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[By email]

Dear Planning Policy Team,

Oxford City Council – Partial Review Draft CIL Charging Schedule Consultation

Thank you for the opportunity to comment on the above document. The following comments are submitted by NHS Property Services (NHSPS).

Foreword

NHSPS manages, maintains and improves NHS properties and facilities, working in partnership with NHS organisations to create safe, efficient, sustainable, modern healthcare and working environments. NHSPS has a clear mandate to provide a quality service to its tenants and minimise the cost of the NHS estate to those organisations using it. Any savings made are passed back to the NHS.

Overview

In April 2013, the Primary Care Trust and Strategic Health Authority estate transferred to NHSPS, Community Health Partnerships and NHS community health and hospital trusts. All organisations are looking to make more effective use of the health estate and support strategies to reconfigure healthcare services, improve the quality of care and ensure that the estate is managed sustainably and effectively.

NHSPS supports NHS commissioners to deliver a local health and public estate that can be put to better use. This includes identifying opportunities to reconfigure the estate to meet commissioning needs, as well as opportunities for delivering new homes (and other appropriate land uses) on surplus sites.

The ability to continually review the healthcare estate, optimise land use, and deliver health services from modern facilities is crucial. The health estate must be allowed to develop, modernise or be protected in line with integrated NHS strategies. Planning policies and CIL Charging Schedules should support this and be prepared in consultation with the NHS to ensure they help deliver estate transformation.

Our comments on the policies set out within the Partial Review Draft CIL Charging Schedule Consultation (November 2023) are as follows.

Proposed CIL Charging Schedule

Comments on proposed CIL rates

Table 1 of the Community Infrastructure Levy Draft Charging Schedule Consultation Document (November 2023) sets out the proposed charging rates split by use.

The NHS, Council and other partners must work together to forecast the infrastructure and costs required to support the projected growth and development across the local authority area. A vital part of this is ensuring the NHS is not burdened with costs such as CIL which could render health developments unviable. Health uses do not generally accommodate revenue-generating operations and have operating costs that are often higher than the income they receive. They therefore require public subsidy and many of these developments will be infrastructure themselves, which CIL may be required to fund. Given their strategic importance health facilities should be put on a level footing with affordable housing, which is awarded social housing relief and therefore effectively subject to a nil CIL rate, in order to enable the delivery of vital NHS projects.

The Planning Practice Guidance (PPG) provides specific guidance on “When should the charging schedule be reviewed and revised?” at para. 045 (ID: 25-045-20190901). It is confirmed that charging authorities must keep their charging schedules under review and should ensure that levy charges remain appropriate over time. Furthermore, when reviewing their charging schedule, charging authorities should take account of the impact of revised levy rates on future planned development.

The Draft Charging Schedule Consultation Document (November 2023) is underpinned by an evidence base including an Infrastructure Delivery Plan prepared by the Council (October 2023) and Local Plan Viability Assessment prepared by BNP Paribas (July 2023).

The Infrastructure Delivery Plan is clear that “the provision of the right healthcare infrastructure is crucial to wellbeing and quality of life”. The Plan also acknowledges there are significant constraints within some existing GP surgeries, with these being close to capacity with no room to expand, and the four NHS hospitals are operating under challenging circumstances.

The Local Plan Viability Assessment assesses the ability of various developments typologies to accommodate draft policies in the emerging Oxford Local Plan alongside prevailing and alternative rates of CIL in the Council’s adopted Charging Schedule (subject to indexation). The Assessment does not consider the impact of CIL being levied on health developments. We anticipate this is due to fact that D1 uses, which would have covered health/medical developments except hospitals, were subject to a nil rate in the adopted CIL Charging Schedule when it first came into force. The Assessment is also silent on the impact of the proposed CIL rate of £33.74 on hospital and health developments falling under Use Class C2 and E(e), respectively.

The PPG highlights that when setting a CIL Charge, the Council can apply differential rates in a flexible way to ensure that viability of a development is not put at risk. PPG Paragraph 022 (Reference ID: 25-022-20230104) states that “a charging authority that plans to set differential rates should seek to avoid undue complexity. Charging schedules with differential rates should not have a disproportionate impact on particular sectors or specialist forms of development... If the evidence shows that the area includes a zone, which could be a strategic site, which has low, very low or zero viability, the charging authority should consider setting a low or zero levy rate in that area. The same principle should apply where the evidence shows similarly low viability for particular types and/or scales of development”. This flexibility is provided through CIL Regulation 13, which confirms that

the charging authority may set differential rates and in setting differential rates, may set supplementary charges, nil rates, increased rates or reductions.

In the absence of any assessment of the impact of the proposed CIL rate of £33.74 on hospital and health developments falling under Use Class C2 or E(e), and noting the constraints facing existing health facilities in the local authority area, a differential rate of nil (£0) should be applied to these uses. This will ensure that the NHS can promptly and efficiently respond to the healthcare requirements of residents across the plan period through the evolution of its estate.

On this basis NHSPS request Table 1 be worded as follows (changes shown in red) to ensure that the NHS and our partners are able to effectively deliver new and/or extended healthcare facilities to enable healthcare needs to be met.

There may be other public services (e.g. education, emergency services) which may also benefit from a nil CIL rate to ensure development in the local authority area is viable. We would suggest relevant public sector services are also consulted on the intended changes to the CIL Charging Schedule.

Noting the changes made to the Use Class Order which came into effect in 2020, NHSPS also request the table set out the specific use class for each rate to provide clarity to developers.

Requested amends to Table 1

Table 1 - Proposed CIL Charging Schedule for Oxford City Council

Development Type*	Jan 2023 Rates per m ²	Jan 2024 Rates per m ²	Proposed rates per m ² following Partial Review
Use Class E(a) Shops	£158.00	£168.74	£168.74
Use Class E(c) Financial and professional services	£158.00	£168.74	£168.74
Use Class E(b) Restaurants and cafés	£158.00	£168.74	£168.74
Sui Generis Drinking establishments	£158.00	£168.74	£168.74
Sui Generis Hot food takeaways	£158.00	£168.74	£168.74
Use Class E(g) Business	£31.59	£33.74	£168.74
Use Class B2 General industrial	£31.59	£33.74	£168.74
Use Class B8 Storage or distribution	£31.59	£33.74	£168.74
Use Class C1 Hotels	£31.59	£33.74	£33.74
Use Class C2 and C2A Residential institutions and secure residential institutions (excluding hospitals)	£31.59	£33.74	£33.74
Use Class C3 Dwelling houses**	£158.00	£168.74	£168.74
Use Class C4 Houses in multiple occupation (HMO)	£158.00	£168.74	£168.74
Sui Generis Student accommodation	£158.00	£168.74	£168.74
Use Class F1 Non-residential institutions	£31.59	£33.74	£33.74
Sui Generis Assembly and leisure	£31.59	£33.74	£33.74

Use Class C2 Hospitals and Use Class E(e) medical or health facilities	/	/	£ nil
All development types unless stated otherwise in this table	£31.59	£33.74	£33.74

*Changes to the Use Class Order came into effect 1 September 2020

**C3 includes self-contained sheltered accommodation and self-contained graduate accommodation

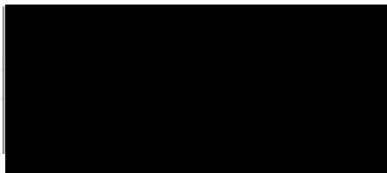
Other comments

The Community Infrastructure Levy Draft Charging Schedule Consultation Document (November 2023) includes an extract of an earlier version of the CIL Regulations at Annex 2 (Page 14 to 15). This Annex refers to the calculation of the chargeable amount being set out in Regulation 40, however the current CIL Regulations (as amended) set this out in Schedule 1 rather than within the text of Regulation 40. For clarity we suggest the Annex is updated to reflect the current version of the Regulations.

Summary

NHSPS thank Oxford City Council for the opportunity to comment on the Partial Review Draft CIL Charging Schedule Consultation and hope the proposed amendments are considered constructive and helpful. We look forward to receiving confirmation that these representations have been received. Should you have any queries or require any further information on the enclosed, please don't hesitate to contact me.

Yours faithfully,



Ellen Moore
Associate Town Planner MRTPI

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For and on behalf of NHS Property Services Ltd