

# CIL Partial Review: Post-consultation background paper

## Introduction

1. This background paper sets out additional context to support the submission of Oxford City Council's CIL Draft Charging Schedule following public consultation.
2. The paper covers the following three topics:
  - The viability addendum produced-post-consultation, which provides further evidence for increasing CIL rates for office and R&D uses;
  - The decision not to pursue an increase of CIL rates for Industrial B2/B8 uses
  - and the decision not to re-examine the rates for 'all other uses'.

## Viability addendum, further evidence for increasing CIL rates for office and R&D uses

### Selection of sites for additional testing in Viability Addendum

3. A viability addendum was produced by consultants at BNP Paribas to supplement the original Local Plan Viability Study (LPVA) and address some of the key concerns raised at consultation. The key concerns were that although general viability testing for office and R&D uses were conducted in the LPVA, site-specific testing had not been performed and that developments outside of City Centre locations would struggle with viability issues. The viability addendum provides additional evidence to support the proposed increase in office and R&D rates across the city.
4. Site-specific testing was conducted in order to address the concerns raised at consultation and focused on key Office and R&D developments to account for different areas of Oxford City, both within and outside of the City Centre. This includes key employment site allocations identified in local plan policies and covers the sites suggested should be tested by representations made to the CIL regulation 17 consultation. More information about these sites is outlined in the Local Plan Background Paper 6a, entitled "Oxford's Economy (including strategy for employment sites and assessment of employment land supply).
5. Employment sites with a known (or assumed) quantum of floorspace within Office and R&D uses were chosen to be tested to understand if the proposed increase in CIL rate would be reasonable based on anticipated development in the city. The tested sites include sites inside and outside the City Centre, such as: The Oxford Science

Park, ARC Oxford, proposed site allocations within the City Centre, Oxford's West End and Oxford North.

6. The full list of sites tested in the Viability Addendum (including any relevant planning application references) is shown below in Table 1:

**Table 1: Office and R&D sites tested included in viability addendum (no planning reference indicates no planning application has been submitted at the current time)**

Policy	Site Name	Current Planning Refs	Scheme Name/ Address	Proposed Uses	Planning status	Source
SPS1	ARC Oxford	20/01237/RES	Plots 8150 8200 And 9200 (Plot 1)	Business use (B1)	Approved May 2021	Planning application
SPS1	ARC Oxford	22/02880/RES	Plot 2000 (Plot 3)	Lab enabled office for R&D	Pending	Planning application
SPS1	ARC Oxford	22/03067/FUL	Trinity House	Lab and office building for R&D use	Approved Oct 2023	Planning application
SPS1	ARC Oxford		Plots 2 and 4	Assumed Office/ R&D	N/A	Background Paper 6a (Oxford's Economy)
SPS5	The Oxford Science Park	19/02003/FUL	Plot 16	Class B1 office buildings	Approved Dec 2021	Planning Application
SPS5	The Oxford Science Park	22/02555/FUL	Plot 27	Lab and office buildings (Use Class E)	Pending	Planning Application
SPS5	The Oxford Science Park	22/02168/FUL	Plots 23-26	Lab and office buildings (Use Class E)	Approved Oct 2023	Planning Application
SPS5	The Oxford	22/02969/FUL	Plot 18 (Littlemore House)	R&D (Use Class E)	Approved Feb 2024	Planning Application

	<b>Science Park</b>					
<b>SPCW5</b>	<b>Oxpens</b>	<b>22/02954/OUT</b>	<b>Oxpens</b>	<b>City Centre (Use Class E) (Old B1) floorspace</b>	<b>Pending</b>	<b>Outline Planning Application</b>
<b>SPCW6</b>	<b>Nuffield Sites</b>		<b>City Centre</b>	<b>Assumed Office/ R&amp;D</b>		<b>Background Paper 6a (Oxford's Economy)</b>
<b>SPCW7</b>	<b>Osney Mead</b>		<b>City Centre</b>	<b>Assumed Office/ R&amp;D</b>		<b>Background Paper 6a (Oxford's Economy)</b>
<b>SPCW8</b>	<b>Botley Retail Park</b>	<b>21/02053/FUL</b>	<b>Units 1&amp;2 Botley Road</b>	<b>R&amp;D and associated office</b>	<b>Approved Dec 2021</b>	<b>Planning Application</b>
<b>SPCW8</b>	<b>Botley Retail Park</b>	<b>22/03076/FUL</b>	<b>135-137 Botley Road</b>	<b>R&amp;D and office</b>	<b>Pending</b>	<b>Planning Application</b>
<b>SPN1</b>	<b>Oxford North</b>	<b>18/02065/OUTFUL</b>	<b>Oxford North (Outline)</b>	<b>87,300sqm of Class E (old B1) floorspace</b>	<b>Approved Mar 2021</b>	<b>Planning Application</b>
<b>SPN1</b>	<b>Oxford North</b>	<b>23/00707/RES</b>	<b>Oxford North (Plot A)</b>	<b>Life Sciences (R&amp;D)</b>	<b>Approved Oct 2023</b>	<b>Planning Application</b>
<b>SPN1</b>	<b>Oxford North</b>	<b>23/00708/RES</b>	<b>Oxford North (Plot B)</b>	<b>Flexible Lab and Office space</b>	<b>Approved Oct 2023</b>	<b>Planning Application</b>
<b>SPN1</b>	<b>Oxford North</b>	<b>23/01412/RES</b>	<b>Oxford North (Plot C)</b>	<b>Life Sciences (R&amp;D)</b>	<b>Approved Oct 2023</b>	<b>Planning Application</b>
<b>N/A</b>	<b>Clarendon Centre</b>	<b>21/00110/FUL</b>	<b>Clarendon Centre</b>	<b>City Centre Mixed use scheme includes R&amp;D and Office</b>	<b>Pending</b>	<b>Planning Application</b>

## Methodology

7. The supplementary site-specific testing undertaken in the Viability Addendum used the same methodology that was used from the original LPVA. This approach is considered to be appropriate for the site-specific testing and has been applied again to ensure consistency.

## Results of viability addendum testing – demonstrating proposed office and R&D CIL rates are viable

8. All 19 sites tested in the Viability addendum demonstrate surpluses in excess of the proposed CIL rate for when tested at rental rates reflecting recent rental data for offices and R&D developments, apart from the Clarendon Centre when tested at rental rates of £50/sqft.
9. This clearly demonstrates that the proposed CIL rate for offices and R&D uses at £168.74/sqm are viable across all locations in Oxford.
10. In most cases, surpluses achieved on tested sites substantially exceed the CIL rate and are above £1000/sqm (the average surpluses of testing across all sites for either of the two rental rates tested are greater than £1100/sqm). This demonstrates that the proposed CIL rate is reasonable with sufficient flexibility to account for cost variations in developments and also indicates that further contributions could be sought beyond CIL for S106 contributions, such as for the Cowley Branch Line, where appropriate.

## Assumptions

11. The Local Plan Viability Addendum maintains most inputs and assumptions included within the original LPVA as this was produced in compliance with statutory requirements for viability data. Appendix 1 of the Local Plan Viability Addendum sets out the variations to the appraisal inputs. It shows that eight out of the eleven appraisal inputs remain unchanged.
12. Where inputs have changed for three inputs - rent levels, build costs and yield - a cautious testing approach was taken to account for potential variations across the full range of developments within Office and R&D uses and to also take into consideration the potential locational variations within the city.

## Rent levels

13. The Viability Addendum applied a set of rent levels for new office and R&D developments based on market research from a range of reputable sources

including Carter Jonas, Bidwells, and Savills (See Table 2, Research data indicating high office and R&D rents in Oxford).

14. The rent levels that were tested also aligned with work presented in the Oxford Innovation Engine Report (2023)<sup>1</sup>, produced by Advanced Oxford (2023). Table 3 of this Background Paper reproduces Table 9 of that Report. Table 3 clearly shows rent levels achieved in 2022 align almost exactly with those tested in the Viability Addendum (rates of £50/sqft and £55/sqft were tested).
15. Notably, the data highlights the fact that rental rates outside the city centre are closely comparable to those within the city centre and that office and R&D rents for new developments are higher than those presented in the original LPVA. This rental data provides key evidence for setting a singular rate for both office and R&D developments across the whole city.
16. We note that the commentary in these research reports attributes the year-on-year increases in rental rates over time across the city for both office and R&D uses to the high demand and constrained pipeline of supply for office and laboratory spaces in Oxford. The research articles in table 2 indicates this originates from high demand in Oxford for workspaces catering for knowledge-based sectors, particularly from the life sciences sector.

#### Build costs

17. It is worth noting that the viability appraisals undertaken as part of the Viability Addendum used the 'upper quartile' BCIS costs as opposed to average build costs used in the LPVA. This was chosen as part of a conservative testing approach, to account for variations in construction costs associated across both office and R&D developments. This approach was considered reasonable as many tested developments in Table 1 are inter-changeable in use between the two uses.

#### Yield

18. Yields in the original LPVA were tested at a rate of 6% for city centre developments and 5.75% for out of city centre developments.
19. A slight variation was made to the application of yield in the addendum assumptions with the lower yield amount of 5.75% (instead of 6%) being applied across all sites. This decision was made to test more conservatively at yields which were originally considered for 'outside of city centre' developments rather than the higher yield assumption for city centre developments. Testing at the lower yields would help to support the adoption of a singular CIL rate for the entire city.

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<sup>1</sup> <https://www.advancedoxford.com/innovation-engine/>

20. This closely matches recent evidence from Bidwells (Table 2, reference number 2), which indicates at the end of 2023, prime office and laboratory yields were at 5.5%.

#### Setting a joint rate across the city - City Centre rents vs Out-of-centre rents

21. The original Local Plan Viability Assessment tested two different rent levels, one for the city centre (£565/sqm, £52.49/sqft), and another for out-of-centre locations (£340/sqm, £31.59/sqft).
22. The Viability Addendum does not make this location-based distinction. This is because, as demonstrated in data in tables 2 and 3, actual rentals achieved for developments outside of the City Centre for both office and R&D developments are in practice much higher than the lower tested rate of £340/sqm (£31.59/sqft equivalent), and are closely comparable to rents achieved in the City Centre.
23. We note that the Oxford Science Park and Oxford Business Park (ARC Oxford) are key sites which lie outside of the city centre and are a key part of the R&D and office supply for Oxford. Table 2 (reference number 3) and Table 3 clearly shows that rental rates outside the city centre and in the science park are comparable to rental rates within the city centre.
24. To account for any potential locational variations, rental rates in the viability addendum are tested at the lower rent levels, associated with out-of-centre developments (£50/sqft and £55/sqft), compared to the higher rent levels associated with the city centre, (closer to £60/sqft and £75/sqft), as shown in Table 2 (reference number 3) and table 3.
25. By setting a single rate of CIL across Oxford it would not disincentivise the location of development (from a CIL perspective).
26. It should be noted that the currently adopted charging schedule does not apply locational CIL rates for any other uses and introducing this would result in undue complexity in the administration of CIL.

#### Setting a joint rate for Office and R&D uses

27. Table 1 reviews planning applications and assumptions made about future employment supply in the city set out in Local Plan 2040 Background Paper 6a – Oxford's Economy. As evidenced by the 'proposed uses' column of Table 1, the employment uses proposed at the planning application stage can vary considerably and office and R&D uses are often considered interchangeably. This reflects the permitted development rights afforded to uses within Use Class E of the Use Classes Order. Some applications propose "Lab-enabled office", while others offer "flexible lab and office space". Others propose "Lab and office buildings", while others propose "R&D and office".

28. The application of a joint rate for both Office and R&D enables increased flexibility within the wider office market to react quickly to changes in economic circumstances (NPPF, paragraph 87 December 2023).
29. It is important that any CIL rate proposed provides certainty in the planning process rather than adding undue complexity and inflexibility. Given that a degree of occupier flexibility is required to support the wider office market in Oxford, a joint CIL rate covering both office and R&D uses is proposed. This approach will provide certainty about the types of uses coming forward in Oxford.
30. It is worth noting that if different rates of CIL were introduced for office and R&D uses, there would be a potential mechanism to circumvent the higher CIL charge. A differentiation in CIL rates between the two uses could lead to inflexibility of the proposed new buildings to respond to economic circumstances and demands. Moreover, there would likely be additional administrative burden on the authority by implementing such an approach. As such, a consideration of different rates for Offices and R&D uses is not proposed.
31. We consider the choice of testing rental rates at £50/sqft and £55/sqft adequately reflective of office and R&D rentals achieved in line with data in tables 2 and 3 to test the proposed CIL rate for both uses.

**Table 2: Research data indicating high office and R&D rents in Oxford:**

Ref. number	Research/ Data	Office rent per sqft	R&D/Labs rent per sqft
1	<b>Carter Jonas – Life Sciences Research Report (Feb 2024)</b> <a href="https://www.carterjonas.co.uk/commercial/research/life-sciences-research-report/spring-2024">https://www.carterjonas.co.uk/commercial/research/life-sciences-research-report/spring-2024</a>	£65 (Prime, Grade A)	£100 (fitted)
2	<b>Bidwells - Databook, Oxford Offices and Labs (Jan 2024)</b> <a href="https://www.bidwells.co.uk/globalassets/databook/office--lab/jan-2024/bidwells-arc-market-databook-oxford-offices-labs.pdf">https://www.bidwells.co.uk/globalassets/databook/office--lab/jan-2024/bidwells-arc-market-databook-oxford-offices-labs.pdf</a>	£60 (prime); £45 (secondary good); £25 (secondary poor)	£76.50 (prime fitted); £65 (prime open plan) £55 (prime shell)
3	<b>Savills - Spotlight: Golden Triangle Offices and Labs (August 2023)</b> <a href="https://www.savills.com/research_articles/255800/350489-0-space/">https://www.savills.com/research_articles/255800/350489-0-space/</a>	£62.50 Office (City centre) £50 - Office (Out of town)	£75 (City centre or out-of-town fitted) £60 (City centre - shell and core)

			£55 (Out-of-town shell and core)
4	<b>Bidwells Databook, Oxford Offices and Labs (Jan 2023)</b> <a href="https://www.bidwells.co.uk/globalassets/databook/office--lab/spring-2023/bidwells-arc-market-databook-oxford-offices-labs.pdf">https://www.bidwells.co.uk/globalassets/databook/office--lab/spring-2023/bidwells-arc-market-databook-oxford-offices-labs.pdf</a>	£55 (prime) £45 (secondary good) £25 (secondary poor)	£75 (prime fitted) £65 (prime open plan) £55 (prime shell)
5	<b>Savills - Spotlight: Oxford Offices and Laboratories (March 2022)</b> (considers at this stage lab rates likely to command premiums above office even outside of city centre) <a href="https://www.savills.co.uk/research_articles/229130/326388-0">https://www.savills.co.uk/research_articles/229130/326388-0</a>	£50 (city centre) £40 (out of city centre)	£50

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**Table 3: Data showing rental rates per square foot for Offices and Labs - from Advanced Oxford – Oxfordshire's Innovation Engine 2023 Report**

Year	City Centre Office rents	Science Park rents	Fitted Labs rents
2016	£30.00	£27.00	-
2017	£30.00	£30.00	-
2018	£32.00	£32.00	-
2019	£37.50	£35.00	-
2020	£37.50	£35.00	£55.00
2021	£38.50	£45.00	£60.00
2022	£49.50	£55.00	£75.00
2023(f)	£60.00	£55.00	£76.50
2024(f)	£61.08	£55.99	£77.50
2025(f)	£62.48	£57.28	£78.50
2026(f)	£64.17	£58.82	£79.00
2027(f)	£65.97	£60.47	£79.50

Source: City centre and science park rents – Carter Jonas; fitted lab rents – Bidwells. Data for fitted laboratories only started to be provided in 2020. Data from 2023 onwards is forecast.

### Testing Scenarios for Office development using secondary office market rent levels

32. We note that in practice, many of the major, tested sites in the viability addendum focus on the delivery of prime office and laboratory space and as evidenced by the viability addendum will demonstrate surpluses which can accommodate for the proposed increase of office and R&D CIL rates to £168.74.
33. Alternative Rent scenarios were also considered to assess the potential impact of the proposed CIL rates on the secondary office market. A rent level of £475 per sqm is broadly equivalent to £45 per sq. Ft. (See Table 2, reference number 2 for Bidwells 2024 data on secondary office market). The original report tested £340 per sqm which is equivalent to £31.50 per sq. ft.). This is considered to be broadly equivalent to rental values in the poor-quality secondary office market (based on values from Bidwells (2024) presented in Table 2).
34. As can be shown by additional testing at the good quality secondary office rent level scenarios below in table 4 and table 5, at rental rates of £475 per square metre (£44.13 per square foot), the majority of sites tested demonstrate sufficient surplus to accommodate the higher CIL rate at £164.74 per square metre.

35. At rent levels of £31.50 per sq. ft. (£340 per sqm) is where schemes start to become unviable. Businesses that seek lower rents could seek it from existing office space within the existing office supply, where rental rates are set below prime rents.
36. Small extensions to existing office space <100sqm could also be considered where office businesses would want to expand, and these would not be impacted by the CIL levy.
37. It is therefore concluded that the CIL increase for Office/R&D developments would not materially affect the viability of new office space within the city.

**Table 4: Site-specific testing at rents of £340 per square metre**

All space delivered at rents of £340 per square metre

LP Ref	Site	Location	Residual land value	Gross site area	BLV	BLV	Surplus	Floor area GIA sqm	CIL surplus per sqm
1	Arc Oxford Business Park 8150,8200, 9200	Outer	£881,643	1.93	Undeveloped land	£714,197	£167,446	8,595	£19
2	Arc Oxford Business Park Plot 2000	Outer	£2,397,516	1.13	Undeveloped land	£418,090	£1,979,426	23,373	£85
3	Arc Oxford Business Park Trinity House	Outer	£1,812,420	0.71	Secondary offices	£6,777,038	£4,964,618	17,669	£281
4	Arc Oxford Business Park Plots 1, 2 and 4	Outer	£5,816,076	1.80	Undeveloped land	£665,974	£5,150,101	56,700	£91
6	Science Park Plot 16	Outer	£2,033,370	1.92	Secondary offices	£324,461	£1,708,909	19,823	£86
7	Science Park Plot 27	Outer	£954,575	2.24	Undeveloped land	£828,823	£125,752	9,306	£14
8	Science Park Plots 23-26	Outer	£6,722,748	3.76	Undeveloped land	£1,391,273	£5,331,474	65,539	£81
9	Science Park Plot 18 Littlemore House	Outer	£2,735,505	4.66	Secondary offices	£3,557,402	£821,897	26,668	£31
10	Oxpens	Central	£35,046,025	6.29	Secondary industrial	£2,327,297	£37,373,321	64,057	£583
11	Nuffield Sites (Park End St/Hythe Bridge St)	Central	£15,592,545	1.41	Secondary industrial	£521,743	£16,114,288	28,500	£565
12	Osney Mead	Central	£184,670,453	17.80	Secondary industrial	£61,468,669	£246,139,123	337,540	£729
13	Botley Retail Park (Units 1 and 2)	Central	£2,182,409	1.10	Secondary retail	£1,495,867	£3,678,276	3,989	£922
14	135-137 Botley Road	Central	£7,389,772	1.13	Secondary retail	£1,495,867	£8,885,640	13,507	£658
15	Oxford North	Outer	£15,573,075	30.31	Undeveloped land	£11,215,625	£4,357,450	87,300	£50
16	Oxford North Plot A	Outer	£1,135,006	3.74	Undeveloped land	£1,383,125	£248,119	11,065	£22
17	Oxford North Plot B	Outer	£1,698,766	5.75	Undeveloped land	£2,127,628	£428,862	16,561	£26
18	Oxford North Plot C	Outer	£1,568,392	5.31	Undeveloped land	£1,964,340	£395,949	15,290	£26
19	Clarendon Centre	Central	£7,606,427	0.75	Secondary retail	£15,987,301	£23,593,728	15,290	£1,543

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**Table 5: Site-specific testing at rents of £475 per square metre**

All space delivered at rents of £475 per square metre

LP Ref	Site	Location	Residual land value	Gross site area	BLV	BLV	Surplus	Floor area GIA sqm	CIL surplus per sqm
1	Arc Oxford Business Park 8150,8200, 9200	Outer	£9,844,202	1.93	Undeveloped land	£714,197	£9,130,005	8,595	£1,062
2	Arc Oxford Business Park Plot 2000	Outer	£26,770,043	1.13	Undeveloped land	£418,090	£26,351,953	23,373	£1,127
3	Arc Oxford Business Park Trinity House	Outer	£20,237,021	0.71	Secondary offices	£6,777,038	£13,459,983	17,669	£762
4	Arc Oxford Business Park Plots 1, 2 and 4	Outer	£64,940,805	1.80	Undeveloped land	£665,974	£64,274,830	56,700	£1,134
6	Science Park Plot 16	Outer	£22,704,084	1.92	Secondary offices	£324,461	£22,379,623	19,823	£1,129
7	Science Park Plot 27	Outer	£10,658,538	2.24	Undeveloped land	£828,823	£9,829,715	9,306	£1,056
8	Science Park Plots 23-26	Outer	£75,064,469	3.76	Undeveloped land	£1,391,273	£73,673,195	65,539	£1,124
9	Science Park Plot 18 Littlemore House	Outer	£30,543,939	4.66	Secondary offices	£3,557,402	£26,986,537	26,668	£1,012
10	Oxpens	Central	£33,792,616	6.29	Secondary industrial	£2,327,297	£31,465,319	64,057	£491
11	Nuffield Sites (Park End St/Hythe Bridge St)	Central	£15,034,884	1.41	Secondary industrial	£521,743	£14,513,141	28,500	£509
12	Osney Mead	Central	£178,065,779	17.80	Secondary industrial	£61,468,669	£116,597,110	337,540	£345
13	Botley Retail Park (Units 1 and 2)	Central	£2,104,356	1.10	Secondary retail	£1,495,867	£608,489	3,989	£153
14	135-137 Botley Road	Central	£7,125,480	1.13	Secondary retail	£1,495,867	£5,629,612	13,507	£417
15	Oxford North	Outer	£76,261,949	30.31	Undeveloped land	£11,215,625	£65,046,324	87,300	£745
16	Oxford North Plot A	Outer	£12,673,192	3.74	Undeveloped land	£1,383,125	£11,290,067	11,065	£1,020
17	Oxford North Plot B	Outer	£18,967,984	5.75	Undeveloped land	£2,127,628	£16,840,355	16,561	£1,017
18	Oxford North Plot C	Outer	£17,512,256	5.31	Undeveloped land	£1,964,340	£15,547,916	15,290	£1,017
19	Clarendon Centre	Central	£7,334,386	0.75	Secondary retail	£15,987,301	<b>-£8,652,915</b>	15,290	<b>-£566</b>

**Viability Addendum Conclusions with Regards to Office and R&D Uses**

38. The additional site-specific testing undertaken at the Office and R&D inputs in the Viability Addendum supports the proposed joint CIL rate for Office and R&D uses of £168.74 across the city.

39. This is for the following reasons:

- For the rental rates tested (i.e., £50 per sq. ft. and £55 per sq. ft), almost all (37/38) schemes result in a significant financial surplus beyond the proposed CIL rate.
- The surpluses demonstrated beyond the CIL rate could account for additional policy requirements in the local plan, for example affordable workspaces or contributions towards the Cowley Branch Line.
- Rent levels and build costs used in the additional testing are sufficiently conservative to provide us with confidence that the singular CIL rate proposed will not adversely impact scheme viability across either office or R&D use.
- Setting a single locational rate for CIL is appropriate based on the evidence of rent levels provided in Tables 2 and 3. A single CIL rate would not locationally disincentivise (from a CIL perspective) development in the city.
- Rates were tested to examine the potential impacts of the secondary office market, and at rental rates achieved, the implementation of the increased levy is unlikely to impact on the delivery of office space in the city, particularly as demand for new office space is for higher quality grade-A office space which is interchangeable with laboratory space.

## Decision not to increase B2/B8 Industrial Rates

40. This section explains the reasoning behind the Council not pursuing an increase in Class B2/B8 use rates.
41. The Local Plan specifically mentions B2 uses as part of a mix of employment uses that could be brought forward on three site allocations in the city, while two of these site allocations specifically make reference to B8 uses. Employment land supply tables submitted to support the Local Plan 2040 examination show that currently there is no *known* additional industrial floorspace (over and above that which has already received planning permission, i.e., 54,157sqm).
42. Conversations with landowners to inform the Local Plan 2040 have indicated that all three sites are "available" for development and that there are landowner intentions to develop these sites within the plan period.
43. Current landowner intentions at ARC Oxford are to continue to deliver Class E(g) Office/ R&D uses. As such, it is within this context that the additional site-specific testing was undertaken to support the CIL Charging Schedule review.
44. Current landowner intentions at BMW are to implement the recent planning permission (23/02166/FUL) granted in January 2024 for 26,350sqm. While it is likely that future development opportunities at this site may arise during the plan period, the nature of these opportunities are not yet known. No site-specific testing was undertaken in relation to the current application as it was already approved.
45. The Unipart site is currently in operational use. While there is an intention to redevelop the site later in the plan period, no additional site-specific CIL testing was undertaken because the site is currently operational, and any testing could potentially prejudice future redevelopment proposals. Additional testing was also not specifically requested by the site promoters/ owners.
46. As there is currently no *known* additional floorspace for industrial proposed (outside of that already approved and documented in the Local Plan 2040 evidence base). It is therefore considered appropriate that CIL Rates are not increased for Industrial and Warehousing uses in the city until such time that additional supply for Class B2/ B8 uses can be quantified and can evidenced in site-specific viability testing an increase in CIL rates.

## Decision not to re-examine rates for 'all other' uses

47. Some representations raised concerns about charging CIL for 'all other uses' not specified on the charging schedule, despite no changes being proposed in the CIL

partial review. This was specifically highlighted in cases where the use class is considered to relate delivery of infrastructure.

48. Concerns were raised about the following use classes: C2, E(d), E(e), E(f), F1 and F2 class developments. However, for many of these use classes, a broad range of uses are covered which are not exclusively defined for infrastructure uses only and include private profit-making uses. Significant examples of this include private education facilities which although could be considered as educational infrastructure, are privately funded and will not provide public community benefits.
49. Some of these representations were raised on the misunderstanding that historically D1 and D2 uses (now covered mostly by the F use class) were zero rated in the Charging Schedule. However, these comments arose from a typo in the original Local Plan Viability report which erroneously stated that CIL rates for these uses are set at zero. D1 and D2 developments have always been charged at the 'lower rate' of CIL since adoption in 2013 and this is documented in the original CIL Charging Schedule. The typo has now been corrected in an amended version of the original LPVA.
50. It also should be noted that conversely, there were several other representations which raised concerns that developments in 'all other uses' were not charged highly enough to help to fund infrastructure in the City.
51. In practice, there has been no additional viability evidence which deems these uses unviable, and the implementation of CIL over the past 10 years has not stopped developments in 'all other uses' from coming forth, nor do we have any record of any such development presenting viability issues or applying for discretionary CIL relief. Therefore, no changes are proposed to change the lower rate for 'all other uses', particularly considering the wider, substantial infrastructure funding gap.
52. It is therefore considered that, at the present time, not reviewing the CIL charge for all other development types at the 'lower' rate of CIL is an appropriate decision, which does not advantage or disadvantage any type of development in particular and sets a general expectation that overall cumulative impacts of all development in the city should be accounted for in the CIL levy, to contribute where possible towards the substantial funding gap in the city.