Oxford City Council CIL Draft Charging Schedule Review 2023

Representation prepared by CBRE UK Ltd on behalf of the following stakeholder:

- Redevco

December 2023

Contents

Introduction 1

Procedural Matters 1

Matters of Representation 3

Purpose 3

Significance of Proposed CIL DCS Rates 3

Illogical Timing 4

Inflationary Effect on Adopted CIL Rates 6

Outdated Evidence and Technical Deficiencies 7

Failure to Strike an Appropriate Balance 12

Lack of Transparency 12

Conclusions and Recommendations 13

Introduction

Procedural Matters

Instruction Purpose

1. CBRE UK Ltd ('CBRE') has been instructed by Redevco to prepare a formal representation document setting out a technical response to the Oxford City Council ('OCC') Community Infrastructure Levy ('CIL') Partial Review Draft Charging Schedule ('DCS') consultation 2023 ('the consultation').

2. OCC is undertaking the CIL DCS review in parallel with the formal Regulation 19 consultation upon the Draft Local Plan 2040 Proposed Submission document ('DLP').

3. Oxford RE Value Investments Ltd ('ORVIL'), an owned subsidiary company of Redevco, have a significant land interest and long leasehold within the Cowley District Centre, Templars Square (hereafter referred to as 'the site'). The site is subject to a longstanding extant planning permission for the mixed-use redevelopment of the District Centre.

4. Redevco is presently engaging with OCC regarding their plans to transform this key site which is currently identified in OCCs adopted Local Plan (2020) as within the Cowley Centre Area of Change (Policy AOC2) and Cowley District Centre, and Cowley Centre allocation (Policy SP3), and is included as its own draft allocation in the DLP (Policy SPS12 Templars Square) for mixed-use development including (but not limited to) commercial leisure, evening economy, community facilities and residential dwellings.

5. Further detail is provided in CBRE's Planning Representation Document ('CPRD') and the Technical Representation relating to OCC's Local Plan Viability Assessment (which also underpins the Draft Local Plan 2040 consultation), appended to the CPRD and to be read concurrently with the OCC CIL Draft Charging Schedule Review ('CDCSR').

The Consultation

6. OCC has published the following documents in connection with the DCS:

   - CIL Statement of Representations Procedure ('SORP')
   - CIL Partial Review Draft Charging Schedule ('CIL DCS')
   - Local Plan Viability Assessment ('LPVA') CIL Viability Assessment prepared by BNP Paribas ('BNP'), dated July 2023
   - Oxford City Council: Infrastructure Delivery Plan ('IDP'), dated October 2023

7. OCC is consulting on the CIL DCS from 10th November 2023 to 5th January 2024.

8. The SORP confirms OCC's intention to submit the CIL DCS for independent examination following the close of the CIL DCS consultation.

Stance

9. CBRE has fundamental concerns regarding the validity and reliability of the published viability evidence base upon which the proposed new charging rates within the CIL DCS is reliant, and hence the legal compliance of the published CIL DCS with the relevant legislation and guidance.

10. CBRE considers that the LPVA evidence base is not up-to-date for it fails to assess both the cumulative impact of DLP policy costs and the 2024 indexed CIL rates on the financial viability and deliverability of OCC's land supply. Moreover, the results of the LPVA confirm that (even based on 2023 CIL rates) brownfield sites and regeneration schemes in lower to mid-market locations in Oxford will struggle to meet the affordable housing target set within the Regulation 19 DLP.

11. On this basis, CBRE cannot agree with OCC that there is an appropriately evidenced and legally compliant basis upon which the CIL DCS (as published) could be found sound by an independent Examiner, which should unavoidably lead to the rejection of the Charging Schedule in accordance with Section 212A(2) of the 2008 Act.

12. CBRE recommend that OCC consider an alternative zonal approach to setting CIL rates, which facilitates DLP policy compliant delivery in low to mid-market locations across Oxford and facilitates the regeneration of priority locations including draft site allocations without necessitating recourse to viability negotiation and a reduction in affordable housing provision at the decision taking (i.e., site-specific planning determination) stage.

13. Should OCC determine to submit the CIL DCS for examination, in its current form and without rectifying the issues identified in this representation, CBRE will be left with no choice but to seek that the Examiner rejects the Charging Schedule via the examination process.

Requests

14. It is stated on the SORP website that representations must clearly state a request to be heard at the examination of the CIL DCS. It also states that representations must clearly state a request for notification of the submission of the CIL DCS for examination, receipt of the Examiner's Report, and OCC's approval of the Charging Schedule.

15. This constitutes Redevco's formal request to be heard at the examination of the CIL DCS, as an independent stakeholder organisation, and to be notified by OCC of the events listed in paragraph 8 above. This notification should be provided to CBRE, as instructed agent.

Matters of Representation

Purpose

16. This section of the document sets out the matters of representation that Redevco determine must be raised with OCC and ultimately, if left unresolved by OCC following the consultation, are for the consideration of the appointed Examiner.

Significance of Proposed CIL DCS Rates

17. The CIL DCS proposes a significant set of changes to the charging regime under the adopted OCC CIL Charging Schedule ('CS').

18. Notably, the CIL DCS introduces the following new charges:

- **E Business**: a proposed charge for development at £168.74/m^2, where the previous charge was £31.59/m^2, a 434% increase.
- **B2 General Industrial**: a proposed charge for development at £168.74/m^2, where the previous charge was £31.59/m^2, a 434% increase.
- **B8 Storage or Distribution:** a proposed charge for development at £168.74/m^2, where the previous charge was £31.59/m^2, a 434% increase.
- **All other development**: CBRE notes that whilst all other proposed rates (e.g. C3 dwelling houses) are only increasing in line with indexation, a focus of this technical response is to assess whether a zonal approach to CIL charging is more appropriate, given the wide gulf in values and site typologies.

19. These are not incremental changes, but rather represent fundamental proposals to increase the rates of CIL charging substantially beyond the evidenced rate of indexation across OCC. Particularly, the newly introduced E Business rate at £168.74/m^2 is significant (and relevant to the site) and has the potential to significantly impact/stifle development comprising these uses.

20. As a result, such proposed changes must necessitate comprehensive, robust, and up-to-date available evidence of financial viability in order to provide appropriate justification that they will strike an appropriate balance in accordance with Regulation 14(1) of the CIL Regulations (as amended).

21. The proposed CIL Charging Schedule for OCC is set out in Table 1, with the changes highlighted in green:

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
E Shops	£158.00	£168.74	£168.74
E Financial and professional services	£158.00	£168.74	£168.74
E 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
E Business	**£31.59**	**£33.74**	**£168.74**
B2 General industrial	**£31.59**	**£33.74**	**£168.74**
B8 Storage or distribution	**£31.59**	**£33.74**	**£168.74**
C1 Hotels	£31.59	£33.74	£33.74
C2 and C2A Residential institutions and secure residential institutions	£31.59	£33.74	£33.74
C3 Dwelling houses**	£158.00	£168.74	£168.74
C4 Houses in multiple occupation (HMO)	£158.00	£168.74	£168.74
Student accommodation	£158.00	£168.74	£168.74
F1 Non-residential institutions	£31.59	£33.74	£33.74
Sui Generis Assembly and leisure	£31.59	£33.74	£33.74
All development types unless stated otherwise in this table	£31.59	£33.74	£33.74

Source: OCC DCS

Illogical Timing

22. The UK property market is experiencing a highly challenging period, which is driven by substantial economic and geo-political uncertainty nationally and globally over 2023, and a high inflationary environment against a backdrop of tightening monetary policy and a UK-wide cost of living crisis. Development and investment across a range of sectors (residential, hotels, offices and industrial and logistics) are facing headwinds for the remainder of 2023 and into 2024.

23. Specifically:

a. Economic output and outlook has deteriorated as the inflationary squeeze on real incomes weighed on consumer confidence and spending that hit growth momentum: Q2 2023 GDP growth was modest 0.2%.

b. Inflation has remained close to an all-time high throughout 2023, despite a marginal decrease in August 2023 at 6.7%, a slight fall from the year to July 2023 at 6.8%. This is much higher than anticipated, although largely attributable to the unforeseen Russian invasion of Ukraine. CPI has fallen in August 2023 to 6.3%, however this is still significant inflation on top of an inflation rise of 8.6% rise in the 12 months to August 2022. Increased global supply chain disruption has and will continue to put further upward pressure on energy prices, food prices and construction materials.

c. A robust labour market continues, albeit the unemployment rate is rising, up to 4.3% as of September 2023 with 102,000 redundancies recorded as at the same point in September 2022 – an increase of 39,000 on the previous year. The tight labour market is creating some upward pressure on wages, which is further fueling inflation.

d. Monetary tightening is underway over fears of second-round effects from wage and price-setting. The Bank Rate has been multiple times over the course of 2022/2023. The Bank Rate as at January 2023 was 0.25%. As of September 2023, the Bank Rate is now at 5.25%, pushing borrowing costs to the highest levels prior to the financial crisis in Q4 2008.

24. Looking forward into 2024:

a. CBRE expects flattening in in UK economic activity and move sideways some time over the next 12 months, with modest outputs in GDV in 2024 (0.8%) and (1.7%). This is a result of high inflation and rising interest rates, squeezed consumer incomes and reduced aggregate demand.

b. Significant uncertainty persists around the future path of inflation. CBRE note that inflation is falling slower than anticipated, driven primarily by services and wage inflation but is expected to reach the Bank's target of 2% by mid-2025.

c. CBRE forecasted that the Bank of England interest rate rises will to combat inflationary pressure. recent decision by the Bank of England not to raise interest rates following in the MCP in September 2023 (remaining at 5.25%) may represent the peak. Long-term interest rates will likely fall, decreasing to 3% by late 2025.

25. Considering specific sectors, CBRE's baseline forecast is as follows:

a. Residential:

i. Since the start of 2023, the rise in the base rate and subsequent increase in mortgage rates have resulted in falling activity. Mortgage approvals for house purchases were 20% lower in July 2023.

ii. Mortgage rates are high by historic standards, and falling demand has generally been offset by even lower supply during the course of 2023.

iii. Residential surveys from the RICS confirm a downbeat market backdrop, as buyer demand and agreed sales continue to fall sharply in the face of higher mortgage rates. House prices remain on a downward trajectory.

iv. In the lettings market, tenant demand continues to rise firmly. Contributors foresee rental prices being driven higher over the coming three months.

b. Offices:

   i. The UK economic outlook has deteriorated since the start of 2023 and as a result sentiment in the office market has weakened.

   ii. The proportion of deals transacting above market prime is increasing, while secondary offices are slower to transact.

   iii. Yields have moved out and total investment volumes have been constrained in the year-to-date, despite the transaction of some larger lot-sizes.

   iv. The weakening of sentiment is likely to persuade some occupiers pause their occupational decision-making, resulting in a slow-down in take-up.

   v. Greater investment volume into Q4 2023, but they year is likely to remain subdued relative to 2022 expectations due to the cost of borrowing.

c. Industrial & Logistics:

   i. Take-up in Q1 2023 was down 18% year-on-year, as occupiers became more cautious and decision making slowed down. The vacancy rate increased to 2.71% in Q1, up from 2.00% in Q4 2022, driven by an increase in secondhand availability and speculative completions.

   ii. Investment yields have softened and move out from Q2 2022, driven by pressures of higher debt borrowing costs (linked to interest rate rises). The investment market is expected to face further pressure into H1 2024 from macro-economic headwinds, uncertainty and the increasing cost of raising debt for acquisitions.

   iii. There is still substantial capital targeting the sector with smaller lot sizes particularly in demand.

Inflationary Effect on Adopted CIL Rates

26. Adopted CIL charging rates are inflated annually (from 1st January) based on the BCIS Community Infrastructure Levy (CIL) Index. The RICS publishes the rate for the following year based on the RICS BCIS All-in TPI index figure as at 1st November the prior year.

27. CBRE notes that the LPVA is undertaken in Q1-2 2023 and all viability modelling is undertaken based on the historic 2023 indexed CIL rates in the adopted CS, which will no longer be relevant.

28. However, the CIL DCS published for consultation presents the 2024 indexed CIL rates. This reflects a 6.8% uplift on the CIL rates applied within viability testing in the LPVA. The impact on financial viability alongside the cumulative policy costs within the Regulation 19 Draft Local Plan ('DLP') has not been assessed. This is a flaw and is inconsistent with both PPG Viability and the NPPF.

29. This indexation uplift is a very substantial increase and will have a material impact on development viability – particularly when also considered in the context of construction cost inflation, weaking occupier market demand (and spending power) across multiple sectors (as above), and softening investment yields due to the increased costs of raising debt.

30. In summary, in the intervening period between BNP preparing the LPVA and OCC publishing the CIL DCS consultation and undertaking the Regulation 19 Draft Local Plan ('DLP) consultation, the indexation of the adopted CIL CS has increased the cost of CIL by 6.8%. This will place an additional burden on development itself alongside wider negative economic and property market factors, in a high-inflation environment, which has not been assessed within the LPVA.

Outdated Evidence and Technical Deficiencies

31. The published available evidence to inform the CIL DCS is the LPVA, dated July 2023, prepared by BNP Paribas Real Estate ('BNP').

32. The LPVA was commissioned by OCC as the evidence base to test the impact of drafted policy positions on the financial viability of the residential land supply across the borough and to inform OCC's refinement of drafted policies within the DLP alongside prevailing and alternative rates of CIL in the Council's adopted CIL Charging Schedule.

33. CBRE has reviewed the LPVA report. It is apparent that the viability modelling, analysis, conclusions, and recommendations rely upon evidence that pre-dates July 2023 and, with regards to the residential sales values, is actually reliant upon evidence that pre-dates December 2022.

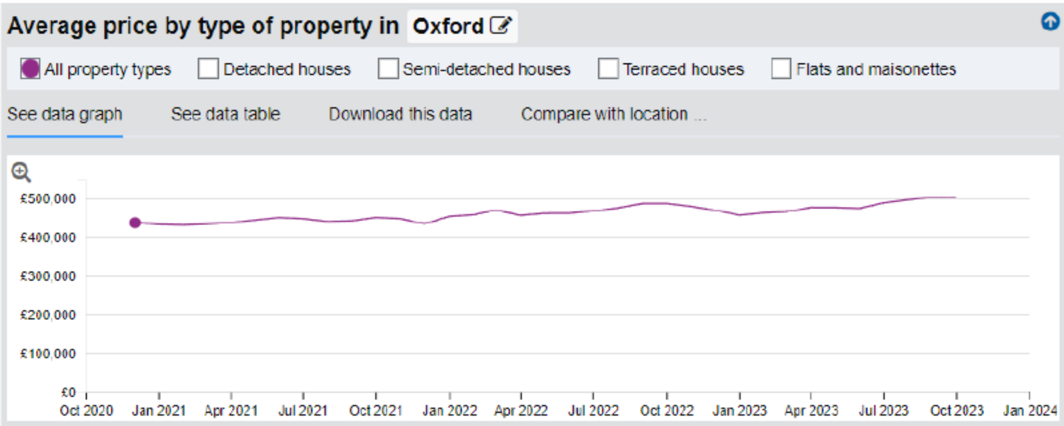
34. Moreover, as cited prior it only tests viability against the CIL rates reflective of indexation to 2023. It does not test against the 2024 rates, which form the basis of the CIL DCS consultation as published by OCC. As a result, the assessment is not up-to-date. It fails to assess both the cumulative impact of DLP policy costs and the 2024 indexed CIL rates on the financial viability and deliverability of OCC's land supply.

35. CBRE focuses on the main issues for concern, which in their view, limit the validity of the appraisal outputs and conclusions drawn by BNP.

Residential (For Sale)

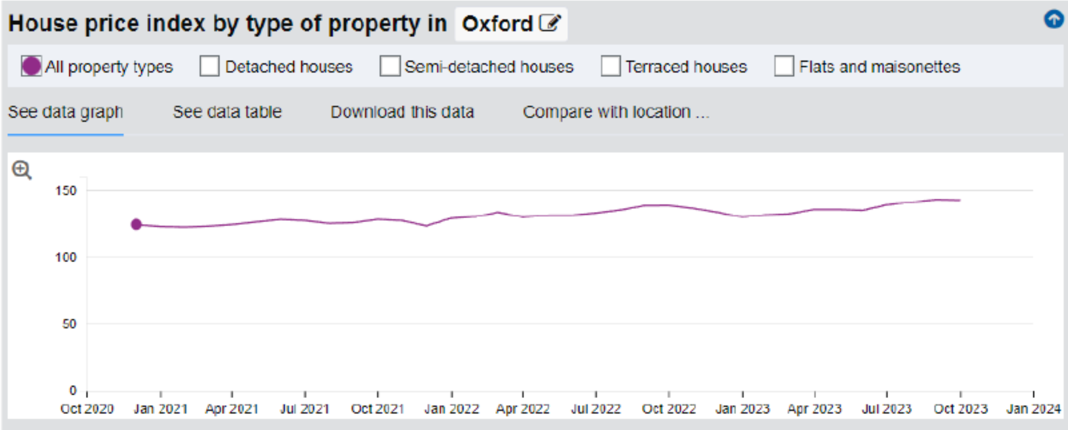
36. Up to date HPI data demonstrates that house prices are not increasing at the same trajectory as they were in July 2022 (and as set out within the CIL VA). The latest relevant HPI data (last three years) is set out in Figures 1, 2 & 3.

Figure 1: Average House Price (all property types) | Oxford



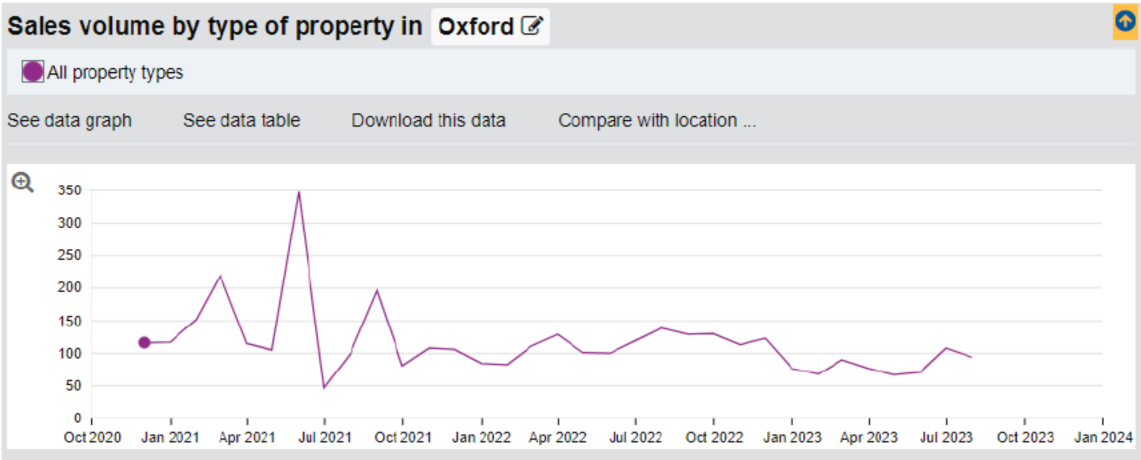
Source: Land Registry Data

Figure 2: House Price Indices by property status (type) | Oxford



Source: Land Registry Data

Figure 3: Sales Volume by property status (type) | Oxford



Source: Land Registry Data

37. Figures 1 & 2 demonstrate that there is a falloff in house price growth into 2023. Figure 3 demonstrates that the sales volumes are down to historically low levels.

38. Figure 2.16.1 of the LPVA shows a large variation in £/ft^2 achievable across OCC, however there is only one CIL charge for residential across OCC (values in the city centre are 2x higher than locations on the outskirts of OCC). This demonstrates the limited robustness of the LPVA in concluding a single CIL rate for residential across the entirety of OCC, given the stark differences in values across the authority area.

39. There have been significant macro-economic and market adjustment issues over this period, as well as introduction of new/updated Building Regulations, national planning policy requirements (e.g. First Homes) and substantive construction cost inflation, which are material considerations that any robust viability evidence base must account for.

Residential (Build-to-Rent/Private Rental Sector)

40. The LPVA states that Build-to-Rent ('BtR') typologies are tested, however it is not clear from the appraisal outputs what the result of this testing is.

41. The LPVA only references Knight Frank's PRS Update (2017) to inform market commentary on the sector. This document is very dated.

42. CBRE advocate that BNP transparently reports the output of the BtR appraisals, and provides all sources of evidence informing assumptions that feed into the viability testing.

Rents and Yields for Commercial Development

43. The LPVA adopts the following assumptions to determine the value of commercial development to inform viability testing:

Table 4.15.1: Commercial rents (£s per square metre) and yields

Commercial floorspace	Rent per square metre	Investment yield	Rent free period (months)
Retail	City Centre: £820 Rest of City: £475	6.00% 6.75%	12 12
Supermarkets	City wide: £250	4.50%	12
Offices/R&D	City Centre: £565 Rest of City: £340	5.75% 6.00%	12 12
Industrial and warehousing	City wide: £175	5.00%	12

44. CBRE note a number of the assumptions made within Table 4.15.1 are overly ambitious, with CBRE's Investment Yield Guide[1] stating the following inclusions for yields relevant to the OCC market:

    a. Prime Supermarkets at a yield of 5.25%, 100bps softer than BNP;

    b. Prime High Street Shops (Retail) at a yield of 7.00%, 100bps softer than BNP;

    c. Prime Industrial Distribution at 5.25%, 25bps softer than BNP; and

    d. Offices in Regional Cities at 6.25%, 50bps softer than City Centre Offices stated by BNP.

45. Across the board, BNP has made more optimistic than CBRE's latest research piece, with no evidence to substantiate the investment yields adopted for the viability testing.

[1] *CBRE (2023) Investment Yield Guide – December 2023*

Build Costs

46. The LPVA adopts upper quartile construction costs sourced from RICS BCIS for flats (fewer than 6 storeys) in the city centre, equating to £2,106/m^2 (£196/ft^2). For flats (fewer than 6 storeys) outside of the city centre, a median BCIS quartile is adopted, a rate of £1,767/m^2 (£164/ft^2) is adopted. There are a number of flaws in BNP's approach to the determination of baseline construction costs, particularly in respect of the site, including:

    a. The development proposals assessed indicate that in excess of 6 storeys is deliverable at the site, and therefore the associated cost is underreported. The baseline construction costs for flatted developments above 6 storeys (median quartile) using BNP's RICS BCIS data sheet (Appendix 4 of the LPVA) is £2,096/m^2 – 19% above the rate utilised in the BNP typology testing;

    b. There is a significant cost premium attached the regeneration of the site, with an expectation that the residential new build flats will be of high specification, which is not captured using generic BCIS benchmarking data;

    c. At the build cost rates adopted, it should be noted that Part L (2022) and Future Homes Standard (2025) construction standards would be excluded and would necessitate full extra-over costing in addition; and

    d. The RICS BCIS data used by BNP in the LPVA is outdated, with a downloaded date of November 2022. There has been cost inflation in the past year which has not been captured (circa 3.5% between 4Q 2022 – 4Q 2023, sourced from RICS BCIS All In TPI), with similar level of inflation between November 2022 and July 2023 (the publication of the LPVA).

47. The above demonstrates that BNP's determination of baseline construction cost is flawed, underreporting costs due to larger scale proposals and utilising out of date cost information to inform the viability testing.

Oxford CIL and Policy S3 Infrastructure in New Development

48. The LPVA (p.28) includes the CIL charging rates for OCC within the viability testing. No additional allowance is made for the delivery of draft Policy S3 Infrastructure Delivery in New Development, whereby the DLP (p.23) states that *'planning permission will be granted subject to provision of (or appropriate funding towards) the required level of infrastructure to support the development'*. Specifically, this relates to proposals for the opening of the Cowley Branch Line ('CBL') within the South Infrastructure Area (figure 8.5 of the DLP), proposed Oxford East station and Oxford South station. The draft site allocation pertaining to Templars Square. SPS12 falls wholly within the South Infrastructure Area and within 1,500m of Oxford East Station, and partly within the 1,500m buffer from the proposed Oxford South station. Policy S3 also states that *'financial contributions from new trip-generating development within a 1,500m buffer of the proposed CBL stations will be expected in order to achieve public transport enhancements in this area, including, among other transport measures, delivery of the CBL'*.

49. BNP cost assumptions within the LPVA in relation to Infrastructure delivery as per Policy S3 appear to only be in relation to CIL and s106 costs. CBRE consider that the financial contributions applicable to the infrastructure delivery of draft Policy S3 are not yet known and are likely to be underestimated, putting further financial pressure on schemes to meet the requirements of other draft policies included within the DLP. BNP acknowledges this (p.29) whereby '*emerging policy S3 seeks contributions through planning obligations in addition to CIL but does not identify any specific amounts*'.

50. The LPVA's section on CIL Rates (6.55 – 6.60) sets out BNP's approach to calculating CIL surplus above the Benchmark Land Values ('BLV') such that this amount can be divided by the floorspace to calculate a £/m^2 charge. Whilst this approach appears reasonable in principle, in the absence of any detailed appraisal outputs interrogation by stakeholders cannot be made as to the validity of these outputs/conclusions. There are

fundamental issues with the approach to viability CBRE has noted throughout this technical representation which need to be addressed before any conclusions on appropriate CIL rate can be determined (across all uses).

51. CBRE are also of the view that the CIL rates are the same across OCC, for all uses. This is not a reasonable approach. It is expected, for example, that the rental value of E class business use will far exceed E business units in peripheral locations – however the same CIL rate will apply. This is punitive and has the ability to restrict new required business space being brought forward in OCC.

Other Development Viability Assumptions

52. Development Finance. A development finance rate of 6.5% is not reflective of current funding conditions. The Sterling Overnight Index Average (SONIA) rate currently stands at 5.19%. Development finance lending is typically 4-5% above the SONIA rate, meaning a development finance rate of 9-10% is more appropriate for viability testing in the current market context. Funding rates are not expected to reduce considerably for several years.

53. Exceptional Costs. BNPPRE does not account for any exceptional costs in the viability testing, which CBRE consider to be a limitation of the outputs.

54. Developer Return/Profit. CBRE disagrees with BNP's adoption of 18% on GDV (p.30). In the context of current challenging market trading conditions, which are impacting heavily on reservation and transaction rates as well as suppressing values, it is appropriate that risk adjusted returns are applied at the upper end of the range set out in the PPGV. Therefore CBRE advocates an inclusion of 20% of Profit on GDV on the private housing.

55. Contingency. The LPVA doesn't set out the contingency rate applied to the construction costs. CBRE consider this is likely to be an oversight, as excluding a contingency allowance would not be an appropriate assumption to make. CBRE advocate a contingency rate of 5% on the build costs is appropriate for viability testing and request that BNP confirm their position on this, as the exclusion of a contingency rate is a critical omission.

Benchmark Land Values

56. There are limitations with the determination of Benchmark Land Values (BLVs) in the LPVA, including:

    a. Selecting the very lower end of rental values from the comparable evidence collated, across office, retail and industrial.

    b. Unrealistically low plot ratios for each of the commercial use types;

    c. High allowances for refurbishment of existing buildings. This ignores building that are functional and do not require extensive refurbishment works. The refurbishment allowance deflates land value;

    d. Adopting a landowner premium (10%) at the bottom end of the typical adopted range for planning viability (between 10-40%) across all commercial uses, with no supporting justification; and

    e. A lack of clarity on the assumptions made, including the hypothetical building size across each of the commercial uses assumed to inform the viability testing.

57. Further information on the limitations and validity of the determination of BLVs for viability testing is contained within the CPRD.

Failure to Strike an Appropriate Balance

58. In setting CIL rates, OCC must strike an appropriate balance between additional investment to support development and the potential effect on the viability of developments. In accordance with CIL Regulation 14(1)[2], OCC must be able to demonstrate and explain how the proposed CIL rate(s) will contribute towards the implementation of the Plan and support development across the city.

59. As set out in PPG[3], Charging Schedules should be consistent with, and support the implementation of, up-to-date relevant plans.

60. The charging authority must take development costs into account when setting CIL rates, particularly those likely to be incurred on strategic sites or brownfield land. Importantly, development costs include costs arising from existing regulatory requirements, and any policies on planning obligations in the relevant Plan, such as policies on affordable housing.

Lack of Transparency

61. There is a distinct lack of transparency throughout the BNP report, which CBRE deems falls short of the requirements and expectations of PPG CIL (Paragraph: 019 Reference ID: 25-019-20190901), PPG Viability (Paragraph: 010 Reference ID: 10-010-20180724), the NPPF (para. 58), the RICS Guidance[4] and RICS Professional Standards[5], and which does not facilitate the viability evidence being genuinely 'available' for stakeholders to analyse.

62. Specifically, whilst there are a substantive volume of summarizing results tables within the report's Appendices 6-15, none of the actual viability appraisals are published – not even an example appraisal for each typology, which would be the minimum CBRE would expect to see in a transparent and robust viability evidence base. As a result, stakeholders cannot see what the gross development value (GDV), construction and other costs, finance roll-up and other various key metrics represent within the typology appraisals – which means the actual viability testing evidence is not published and cannot be interrogated appropriately.

---

[2] *CIL Regulations 2010 (as amended)*
[3] *PPG CIL: Paragraph: 011 Reference ID: 25-011-20190901*
[4] *RICS (2021) Assessing viability in planning under the National Planning Policy Framework 2019 for England, RICS Guidance Note*
[5] *RICS (2019) RICS Professional Statement: Financial viability in planning: conduct and reporting, 1st Edition*

Conclusions and Recommendations

64. Redevco cannot endorse or support the CIL DCS, and its underpinning evidence base in the form of LPVA as presently published.

65. In fact, for the reasons set out in this document and its enclosures, Redevco has fundamental doubts regarding the appropriateness of the timing of this consultation on a new CIL DCS. Redevco also has severe reservations regarding the questionable validity and dependability of the published viability evidence base upon which the proposed new charging rates within the CIL DCS is reliant, and hence the legal compliance of the published CIL DCS with the relevant legislation and guidance.

66. The LPVA evidence base is not up-to-date for it fails to assess both the cumulative impact of DLP policy costs and the 2024 indexed CIL rates on the financial viability and deliverability of OCC's land supply. Moreover, the results of the LPVA confirm that (even based on 2023 CIL rates) brownfield sites and regeneration schemes in lower to mid-market locations in Oxford will struggle to meet the affordable housing target set within the Regulation 19 DLP.

67. On this basis, Redevco cannot agree with OCC that there is an appropriately evidenced and legislatively compliant basis upon which the CIL DCS (as published) could be found sound by an independent Examiner, which should unavoidably lead to the rejection of the Charging Schedule in accordance with Section 212A(2) of the 2008 Act.

68. CBRE recommend that OCC consider an alternative zonal approach to setting CIL rates, which facilitates DLP policy compliant delivery in low to mid-market locations across Oxford and facilitates the regeneration of priority locations without necessitating recourse to viability negotiation and a reduction in affordable housing provision at the decision taking (i.e., site-specific planning determination) stage.

69. Redevco therefore hopes that this feedback prepared by CBRE, is useful to OCC in reconsidering whether it is rational, prudent and justified to be proceeding with pursuing adoption of the proposed CIL charging regime under the circumstances whereby it will prejudice delivery of development in accordance with the cumulative policies in the DLP.

70. Should OCC determine to submit the CIL DCS for examination, in its current form and without rectifying the issues identified in this representation, Redevco will be left with no choice but to continue to pursue this matter and will seek that the Examiner rejects the Charging Schedule via the examination process.

71. Should OCC wish to engage directly with Redevco on the matter, CBRE will be able to facilitate such arrangements.

For more information:

Tom Upton MRICS
Associate Director
National Planning & Development
CBRE UK Ltd

Email: [redacted]

Matt Spilsbury MRICS MRTPI
Senior Director
National Planning & Development
CBRE UK Ltd

Email: [redacted]