

WEST OXFORDSHIRE CIL EXAMINATION**Examiner's request for Statements of Common Ground, other questions and hearing dates***Introduction*

1. I am progressing the CIL Examination in parallel to the Examination of the Local Plan. Subject to confirmation of any requests to be heard, I anticipate holding a CIL hearing on **Friday 27 November** at the end of the first week of hearings on the Local Plan. I also anticipate some CIL related issues being discussed jointly with the Local Plan hearings. Firstly, at the hearing on affordable housing and viability on **Thursday 26 November** and secondly in relation to the viability of the East Witney and North Witney Strategic Development Areas, in the second stage of the local plan hearings (date yet to be fixed). (The viability of the SDAs will not be discussed in November.) I will confirm the CIL hearing dates at least 4 weeks in advance of the first hearing.
2. I am not intending to provide a general opportunity for CIL representors to submit further statements in response to generic pre-hearing questions. In any oral discussion at hearings, parties will have to refer to their existing evidence and no further written evidence will be accepted at the hearings.
3. I do, however, require the Council's response on a number of the more technical points raised in representations and some questions of my own. Given that there is time available to do so, the most effective and fair way of seeking such a response is in the form of Statements of Common Ground (or reasons for disagreement) with the party which originally raised the point concerned.
4. I have highlighted below some parties to participate in SCGs. This does not exclude other parties promoting an SCG with the Council or joining in with a SCG. Parties should indicate as soon as possible to the Council if they are willing to do so. I appreciate that there a number of other concerns raised in the reps, including sales values, and more general points, but I consider that I have enough information and that if there needs to be any discussion of such matters there is sufficient existing material to refer to.
5. The deadline for the receipt of the SCG's (or reasons for disagreement) is **10 November**.
6. Parties should also be aware that I have expressed concern to the Council in a note (IN CIL1) about the use of the terms *greenfield* and *brownfield* in the Draft Charging Schedule (DCS) in relation to retail rates in the absence of any plans in the Schedule to define these as geographic zones.

Council response and SCG (or reasons for disagreement) with North Witney House builder Consortium (rep 19)

7. Rep 19, section ix highlights the role of land promoters in large schemes and their expected profit of 10%-20% of land value. Does the Council accept that this role and cost needs to be taken into account in the appraisals of the SDAs? If so, how has this been done?

8. The *Aspinall Verdi Viability Study (AV)* February 2015 (CIL 4, 4a, paragraph 5.121) discounts benchmark market land values by 25% to reflect the impact of CIL generally and in this regard follows the approach taken in the Examiner's report for the Greater Norwich CIL. Is such a discount justified here, now that CIL is more well-known? Could it already be reflected in market values or is this further reduction reasonable? (This discount is also queried in rep 21, paragraph 3.17.)

9. For each of the 4 large strategic schemes appraised in the AV study, *Equity Finance* is assumed to cover 40% of net cost. Is it only these 4 schemes where this approach is taken? What does this mean in practice for the developer? Is it a reasonable assumption? What, in broad terms, would be the difference in valuation if there was 100% debt financing? Is the assumed interest rate reasonable (see rep 19, section viii)?

A number of reps question build costs/site costs generally or specifically for zero carbon homes (reps 19, 21, 22). Council response to the following in SCG with these parties.

10. Did all the residential typologies include a 25% uplift in build costs to take account of the anticipated zero carbon requirements? (AV paragraphs 5.84 - 5.90 and Table 5.23 discuss this issue, but I want to be clear what was finally included in the appraisals.)

11. Is it agreed that no such adjustment is now required given the Government's announcement in the National Productivity Plan *Fixing the Foundations: Creating a more prosperous nation* 10 July 2015 which states that *the government does not intend to proceed with the zero carbon Allowable Solutions carbon offsetting scheme, or the proposed 2016 increase in on-site energy efficiency standards...*(9.17)? If a 25% uplift in build costs had previously been incorporated in the appraisals, does this now represent an additional buffer for any higher than assumed build costs and/or higher site infrastructure costs? Would any further increase for such costs now be justified?

Sheltered/Extra Care Housing

Council to respond to the following questions, not specifically raised in any reps. Council's response can be shared for comment with those who made reps on the viability of CIL rates for this type of development (eg reps 10 and 23).

12. The proposed CIL rates for sheltered/extra care housing in the DCS follow the recommendations in the AV (Table 11.2 also Table 6.5). In those Tables,, the assumed contribution to affordable housing for sheltered housing and extra

care housing respectively in the different zones are: 30%/10% (high value zone); 10%/0% (medium value); 0%/0% (lower value). These do not equate to the policy requirement for affordable housing in the Local Plan and are not the affordable housing rates specified in AV Appendix 1 *Hypothetical Typologies* for supported living schemes. Supported Living Typologies 1-3 (sheltered housing) Appendix 1 shows policy compliant levels of affordable housing for each of the value zones, but for typologies 4, 5 and 6 only 35% is shown across all value zones. Why?

13. The AV (6.32) confirms that neither sheltered nor extra care is viable in the lower value zone on brownfield and only marginal on greenfield land, thus justifying the proposed nil CIL charge here. The AV (6.33) also confirms that neither type are viable with the policy target affordable housing in the medium value zone. But sheltered housing is viable with 10% affordable housing (or its equivalent financial contribution). In the high value zone, sheltered is viable with affordable housing at 30% and extra care with 10% provision (or equivalent financial contribution).

14. What is the justification for setting a CIL rate based on substantial non-compliance with affordable housing policy?

15. If CIL is to be charged as proposed, should the Local Plan policy requirements for this type of housing be amended to match the level at which they would be viable with CIL? In addition, if it is assumed that almost invariably payments in lieu of affordable housing on-site would be accepted, should this be acknowledged in the policy so that such developments are policy compliant from the outset, rather than having to be justified as exceptions?

16. As currently proposed, could the combination of the DCS and Local Plan policy act as a disincentive for sheltered and extra care schemes to be initiated? Would this combination of requirements undermine rather than support the implementation of an important element of the Local Plan's proposals?

Council only - Infrastructure Funding Gap Analysis (CIL7) and S106 costs.

17. Is any update required to the IDP (CIL6) or the Gap Analysis to reflect any substantial changes in projects or known costs? I understand that the County Council made a decision about the Eynsham-Oxford busyway in July 2015. Is the up to date funding position for this reflected in the IDP (CIL6, p58)?

18. Could Appendix 1 in CIL7 be supplemented by a table showing the known funding gaps by infrastructure types identified in the IDP as *critical* and separately for those identified as *necessary*.

19. If reasonably straightforward to assess, please show over, say, the last 3 or 4 years what has been the average cost per dwelling for all S106 obligations, excluding affordable housing. Please show for each year analysed.

Simon Emerson Examiner 8 October 2015