



Planning Policy Team  
Oxford City Council  
Town Hall  
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5 January 2024

Dear Sir/Madam

## **PROPOSED SUBMISSION DRAFT (REGULATION 19): OXFORD LOCAL PLAN 2040 – REPRESENTATIONS OBO ADVANCED RESEARCH CLUSTERS**

On behalf of our client, Advanced Research Clusters (**'ARC'**), please find enclosed representations made to Oxford City Council (**'the Council'**) in respect of its current Regulation 19 consultation on the Proposed Submission Draft of the Oxford Local Plan 2040 (**'draft Local Plan'**).

### **ARC and ARC Oxford**

Advanced Research Clusters is Europe's leading network of science and innovation clusters. Operating at the cutting edge of major knowledge economies, it supports businesses in the science and technology sector by creating the best possible environments for innovation, allowing them to thrive and make a difference in the world.

ARC is majority landowner at ARC Oxford, an established employment site extending to some 88 acres in the Cowley area of Oxford. Backed by investors Brookfield, it has established a Vision to transform ARC Oxford (formerly Oxford Business Park) into an Innovation Campus, utilising its expertise to cater demand for much-needed laboratory-enabled office space being fostered by Oxfordshire's unique ecosystem.

ARC is currently bringing forward several applications that will deliver (re)development of existing land to provide this space, alongside structural changes to the layout of the site and the way it is experienced.

### **'Soundness'**

As the Council considers it is in a position to submit the draft Local Plan for Examination, it is necessary to analyse whether the content of the Local Plan can be considered 'sound'. Paragraph 35 of the NPPF considers plans are sound if they are:

- a) **Positively prepared** – providing a strategy which, as a minimum, seeks to meet the area's objectively assessed needs;
- b) **Justified** – an appropriate strategy, taking into account the reasonable alternatives, and based on proportionate evidence;

- c) **Effective** – deliverable over the plan period;
- d) **Consistent with national policy** – enabling the delivery of sustainable development in accordance with the policies of the NPPF and other statements of national policy, where relevant.

Whilst welcoming ARC Oxford’s continued identification as a Category 1 employment site and potential within the Cowley Branch Line and Littlemore Area of Focus, ARC considers several policies **cannot** be found sound as currently drafted for the reasons provided below.

### **DRAFT POLICY S3: INFRASTRUCTURE DELIVERY IN NEW DEVELOPMENT**

Whilst ARC recognise the need for contributions to support the delivery of infrastructure alongside new development where relevant, it **does not** consider Draft Policy S3 is ‘sound’ as it is currently drafted.

This policy sets out the expectation that developers and key stakeholders will ensure that the infrastructure necessary to support development comes forward, including the provision of S.106 contributions and payment of the Community Infrastructure Levy.

The following extract is included within the policy wording:

*“Enhancements to public transport accessibility in the south east of the city are needed to support the anticipated intensification of existing employment uses and new residential development. Supporting existing public transport and the reopening of the CBL to passengers would enable a reduction in car use to this area. Financial contributions from new trip-generating development within a 1,500m buffer zones of the proposed CBL stations will be expected in order to achieve public transport enhancements in this area, including, amongst other sustainable transport measures, the delivery of the CBL”*

Paragraph 57 of the NPPF states planning obligations must only be sought where they meet all of the following tests, as set out in Regulation 122(2) of the Community Infrastructure Levy Regulations 2010:

- a) necessary to make the development acceptable in planning terms;
- b) directly related to the development; and
- c) fairly and reasonably related in scale and kind to the development.

ARC is a major stakeholder in supporting the business case for the re-opening of the Cowley Branch Line (CBL) and has already provided significant upfront financial contributions to support the project to date. It considers this form a material consideration in the level of any further contribution that is made towards the CBL as part of forthcoming development at ARC Oxford – ensuring that the policy can be applied in accordance with Paragraph 57 of the NPPF and therefore be consistent with national policy is required by Paragraph 35(d).

Accordingly, ARC would invite this to be made clear in the text of supporting paragraphs in the draft Local Plan (either within this policy or its site-specific allocation, Draft Policy SPS1) or through the insertion of the following to the above extract:

*“Enhancements to public transport accessibility in the south east of the city are needed to support the anticipated intensification of existing employment uses and new residential development. Supporting existing public transport and the reopening of the CBL to passengers would enable a reduction in car use to this area. Financial contributions from new trip-generating development within a 1,500m buffer zones of the proposed CBL stations will be expected in order to achieve public transport enhancements in this area, including, amongst other sustainable transport measures, the delivery of the CBL. **These will be tested in accordance with Paragraph 57 of the NPPF.**”*

It should be noted that ARC has also made representations to the Council's consultation on a draft CIL Charging Schedule (Partial Review), where it raises significant concerns regarding the proposed five-fold increase in the Levy for office and R&D developments. These have been submitted separately but are appended at **Appendix A** to these representations.

### **DRAFT POLICY E1: EMPLOYMENT STRATEGY**

Whilst ARC supports the strategy established by Draft Policy E1, as currently drafted, ARC **does not** consider the policy can be found 'sound'.

Firstly, the policy text contains the following extracts within its wording:

*"All new development on employment sites needs to show that it is making the best and most efficient use of land and premises and positively promotes sustainable development through the upgrading and re-use of existing buildings and does not cause unacceptable environmental impacts" (our emphasis)*

*"Re-development of brownfield Category 1, 2 and Category 3 employment sites in the city and district centres, with new buildings, must use sustainable methods of construction and materials and be operationally energy efficient."*

Paragraph 16 of the NPPF states Local Plans should (inter alia): d) contain policies that are clearly written and unambiguous; and f) serve a clear purpose, avoiding unnecessary duplication of policies that apply to a particular area.

Notwithstanding its views on these policies discussed further below, ARC considers the above excerpts result in unnecessary duplication of the requirements of Draft Policy R1-R3, whose wording and requirements would already deliver these requirements. Accordingly, the policy as drafted is currently not consistent with national policy as is required by Paragraph 35(d).

To make this sound, we consider the first extract above should be amended as follows, with the second deleted in its entirety:

*All new development on employment sites needs to show that it is making the best and most efficient use of land and premises, and positively promotes sustainable development through the upgrading and re-use of existing buildings and does not cause unacceptable environmental impacts*

Secondly, supporting paragraph 3.8 makes reference to the '2023 Employment Land Needs (ELNA) Update Report' calculated by Lichfields, in which it is concluded an employment space need of 269,000 – 348,000sqm has been identified. However, this looks to be an incorrect reference, which instead should be made to the 'Housing and Economic Needs Assessment – Cherwell District and Oxford City Council's – Final Report (December 2022)' in addition to the 'Errata Note (June 2023)' published by Icen. This requires rectifying to ensure policy is considered justified and clear in accordance with the tests of Paragraph 35(b) and (d).

### **DRAFT POLICY E3: AFFORDABLE WORKSPACE STRATEGY**

ARC **does not** consider Draft Policy E3 is sound.

This policy stipulates that select employment sites (including ARC Oxford) will be expected to deliver affordable workspace as part of forthcoming development. The proportion of affordable workspace is not defined numerically by the draft Local Plan and is therefore assumed to be applied on a case-by-case basis. This is to

be defined by an affordable workspace strategy that would set out details of the size, marketing, servicing and management of such spaces within any proposals.

ARC consider such a bespoke requirement for ARC Oxford has not been justified, nor proven to be effective/deliverable – as is required by Paragraph 35(b) and Paragraph 35(c).

The basis of this policy appears to have been largely based on average commercial rates in the city centre (see supporting paragraph 3.19). However, ARC Oxford is an out-of-centre employment site with comparatively lower rates to city centre locations. This is evidenced in Table 4.15.1 of the Council's 'Local Plan Viability Assessment (June 2023)' prepared by BNP Paribas.

Whilst the policy allows flexibility in defining a proportion of affordable workspace based on an affordable workspace strategy, the Local Plan Viability Assessment has nevertheless undertaken an appraisal of sample office/R&D schemes – applying 10% of affordable workspace at 25% and 50% discounts of market rate. In all scenarios, this was proven to generate negative residual land values in out-of-centre locations. This leads BNP Paribas to conclude at paragraph 6.32 that office/R&D developments in these out-of-centre locations “are therefore unlikely to come forward”. It is noted that City Centre sites were proven, by contrast, to maintain positive residual land values.

Accordingly, ARC suggest that the bespoke requirement for ARC Oxford as an out-of-centre site to provide affordable workspace should be removed from the policy to make it sound. A more appropriate approach would be to encourage consideration of this within the production of Community Employment and Procurement Plans, where relevant and as required by Draft Policy E4. Indeed, the stipulation to consider affordable workspace is already included. Within Draft Policy E4, a Community Employment and Procurement Plan could consider affordable workspace as part of wider package of social benefits that could be delivered, tailored to the local area.

## **DRAFT POLICY E4: COMMUNITY EMPLOYMENT AND PROCUREMENT PLANS**

ARC **does not** consider Draft Policy E4 is sound.

Draft Policy E4 states that planning permission will only be granted for proposals over 1,000sqm of non-residential floorspace where they are supported by a Community Employment and Procurement Plan (CEPP).

The below text is taken from the policy wording:

*“The CEPP must identify the opportunities that will be provided by the development to support the inclusive economy, demonstrate the social value of the proposals and set out how they will be promoted and delivered. CEPPs will be expected to address all the following criteria:*

- a) *Securing construction jobs for local residents;*
- b) *Providing construction apprenticeships and/ or training opportunities for local residents;*
- c) *Linking with local schools and colleges;*
- d) *Securing jobs in the operational/ end-user phase for local residents;*
- e) *Procuring a proportion of on-going supply chain needs locally;*
- f) *Paying all employees (other than apprentices) the Oxford Living Wage;*
- g) *Only using contractors who commit to paying the Oxford Living Wage or other social clauses appropriate to the development*
- h) *Procuring a proportion of construction materials locally; and*
- i) *Delivery of affordable workspaces.”*

ARC consider the requirement to provide all of part a) to i) as suggested in the emphasised clause above poses a risk to the deliverability of projects with very stringent requirements at cost. This therefore brings into question the effectiveness of the policy, contrary to the soundness test of Paragraph 35c).

Whilst it does not disagree with the principle of CEPPs, ARC suggest that the policy wording be amended as follows to highlight that clause a) to i) might form part of a package of interventions surfacing from proposals, allowing a more tailored response to the circumstances of each case:

~~“CEPPs will be expected to address~~ **should consider all the following interventions:**

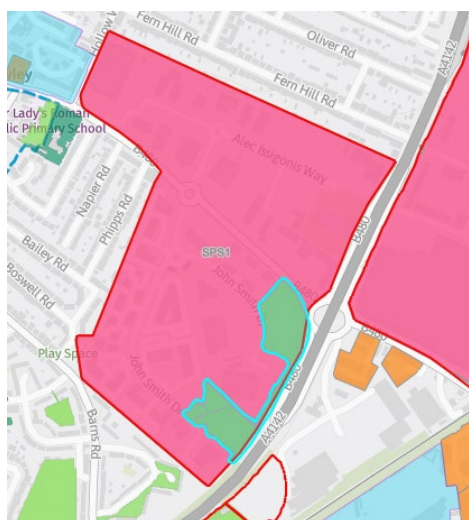
**POLICY G1: PROTECTION OF GREEN INFRASTRUCTURE**

ARC **does not** consider Draft Policy G1 is sound. This has knock on effects for provisions within Draft Policy G3 (Provision of New Green and Blue Features – Urban Greening Factor) and the site allocation at ARC Oxford set out at Draft Policy SPS1.

This policy sets the Council’s ambition to protect the existing network of Green and Blue Infrastructure (GI). This includes the designation of a hierarchy of existing GI spaces, with a policy approach for each level of the hierarchy. The levels include:

- G1A: Core Green and Blue Spaces  
*where planning permission will not be granted for development resulting in any loss or harm to these spaces.*
- G1B: Supporting Green and Blue Spaces  
*where planning permission will not be granted for development resulting in any loss or harm to these spaces – unless it is mitigated by ensuring sufficient re-provision, ideally on site, to the same standard or higher.*
- G1C: All other Green and Blue Spaces  
*where planning permission will only be granted where impacts are mitigated by ensuring sufficient re-provision, ideally on site, to the same standard or higher, or if it can be demonstrated in the application that current provision is surplus to requirements.*

The below extract is taken from the draft Policies Map. This indicates that two undeveloped plots (Plot 2000 and Plot 3000) are identified within the existing GI network at ARC Oxford – classified under G1B.



ARC consider the identification of these sites as forming part of the existing GI network is unsound for two main reasons.

Firstly, these plots form undeveloped land within a Category 1 employment site that is allocated for development within the draft Local Plan (see Policy SPS1). ARC Oxford is recognised as a key contributor to delivering the draft Local Plan's employment needs and it is therefore unreasonable to ascribe a level of protection that would prevent there coming forward, particularly under the requirement to achieve the same standard or higher – which would involve the re-provision of open space. This therefore risks the ability of development to come forward and compliance with Paragraph 35(a), (b) and (c).

Secondly, the draft Local Plan already recognises that the knock-on effect from this designation would be difficult to achieve in combination with the provisions of draft Policy G3 and the need to provide a 0.2 increase above a baseline Urban Greening Factor (UGF) score. This is already recognised in ARC Oxford's site-specific allocation under Draft Policy SPS1, where supporting paragraph 8.66 states the following:

*“Preliminary analysis suggests that the limited presence of green infrastructure features on the site currently means it is likely to score below the minimum thresholds for green surface cover as required by Policy G3. As such, proposals will need to ensure that an appropriate proportion of green features are incorporated into the design of development to meet the minimum targets set out in the policy, demonstrated through submission of the Urban Greening Factor assessment.”*

The above extract is clear recognition that the Council considers its own draft policies involving a combination of Draft Policy G1 and G3 is not deliverable at ARC Oxford. ARC recognise and are seeking to implement an increase to the amount of green and public open space for amenity as part of its Vision for ARC Oxford. However, the policies as drafted are ineffective.

ARC consider this must be rectified by removing the designation of the green space plots as protected green infrastructure. These plots, as well as other undeveloped plots within ARC Oxford, are required to deliver employment land and other policies (such as Draft Policy G3) will help to deliver greening. This removal would also have the fundamental and positive effect of removing the risk of deliverability of this policy highlighted above.

## **POLICY G8: SUSTAINABLE DRAINAGE SYSTEMS (SUDS)**

ARC **does not** consider Draft Policy G8 is sound, as currently drafted.

Within the policy wording is stated the following:

*“SuDS must be designed in a way that incorporates reuse, infiltration, retention or conveyance methods which utilise natural, green and blue infrastructure rather than unnatural, artificial components. Below ground features such as pipe systems or underground attenuation tanks will not be permitted, unless exceptional site conditions justify an alternative approach which has been agreed with the Council. Multi-functionality of SuDS should be maximised in their design, such as where they are incorporated into public open space”*  
(our emphasis)

ARC consider the provision to strongly restrict the use of below ground features is not justified, effective or consistent with national policy – as is required by Paragraph 35(b), (c) and (d) of the NPPF.

In terms of justification, this appears only to have been founded in the desire to promote the wider benefits of above ground features (see supporting paragraph 4.55) – including providing open space for recreation and habitats to support wildlife and biodiversity. Whilst it is recognised the need to promote natural interventions would have wider sustainability benefits, it is considered this should follow a hierarchy instead. This would enable each development to be designed and delivered on a case-by-case basis, taking into account the deliverability of a proposal, whilst achieving the aims of the policy.



Accordingly, we suggest the above extract could be reworded as follows:

*“SuDS ~~must~~ **should** be designed in a way that incorporates reuse, infiltration, retention or conveyance methods which utilise natural, green and blue infrastructure. ~~rather than unnatural, artificial components.~~ Below ground features such as pipe systems or underground attenuation tanks **should only be considered where** ~~will not be permitted, unless~~ exceptional site conditions justify an alternative approach which has been agreed with the Council. Multi-functionality of SuDS should be maximised in their design, such as where they are incorporated into public open space”*

**POLICY R1: NET ZERO BUILDINGS IN OPERATION**

**POLICY R2: EMBODIED CARBON IN THE CONSTRUCTION PROCESS.**

Whilst ARC acknowledges the strategic ambition of the Council through draft Policy R1 and Draft Policy R2, it has **significant reservations** as to whether Draft Policy R1 and R2 are sound as currently drafted.

ARC is concerned that appraisals of various development types undertaken within the Local Plan Viability Assessment have demonstrated that the requirements of these policies (particularly Policy R2) are only achievable where land values are at the upper end. This poses a risk to the deliverability of sites in peripheral locations, such as ARC Oxford and accordingly we are not convinced of their effectiveness/deliverability, as required by Paragraph 35(c) of the NPPF.

**POLICY SPS1: ARC OXFORD**

ARC welcomes the identification of ARC Oxford as a site allocation but has raised concerns regarding the provisions of draft Policy G1 which has knock on effects for the soundness of this policy.

Please refer to our response to Draft Policy G1 above.

**Next Steps**

Overall, ARC consider further work is required to the draft Local Plan in order it to be found sound at Examination. ARC recommend that the Council undertake this work prior to submitting the Local Plan.

If the Council is minded to submit the draft Local Plan as currently drafted, it would like to be notified of any progress – including submission and the potential to participate at Examination.

Yours sincerely,



**James Ellis**  
Senior Planner



**APPENDIX A: REPRESENTATIONS TO DRAFT CIL CHARGING SCHEDULE  
(PARTIAL REVIEW)**



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5 January 2024

Dear Sir/Madam

## **DRAFT CIL CHARGING SCHEDULE (PARTIAL REVIEW) – REPRESENTATIONS OBO ADVANCED RESEARCH CLUSTERS**

On behalf of our client, Advanced Research Clusters (**'ARC'**), please find enclosed representations made to Oxford City Council (**'the Council'**) in respect of its current consultation on a Draft CIL Charging Schedule (Partial Review) (**'the draft Schedule'**).

ARC has reviewed the content of the draft Schedule and supporting evidence base and raises several concerns. This includes the notable five-fold increase in the chargeable levy for 'Class E Business' schemes, which is considered unviable with regard to the out-of-town location of ARC Oxford and other policy requirements being set by the emerging Oxford Local Plan 2040 (**'draft Local Plan'**).

It should be noted that ARC has also made representations to the Council's Regulation 19 consultation on the draft Local Plan, which should be read in conjunction with these representations.

### **Appraisal Assumptions**

The draft Schedule is supported by evidence within the 'Oxford City Council: Local Plan Viability Assessment (July 2023)' (**'LPVA'**) prepared by BNP Paribas. The LPVA assesses the viability of the policies proposed in the draft Local Plan as well as new CIL rates across several development scenarios – including office/R&D development.

The conduction of the appraisals involve utilising cost assumptions for the construction process. Having reviewed this within document, ARC objects to two assumptions made by BNP Paribas in their application of development costs in Section 4.

#### *Development Finance*

Firstly, as detailed at Paragraph 4.27, the LPVA has applied an assumption that development finance can be secured at a rate of 6.5%. However, ARC consider that this assumption is too low. In its recent experience of procuring debt funding for new speculative R&D developments across its portfolio, the combination of the base rate and margin on debt finance has been more in the region of 8.5%.

This represents an increase to the cost of delivering development which should be applied to the appraisals of the proposed CIL rate, as well as the draft Local Plan's provisions.

## *Build Costs*

Secondly, as detailed at Paragraph 4.17 and Table 4.17.1, the LPVA utilises as an estimate of build costs for different development types from RICS' Building Cost Information Service (BCIS). For office and R&D developments, this is assumed to be £2,839/sqm in a 'policy-off' scenario, raising to £3,822/sqm when applying the requirements of a 'policy-on' scenario.

However, based on its own recent experience of pricing new development schemes at ARC Oxford, ARC's view on benchmark pricing is that cost estimates are more in the region of £4,400/sqm. It should be emphasised that this is when applying the 'policy-on' costs of the current Local Plan which contains more stringent requirements than the draft Local Plan. Moreover, these costs are what are expected of a simple 'shell and core' scheme.

Accordingly, appraisals for R&D buildings must be amended/taken into account to reflect these increased costs to assess the implications more accurately of the proposed increase to the 'Class E Business' levy, as well as emerging policy requirements.

## **Lack of Locational Differentiation**

On the evidence provided, ARC is concerned that the application of an increased CIL rate for 'Class E Business, applied at City-wide rate, would render schemes unviable, particularly those in out-of-town locations where rents are lower and major employment sites are typically designated – such as ARC Oxford and other sites like Oxford Science Park.

PPG (Paragraph 022 Reference ID: 25-022-20190901) clarifies that CIL Regulation 13 permits charging authorities to “*apply differential rates in a flexible way [including] in relation to geographical zones within the charging authority's boundary; types of development; and/or scales of development*”. Charging Authorities taking this approach need to ensure that such different rates are justified by a comparative assessment of the economic viability of those categories of development. The above is particularly clear with regard to viability appraisals on Affordable Workspace. BNP Paribas conclude that office/R&D developments providing affordable workspace under all tested scenarios outside the City Centre “*would generate negative residual land values and are therefore unlikely to come forward*” (paragraph 6.32) yet this remains a requirement for ARC Oxford in the emerging Local Plan 2040.

With respect to CIL, the locational impact is also visible in the appraisals undertaken by BNP Paribas as summarised at Table 6.56.1. In these appraisals, for each typology, the benchmark land value was deducted from the residual land value to identify the maximum potential CIL, which was then divided by the gross floorspace to achieve a rate.

In the case of scenarios involving the redevelopment from offices, as well as new development on vacant/greenfield land, the appraisals demonstrate office/R&D development would not begin to justify a higher CIL rate above the current rate until land values reach £7,840. These land values are more akin to those found in the City Centre, rather than out-of-centre locations like ARC Oxford, as demonstrated in Figure 2.16.1.

In any case, ARC is mindful of the conclusion of BNP Paribas in relation to any increase in CIL in the current economic climate (paragraphs 6.59):

*“The immediate economic outlook is relatively uncertain, with upwards pressure on build costs arising from labour shortages, increasing materials pricing caused by supply chain issues, and increased energy prices arising from geo-political issues. At the same time, the outlook for residential markets is less certain due to*

*rising interest rates following the government's 'fiscal event' at the end of September. Revised forecasts published by the major agents now forecast lower cumulative growth over the next five years than was previously the case. In this context, it would appear premature to increase the rates in the adopted charging schedule at the current time, but this could be revisited after the longer term impact of the 'fiscal event' becomes clearer." (our emphasis)*

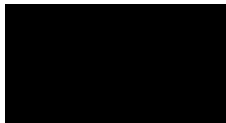
Some justification for the partial review and increase of the 'Class E Business' levy is provided at paragraph 6.60, however, this is predicated on the delivery of significant volume of business floorspace, with BNP Paribas only considering this to "likely" (rather than fully) justify a review. In consideration of the appraisal numbers provided, ARC consider such an increase will lead to widespread unviability of development proposals, particularly in more peripheral locations.

Considering proposals in the draft Local Plan, ARC urge the Council to abandon the proposed significant increase to rates for Class E Business Uses. If this is to be increased, it should reconsider more geographically refined requirements. This will be vital to ensuring employment land, already in short supply, can deliver development types and needs.

**Next Steps**

I trust our observations are clear and will be accommodated by the Council prior to submission of the draft Local Plan and the draft Schedule for Examination. Please could I be notified of any progress regarding the CIL Charging Schedule, including notification of its submission.

Yours sincerely,



**James Ellis**  
Senior Planner

