based on the total number of council-taxed dwellings in the parish. This is not clear in the wording of "capped at £100 per dwelling". Capped per dwelling could refer to the dwellings paying the CIL liability rather than the total number of dwellings in the town/parish.

It is not clear how the 15%/£100 per-year cap works if more than one development is taking place concurrently in a town/parish.

A simple example would be that the town/parish with 1,500 existing properties is expecting 2 planned developments, with one due in the summer of year X and the other at the beginning of year Y. If these developments took place as planned, then the town/parish could expect each development to generate the 15%/£100 capped amount of £150,000 and would receive £300,000 over the 2 years. BPC is concerned that, in this example, if the timing of these developments moves so that they both occur in the same year, the cap would be triggered and the town/parish would only receive £150,000 unless, under the regulations, they are able to roll forward the surplus to the following years.

This risk does not exist under the S106 process as contributions are normally ringfenced to specific types of infrastructure serving the development or in the vicinity of the development.

Under CIL, towns/parishes may have to accept development without any mitigating benefits for the community.

**APPENDIX A****Development Details**

**Site** - Land North of Witney Road Long Hanborough 22/01330/OUT

**Development** – 150 dwellings with an assumed development mix of – 19x1 bed, 51x2 bed, 57x3 bed and 23x4 bed & larger and assumed affordable housing mix – 19x1 bed, 30 x 2 bed, 13 x 3 bed and 13 x 4 bed & larger. This is based on the tenure mix in the signed S106 and OCC response.

**Contributions secured** – Please note that these contributions have not been adjusted for indexation and do not include benefits in kind such as land or s278 works.

**S106 Contributions Secured****WODC Contributions**

No ability to request more depending on mix	
Long Hanborough Hub	£200,000
NHS	£129,600
Outdoor Pitch	£268,500
Public Art	£ 15,750
Sports Hall	£ 65,165
Swimming Pool	£ 71,935

**OCC Contributions**

Ability request more if mix changes	
Early Years	£ 188,780
Primary	£ 1,500,180
Secondary	£ 1,163,295
Secondary Land	£ 116,655
SEND	£ 80,767
Waste	£ 14,094
Highway	£ 434,829
Public Trans Infra	£ 18,712
Public Trans Serv	£ 169,950
Rights of Way	£ 25,000
Travel Plan	£ 1,558

**TOTAL** **£750,050**

**TOTAL** **£3,713,820**

**TOTAL S106 for infrastructure £4,463,870 or average of £29,759.13 per dwelling (Total/150)**

**Possible CIL Calculation****CIL Rate per Dwelling**

Using the minimum size required by National Housing standards CIL per dwelling would be:

1-bed/apartment 50sqm x £225	= £11,250
2-bed house 75sqm x £225	= £16,875
3-bed house 90sqm x £225	= £20,250
4-bed house 130sqm x £225	= £29,250

**Housing Mix**

Size	Affordable	Market	Total
1-bed/apartment	19	0	19
2-bed house	30	21	51
3-bed house	13	44	57
4-bed house	13	10	23
<b>Totals</b>	<b>75</b>	<b>75</b>	<b>150</b>

**CIL Chargeable**

1-bed/apartment	£11,250 x 0 = £	0
2-bed house	£16,875 x 21 = £	354,375
3-bed house	£20,250 x 44 = £	891,000
4-bed house	£29,250 x 10 = £	292,500

**Total before admin fee = £ 1,537,875**

Less 5% admin fee of = £ 76,894

**Total CIL for infrastructure = £ 1,460,981 or average of £9,739.87 per dwelling (Total/150)**

CIL to be passed to Parish Council is approx. £155,000.

This is a capped amount as 15% is £230,681 and Long Hanborough has just over 1,550 taxable properties.