



**Vale
of White Horse**
District Council



Help us Shape the Future

Community Infrastructure Levy (CIL) Viability Study Update

Your Vale - Your Future

February 2015

Vale of White Horse Council

Community Infrastructure Levy – Additional Viability Note

1. This brief note has been prepared following the consultation on the Council's PDCS to address the effect on viability of the national changes in relation to affordable housing thresholds and concern raised by the promoters of the Didcot A development site.

Affordable Housing Thresholds

2. In the VoWH Local Plan Viability Study (October 2014) and the Community Infrastructure Levy Viability Study (October 2014) the analysis was initially carried out in the context of the then wording of Core Policy 24 Affordable Housing. This set out that the '*council will seek 40% affordable housing on all sites capable of a net gain of three or more dwellings (sites of at least 0.1 hectare)*'. Through the plan-making process the requirement was reduced to a '*35% affordable housing on all sites capable of a net gain of three or more dwellings (sites of at least 0.1 hectare)*'.
3. The analysis in the VoWH CIL Viability Study was carried out on the basis of *35% affordable housing on of three or more dwellings / of at least 0.1 hectare*.
4. The 2014 Treasury Autumn Statement¹ included the following text:

Reforming the planning system

1.141 The government has taken significant steps to speed up planning decisions. Building on this progress, the government will take further action to speed up the end-to-end planning process for major and minor applications, and to support SMEs, including:

- *ensuring that the principle of development need only be established once, to give greater certainty and allow locally-supported development to proceed more quickly;*
- *taking steps to speed up section 106 negotiations, including revised guidance, consulting on a faster process for reaching agreement, considering how timescales for agreement could be introduced, and improving transparency on the use of section 106 funds;*
- *keeping the speed of decisions on major applications under review, with the minimum performance threshold increasing to 50% of major decisions on time as performance continues to improve;*
- *publishing new data on local authorities' performance in meeting their statutory duty to process smaller planning applications within 8 weeks;*
- *working with industry and local authorities to test whether more can be done to support the approval of small sites in the planning system;*
- *publishing proposals for consultation at Budget 2015 on making the Compulsory Purchase Regime clearer, faster and fairer, with the aim of bringing forward more brownfield land for development.*

¹ Excerpt from the Treasury Autumn Statement – 03/12/14 - From page 42

5. This led to the Planning Practice Guidance (PPG) being amended on the 29th November 2014 with the following new text being added:

Are there any circumstances where infrastructure contributions through planning obligations should not be sought from developers?

There are specific circumstances where contributions for affordable housing and tariff style planning obligations (section 106 planning obligations) should not be sought from small scale and self-build development.

- *contributions should not be sought from developments of 10-units or less, and which have a maximum combined gross floorspace of no more than 1000sqm*
- *in designated rural areas, local planning authorities may choose to apply a lower threshold of 5-units or less. No affordable housing or tariff-style contributions should then be sought from these developments. In addition, in a rural area where the lower 5-unit or less threshold is applied, affordable housing and tariff style contributions should be sought from developments of between 6 and 10-units in the form of cash payments which are commuted until after completion of units within the development. This applies to rural areas described under section 157(1) of the Housing Act 1985, which includes National Parks and Areas of Outstanding Natural Beauty*
- *affordable housing and tariff-style contributions should not be sought from any development consisting only of the construction of a residential annex or extension to an existing home*

PPG ID: 23b-012-20141128

What are tariff-style contributions?

Some authorities seek planning obligations contributions to pooled funding 'pots' intended to provide common types of infrastructure for the wider area.

Planning obligations mitigate the impact of development which benefits local communities and supports the provision of local infrastructure. In applying the planning obligations local planning authorities must ensure that these meet the three tests that are set out as statutory tests in the Community Infrastructure Levy Regulations 2010, and as policy tests in the National Planning Policy Framework. These are: that they are necessary to make the development acceptable in planning terms, directly related to the development, and fairly and reasonably related in scale and kind. For sites where the threshold applies, planning obligations should not be sought to contribute to pooled funding 'pots' intended to fund the provision of general infrastructure in the wider area.

PPG ID: 23b-014-20141128

Are there any exceptions to the 10-unit threshold?

Local planning authorities may choose to apply a lower threshold of 5-units or less to development in designated rural areas being areas as described under section 157 of the Housing Act 1985, which includes National Parks and Areas of Outstanding Natural Beauty. No affordable housing or tariff-style contributions should then be sought from these developments.

Where this lower threshold is applied, local planning authorities should only seek affordable housing contributions from developments of between 6 to 10-units as financial contributions and not affordable housing units on site. Any payments made (whether as an affordable housing contribution or contribution to a pooled funding pot for general infrastructure provision) should also be commuted until after completion of units within the development.

PPG ID: 2a-017-20141128

6. Before considering the issues, we maintain that in terms of viability the three unit threshold set out in the current wording (with the 35% affordable housing requirement) of the Policy 24 is justified in terms of viability and is well founded (and is being delivered). We take this opportunity to highlight that there is some uncertainty about the legal status of the PPG relative

to the NPPF and whether Planning Authorities have some flexibility around the implementation of the thresholds in the PPG. This new national affordable housing threshold is currently subject to a Judicial Review (by West Berkshire and Reading Borough Councils). It will be necessary for the Council to continue to monitor this and ensure that the rates of CIL taken forward are the appropriate ones, relative the actual affordable housing thresholds in the submitted / adopted Local Plan.

7. As it stands, the Council do not wish to pursue affordable housing or commuted sums on sites of 10 or fewer. It is however clear that, if a major cost to the developer, such as providing affordable housing, is removed this will have a marked impact on viability of these smaller sites. Some other authorities are reflecting this in higher rates of CIL on small sites that are now exempt from the affordable housing due to their size.
8. The Council's evidence includes a wide range of analysis, including looking at a range of smaller sites under a range of affordable housing thresholds and levels of CIL – although not with no affordable housing or rates of CIL over £200/m². In the following table we have re-run the analysis for the Small Sites set out in the lower blocks of results set out in Tables 3.2 to 3.4 of the CIL viability study. All other inputs to the study remain unchanged. In this analysis the Rural Areas and Higher Main Settlements equate to the CIL Zone 1 and the Lower Main Settlement to the CIL Zone 2.

Residual Value Compared to Viability Thresholds, Full Policy Requirements 0% Affordable Housing, CIL £0/m2 to £200/m2

	Alternative Use Value	Viability Threshold	Residual Value																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
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Single Rural	50,000	410,000	2,899,119	2,842,791	2,786,463	2,730,134	2,673,806	2,617,478	2,561,149	2,504,821	2,448,493	2,392,164	2,335,836	2,279,508	2,223,180	2,166,852	2,110,524	2,054,196	1,997,868	1,941,540	1,885,212	1,828,884	1,772,556	1,716,228	1,659,900	1,603,572	1,547,244	1,490,916	1,434,588	1,378,260	1,321,932	1,265,604	1,209,276	1,152,948	1,096,620	1,040,292	983,964	927,636	871,308	814,980	758,652	702,324	645,996	589,668	533,340	477,012	420,684	364,356	308,028	251,700	195,372	139,044	82,716	26,388	-30,040	-86,408	-142,776	-199,144	-255,512	-311,880	-368,248	-424,616	-480,984	-537,352	-593,720	-650,088	-706,456	-762,824	-819,192	-875,560	-931,928	-988,296	-1,044,664	-1,101,032	-1,157,400	-1,213,768	-1,270,136	-1,326,504	-1,382,872	-1,439,240	-1,495,608	-1,551,976	-1,608,344	-1,664,712	-1,721,080	-1,777,448	-1,833,816	-1,890,184	-1,946,552	-2,002,920	-2,059,288	-2,115,656	-2,172,024	-2,228,392	-2,284,760	-2,341,128	-2,397,496	-2,453,864	-2,510,232	-2,566,600	-2,622,968	-2,679,336	-2,735,704	-2,792,072	-2,848,440	-2,904,808	-2,961,176	-3,017,544	-3,073,912	-3,130,280	-3,186,648	-3,243,016	-3,299,384	-3,355,752	-3,412,120	-3,468,488	-3,524,856	-3,581,224	-3,637,592	-3,693,960	-3,750,328	-3,806,696	-3,863,064	-3,919,432	-3,975,800	-4,032,168	-4,088,536	-4,144,904	-4,201,272	-4,257,640	-4,314,008	-4,370,376	-4,426,744	-4,483,112	-4,539,480	-4,595,848	-4,652,216	-4,708,584	-4,764,952	-4,821,320	-4,877,688	-4,934,056	-4,990,424	-5,046,792	-5,103,160	-5,159,528	-5,215,896	-5,272,264	-5,328,632	-5,385,000	-5,441,368	-5,497,736	-5,554,104	-5,610,472	-5,666,840	-5,723,208	-5,779,576	-5,835,944	-5,892,312	-5,948,680	-6,005,048	-6,061,416	-6,117,784	-6,174,152	-6,230,520	-6,286,888	-6,343,256	-6,399,624	-6,455,992	-6,512,360	-6,568,728	-6,625,096	-6,681,464	-6,737,832	-6,794,200	-6,850,568	-6,906,936	-6,963,304	-7,019,672	-7,076,040	-7,132,408	-7,188,776	-7,245,144	-7,301,512	-7,357,880	-7,414,248	-7,470,616	-7,526,984	-7,583,352	-7,639,720	-7,696,088	-7,752,456	-7,808,824	-7,865,192	-7,921,560	-7,977,928	-8,034,296	-8,090,664	-8,147,032	-8,203,400	-8,259,768	-8,316,136	-8,372,504	-8,428,872	-8,485,240	-8,541,608	-8,597,976	-8,654,344	-8,710,712	-8,767,080	-8,823,448	-8,879,816	-8,936,184	-8,992,552	-9,048,920	-9,105,288	-9,161,656	-9,218,024	-9,274,392	-9,330,760	-9,387,128	-9,443,496	-9,500,864	-9,557,232	-9,613,600	-9,669,968	-9,726,336	-9,782,704	-9,839,072	-9,895,440	-9,951,808	-1,000,176	-1,056,544	-1,112,912	-1,169,280	-1,225,648	-1,282,016	-1,338,384	-1,394,752	-1,451,120	-1,507,488	-1,563,856	-1,620,224	-1,676,592	-1,732,960	-1,789,328	-1,845,696	-1,902,064	-1,958,432	-2,014,800	-2,071,168	-2,127,536	-2,183,904	-2,240,272	-2,296,640	-2,353,008	-2,409,376	-2,465,744	-2,522,112	-2,578,480	-2,634,848	-2,691,216	-2,747,584	-2,803,952	-2,860,320	-2,916,688	-2,973,056	-3,029,424	-3,085,792	-3,142,160	-3,198,528	-3,254,896	-3,311,264	-3,367,632	-3,424,000	-3,480,368	-3,536,736	-3,593,104	-3,649,472	-3,705,840	-3,762,208	-3,818,576	-3,874,944	-3,931,312	-3,987,680	-4,044,048	-4,100,416	-4,156,784	-4,213,152	-4,269,520	-4,325,888	-4,382,256	-4,438,624	-4,494,992	-4,551,360	-4,607,728	-4,664,096	-4,720,464	-4,776,832	-4,833,200	-4,889,568	-4,945,936	-5,002,304	-5,058,672	-5,115,040	-5,171,408	-5,227,776	-5,284,144	-5,340,512	-5,396,880	-5,453,248	-5,509,616	-5,565,984	-5,622,352	-5,678,720	-5,735,088	-5,791,456	-5,847,824	-5,904,192	-5,960,560	-6,016,928	-6,073,296	-6,129,664	-6,186,032	-6,242,400	-6,298,768	-6,355,136	-6,411,504	-6,467,872	-6,524,240	-6,580,608	-6,636,976	-6,693,344	-6,749,712	-6,806,080	-6,862,448	-6,918,816	-6,975,184	-7,031,552	-7,087,920	-7,144,288	-7,200,656	-7,257,024	-7,313,392	-7,369,760	-7,426,128	-7,482,496	-7,538,864	-7,595,232	-7,651,600	-7,707,968	-7,764,336	-7,820,704	-7,877,072	-7,933,440	-7,989,808	-8,046,176	-8,102,544	-8,158,912	-8,215,280	-8,271,648	-8,328,016	-8,384,384	-8,440,752	-8,497,120	-8,553,488	-8,609,856	-8,666,224	-8,722,592	-8,778,960	-8,835,328	-8,891,696	-8,948,064	-9,004,432	-9,060,800	-9,117,168	-9,173,536	-9,229,904	-9,286,272	-9,342,640	-9,399,008	-9,455,376	-9,511,744	-9,568,112	-9,624,480	-9,680,848	-9,737,216	-9,793,584	-9,849,952	-9,906,320	-9,962,688	-1,001,056	-1,057,424	-1,113,792	-1,170,160	-1,226,528	-1,282,896	-1,339,264	-1,395,632	-1,452,000	-1,508,368	-1,564,736	-1,621,104	-1,677,472	-1,733,840	-1,790,208	-1,846,576	-1,902,944	-1,959,312	-2,015,680	-2,072,048	-2,128,416	-2,184,784	-2,241,152	-2,297,520	-2,353,888	-2,410,256	-2,466,624	-2,522,992	-2,579,360	-2,635,728	-2,692,096	-2,748,464	-2,804,832	-2,861,200	-2,917,568	-2,973,936	-3,030,304	-3,086,672	-3,143,040	-3,199,408	-3,255,776	-3,312,144	-3,368,512	-3,424,880	-3,481,248	-3,537,616	-3,593,984	-3,650,352	-3,706,720	-3,763,088	-3,819,456	-3,875,824	-3,932,192	-3,988,560	-4,044,928	-4,101,296	-4,157,664	-4,214,032	-4,270,400	-4,326,768	-4,383,136	-4,439,504	-4,495,872	-4,552,240	-4,608,608	-4,664,976	-4,721,344	-4,777,712	-4,834,080	-4,890,448	-4,946,816	-5,003,184	-5,059,552	-5,115,920	-5,172,288	-5,228,656	-5,285,024	-5,341,392	-5,397,760	-5,454,128	-5,510,496	-5,566,864	-5,623,232	-5,679,600	-5,735,968	-5,792,336	-5,848,704	-5,905,072	-5,961,440	-6,017,808	-6,074,176	-6,130,544	-6,186,912	-6,243,280	-6,299,648	-6,356,016	-6,412,384	-6,468,752	-6,525,120	-6,581,488	-6,637,856	-6,694,224	-6,750,592	-6,806,960	-6,863,328	-6,919,696	-6,976,064	-7,032,432	-7,088,800	-7,145,168	-7,201,536	-7,257,904	-7,314,272	-7,370,640	-7,427,008	-7,483,376	-7,539,744	-7,596,112	-7,652,480	-7,708,848	-7,765,216	-7,821,584	-7,877,952	-7,934,320	-7,990,688	-8,047,056	-8,103,424	-8,159,792	-8,216,160	-8,272,528	-8,328,896	-8,385,264	-8,441,632	-8,498,000	-8,554,368	-8,610,736	-8,667,104	-8,723,472	-8,779,840	-8,836,208	-8,892,576	-8,948,944	-9,005,312	-9,061,680	-9,118,048	-9,174,416	-9,230,784	-9,287,152	-9,343,520	-9,400,888	-9,457,256	-9,513,624	-9,570,092	-9,626,460	-9,682,828	-9,739,196	-9,795,564	-9,851,932	-9,908,300	-9,964,668	-1,002,036	-1,058,404	-1,114,772	-1,171,140	-1,227,508	-1,283,876	-1,340,244	-1,396,612	-1,452,980	-1,509,348	-1,565,716	-1,622,084	-1,678,452	-1,734,820	-1,791,188	-1,847,556	-1,903,924	-1,960,292	-2,016,660	-2,073,028	-2,129,396	-2,185,764	-2,242,132	-2,298,500	-2,354,868	-2,411,236	-2,467,604	-2,523,972	-2,580,340	-2,636,708	-2,693,076	-2,749,444	-2,805,812	-2,862,180	-2,918,548	-2,974,916	-3,031,284	-3,087,652	-3,144,020	-3,200,388	-3,256,756	-3,313,124	-3,369,492	-3,425,860	-3,482,228	-3,538,596	-3,594,964	-3,651,332	-3,707,700	-3,764,068	-3,820,436	-3,876,804	-3,933,172	-3,989,540	-4,045,908	-4,102,276	-4,158,644	-4,215,012	-4,271,380	-4,327,748	-4,384,116	-4,440,484	-4,496,852	-4,553,220	-4,609,588	-4,665,956	-4,722,324	-4,778,692	-4,835,060	-4,891,428	-4,947,796	-5,004,164	-5,060,532	-5,116,900	-5,173,268	-5,229,636	-5,286,004	-5,342,372	-5,398,740	-5,455,108	-5,511,476	-5,567,844	-5,624,212	-5,680,580	-5,736,948	-5,793,316	-5,849,684	-5,906,052	-5,962,420	-6,018,788	-6,075,156	-6,131,524	-6,187,892	-6,244,260	-6,300,628	-6,356,996	-6,413,364	-6,469,732	-6,526,100	-6,582,468	-6,638,836	-6,695,204	-6,751,572	-6,807,940	-6,864,308	-6,920,676	-6,977,044	-7,033,412	-7,089,780	-7,146,148	-7,202,516	-7,258,884	-7,315,252	-7,371,620	-7,427,988	-7,484,356	-7,540,724	-7,597,092	-7,653,460	-7,709,828	-7,766,196	-7,822,564	-7,878,932	-7,935,300	-7,991,668	-8,048,036	-8,104,404	-8,160,772	-8,217,140	-8,273,508	-8,329,876	-8,386,244	-8,442,612	-8,498,980	-8,555,348	-8,611,716	-8,668,084	-8,724,452	-8,780,820	-8,837,188	-8,893,556	-8,949,924	-9,006,292	-9,062,660	-9,119,028	-9,175,396	-9,231,764	-9,288,132	-9,344,500	-9,400,868	-9,457,236	-9,513,604	-9,570,072	-9,626,440	-9,682,808	-9,739,176	-9,795,544	-9,851,912	-9,908,280	-9,964,648	-1,002,016	-1,058,384	-1,114,752	-1,171,120	-1,227,488	-1,283,856	-1,340,224	-1,396,592	-1,452,960	-1,509,328	-1,565,696	-1,622,064	-1,678,432	-1,734,800	-1,791,168	-1,847,536	-1,903,904	-1,960,272	-2,016,640	-2,073,008	-2,129,376	-2,185,744	-2,242,112	-2,298,480	-2,354,848	-2,411,216	-2,467,584	-2,523,952	-2,580,320	-2,636,688	-2,693,056	-2,749,424	-2,805,792	-2,862,160	-2,918,528	-2,974,896	-3,031,264	-3,087,632	-3,144,000	-3,200,368	-3,256,736	-3,313,104	-3,369,472	-3,425,840	-3,482,208	-3,538,576	-3,594,944	-3,651,312	-3,707,680	-3,764,048	-3,820,416	-3,876,784	-3,933,152	-3,989,520	-4,045,888	-4,102,256	-4,158,624	-4,215,092	-4,271,460	-4,327,828	-4,384,196	-4,440,564	-4,496,932	-4,553,300	-4,609,668	-4,666,036	-4,722,404	-4,778,772	-4,835,140	-4,891,508	-4,947,876	-5,004,244	-5,060,612	-5,116,980	-5,173,348	-5,229,716	-5,286,084	-5,342,452	-5,398,820	-5,455,188	-5,511,556	-5,567,924	-5,624,292	-5,680,660	-5,737,028	-5,793,396	-5,849,764	-5,906,132	-5,962,500	-6,018,868	-6,075,236	-6,131,604	-6,187,972	-6,244,340	-6,300,708	-6,357,076	-6,413,444	-6,469,812	-6,526,180	-6,582,548	-

9. In the following table we have compared the Residual Values with affordable housing at 35%:

Difference between Residual Value with 35% and 0% Affordable Housing												
35% Affordable		Residual Value										
		£0	£20	£40	£60	£80	£100	£120	£140	£160	£180	£200
Single Rural	Higher Rural	2,899,119	2,842,791	2,786,463	2,730,134	2,673,806	2,617,478	2,561,149	2,504,821	2,472,616	2,415,733	2,358,849
Three Rural	Higher Rural	1,975,399	1,940,820	1,906,241	1,871,661	1,837,082	1,802,503	1,767,923	1,733,344	1,698,765	1,664,185	1,629,606
Five Rural	Higher Rural	2,571,649	2,524,777	2,500,000	2,454,296	2,406,975	2,359,654	2,312,333	2,265,013	2,217,692	2,170,371	2,123,050
Seven Rural	Higher Rural	2,009,345	1,994,124	1,959,675	1,925,225	1,890,775	1,856,326	1,821,876	1,787,427	1,752,977	1,718,528	1,684,078
Single Rural	Lower Rural	2,183,254	2,126,370	2,069,487	2,012,604	1,955,721	1,898,837	1,841,954	1,785,071	1,728,187	1,671,304	1,614,421
Three Rural	Lower Rural	1,409,009	1,374,429	1,339,850	1,305,271	1,270,691	1,248,290	1,213,370	1,178,450	1,143,530	1,108,610	1,073,690
Five Rural	Lower Rural	1,315,481	1,284,722	1,253,964	1,247,073	1,215,714	1,184,355	1,152,996	1,121,638	1,090,279	1,058,920	1,027,562
Seven Rural	Lower Rural	1,493,809	1,459,360	1,424,910	1,390,461	1,356,011	1,321,561	1,287,112	1,252,662	1,218,213	1,183,763	1,149,314
Pair Urban	Higher Main Settlement	3,211,075	3,131,799	3,052,522	2,973,245	2,893,968	2,814,691	2,735,414	2,656,137	2,576,860	2,500,000	2,442,132
2 Semi Urban	Higher Main Settlement	2,194,843	2,143,313	2,091,783	2,040,253	1,988,723	1,937,193	1,885,663	1,834,133	1,782,603	1,731,073	1,679,544
Urban infill	Higher Main Settlement	1,836,527	1,793,103	1,749,680	1,706,256	1,662,832	1,619,408	1,575,984	1,532,561	1,489,137	1,445,713	1,402,289
Terraces	Higher Main Settlement	1,778,903	1,737,797	1,696,691	1,666,667	1,629,929	1,588,430	1,546,931	1,505,432	1,463,933	1,422,434	1,380,935
Pair Urban	Lower Main Settlement	2,633,218	2,540,589	2,472,078	2,378,537	2,284,995	2,191,454	2,097,913	2,004,371	1,910,830	1,817,288	1,723,747
2 Semi Urban	Lower Main Settlement	1,350,076	1,298,546	1,250,000	1,207,264	1,155,226	1,103,189	1,051,151	999,113	947,076	895,038	843,000
Urban infill	Lower Main Settlement	1,216,282	1,172,011	1,127,740	1,083,469	1,039,198	994,926	950,655	906,384	862,113	817,842	773,571
Terraces	Lower Main Settlement	1,172,291	1,130,792	1,089,293	1,047,794	1,006,295	964,796	923,296	881,797	840,298	814,386	772,077
0% Affordable		Residual Value										
		£0	£20	£40	£60	£80	£100	£120	£140	£160	£180	£200
Single Rural	Higher Rural	2,899,119	2,842,791	2,786,463	2,730,134	2,673,806	2,617,478	2,561,149	2,504,821	2,472,616	2,415,733	2,358,849
Three Rural	Higher Rural	2,788,348	2,736,167	2,683,986	2,631,805	2,579,624	2,527,444	2,500,000	2,470,362	2,417,163	2,363,964	2,310,765
Five Rural	Higher Rural	2,571,649	2,524,777	2,500,000	2,454,296	2,406,975	2,359,654	2,312,333	2,265,013	2,217,692	2,170,371	2,123,050
Seven Rural	Higher Rural	2,884,927	2,832,430	2,779,933	2,727,436	2,674,939	2,622,442	2,569,945	2,517,448	2,464,951	2,412,454	2,359,958
Single Rural	Lower Rural	2,183,254	2,126,370	2,069,487	2,012,604	1,955,721	1,898,837	1,841,954	1,785,071	1,728,187	1,671,304	1,614,421
Three Rural	Lower Rural	2,161,533	2,108,334	2,055,135	2,001,936	1,948,737	1,895,538	1,842,339	1,789,140	1,735,941	1,682,742	1,629,543
Five Rural	Lower Rural	1,994,846	1,947,525	1,900,205	1,852,884	1,805,563	1,758,242	1,710,921	1,663,600	1,616,280	1,568,959	1,521,638
Seven Rural	Lower Rural	2,225,293	2,172,796	2,120,299	2,067,803	2,015,306	1,962,809	1,910,312	1,857,815	1,805,318	1,752,821	1,700,324
Pair Urban	Higher Main Settlement	3,211,075	3,131,799	3,052,522	2,973,245	2,893,968	2,814,691	2,735,414	2,656,137	2,576,860	2,500,000	2,442,132
2 Semi Urban	Higher Main Settlement	3,334,461	3,256,701	3,178,941	3,101,182	3,023,422	2,945,663	2,867,903	2,790,144	2,712,384	2,634,624	2,556,865
Urban infill	Higher Main Settlement	2,894,967	2,828,162	2,761,356	2,694,550	2,627,744	2,560,938	2,494,132	2,427,326	2,360,520	2,293,715	2,226,909
Terraces	Higher Main Settlement	2,720,199	2,656,959	2,593,720	2,530,480	2,467,241	2,404,001	2,340,761	2,277,522	2,214,282	2,151,043	2,087,803
Pair Urban	Lower Main Settlement	2,633,218	2,540,589	2,472,078	2,378,537	2,284,995	2,191,454	2,097,913	2,004,371	1,910,830	1,817,288	1,723,747
2 Semi Urban	Lower Main Settlement	2,373,272	2,293,995	2,214,718	2,135,441	2,056,164	1,976,887	1,897,610	1,818,333	1,739,056	1,659,780	1,580,503
Urban infill	Lower Main Settlement	2,039,507	1,972,701	1,905,895	1,839,089	1,772,283	1,705,478	1,638,672	1,571,866	1,505,060	1,466,318	1,398,208
Terraces	Lower Main Settlement	1,934,386	1,871,146	1,807,907	1,744,667	1,681,428	1,633,673	1,569,828	1,505,984	1,442,139	1,378,294	1,314,449
Difference		£0	£20	£40	£60	£80	£100	£120	£140	£160	£180	£200
Single Rural	Higher Rural	0	0	0	0	0	0	0	0	0	0	0
Three Rural	Higher Rural	812,948	795,347	777,745	760,144	742,542	724,941	732,077	737,018	718,398	699,778	681,159
Five Rural	Higher Rural	0	0	0	0	0	0	0	0	0	0	0
Seven Rural	Higher Rural	875,582	838,306	820,259	802,211	784,164	766,116	748,069	730,022	711,974	693,927	675,879
Single Rural	Lower Rural	0	0	0	0	0	0	0	0	0	0	0
Three Rural	Lower Rural	752,524	733,905	715,285	696,665	678,046	647,248	628,969	610,690	592,411	574,132	555,853
Five Rural	Lower Rural	679,366	662,803	646,241	605,811	589,849	573,887	557,925	541,963	526,001	510,039	494,076
Seven Rural	Lower Rural	731,484	713,437	695,389	677,342	659,295	660,030	641,480	622,930	604,381	585,831	567,281
Pair Urban	Higher Main Settlement	0	0	0	0	0	0	0	0	0	0	0
2 Semi Urban	Higher Main Settlement	1,139,618	1,113,388	1,087,158	1,060,929	1,034,699	1,008,469	982,240	956,010	929,781	903,551	877,321
Urban infill	Higher Main Settlement	1,015,016	991,634	968,252	944,870	921,488	898,106	874,724	851,342	827,960	804,578	786,320
Terraces	Higher Main Settlement	941,296	919,162	897,029	863,813	837,311	815,571	793,830	772,090	750,349	728,609	706,868
Pair Urban	Lower Main Settlement	0	0	0	0	0	0	0	0	0	0	0
2 Semi Urban	Lower Main Settlement	1,023,196	995,449	964,718	928,177	900,938	873,698	846,459	819,220	791,981	764,741	737,502
Urban infill	Lower Main Settlement	823,225	800,690	778,155	755,621	733,086	710,551	688,016	665,482	642,947	648,476	624,637
Terraces	Lower Main Settlement	762,095	740,354	718,614	696,873	675,133	668,877	646,532	624,186	601,841	563,909	542,373
		0	0	0	0	0	0	0	0	0	0	0

10. It is clear that there is a very significant increase in the Residual Value as a result of the lifting the affordable requirements. This will result in developers being able to pay landowners very much more for land.

11. When considering the rates of CIL that may be applied to sites of 10 or fewer units it is necessary that the council is consistent with the approach taken in the earlier work, and that the Council continues to take a cautious view and to consider the contents of the Guidance which is to

As set out in the National Planning Policy Framework in England (paragraphs 173 – 177), the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. The same principle applies in Wales.

PPG ID: 25-009-20140612

A charging authority's proposed rate or rates should be reasonable, given the available evidence, but there is no requirement for a proposed rate to exactly mirror the evidence. For example, this might not be appropriate if the evidence pointed to setting a charge right at the margins of viability. There is room for some pragmatism. It would be appropriate to ensure that a 'buffer' or margin is included, so that the levy rate is able to support development when economic circumstances adjust. In all cases, the charging authority should be able to explain its approach clearly.

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12. As well the results it is also appropriate to consider the rationale behind the Government's introduction of the threshold. This is to simplify the planning system, to speed it up and enable more small sites to come forward. The exemption from the provision of affordable housing will mean that discussions around the provision of affordable housing will not need to take place. The principle result of lifting the threshold will be developers being able to pay more for development land than they are able to where affordable housing is provided.
13. Through the viability testing we have been clear that CIL should not be set at the limits of viability so it would not be appropriate to simply convert the increase in Residual Value to CIL. The result of the change is that landowners will have increased expectations of land prices (although there is little evidence to draw on at this stage as this is a new change).
14. With this in mind we would recommend that the Council take a pragmatic approach. Based on the above we would suggest that the differentiation is maintained between Zone 1 and Zone 2 as the Residual Values are lower in the Zone 2 areas for the small sites.
15. CIL set at £260/m² in Zone 1 and £200/m² in Zone 2 would still allow for residual values well in excess of £1,000,000/ha and somewhat higher than with the 35% Affordable Housing. On this basis the development will not be threatened and overall viability will be better with these higher rates than with the affordable housing. Developers will remain incentivised to pursue site through not being 'caught' by the s106 system, and further contributions towards infrastructure will be gathered.

Didcot A

16. The Didcot A site is a large site but not one considered in the earlier viability work in any detail. It was considered briefly in the SHLAA Viability Study, including contingency sites – February 2014. The report said:
 - 4.43 *As mentioned earlier in this report, this is a complex site that is partially the coal yard for the power station and, partially, the power station cooling towers. It is beyond the scope of this study to assess the cost of 'dropping' the cooling towers and preparing the site for residential development.*
 - 4.44 *To provide helpful guidance for the plan-making process we have considered the residual value of this site without making allowance for the site preparation works. This will give some indication as to the maximum costs in terms of land acquisition and site preparation a scheme on this site could bear.*

4.45 *This site is directly opposite the Valley site. We have therefore assumed a similar infrastructure cost of £20,000 per unit, being the same as for the Valley site. On this basis the site residual value is as follows:*

	Whole Site	Per ha NET	Per ha GROSS
Residual Land Value	19,754,265	1,646,189	1,162,016

Source: HDH 2013

4.46 *The existing use value of the land, when cleared and ready for development, following the £750,000 ha assumption tested with the development industry through the consultation process, is about £12,750,000.*

4.47 *This is an unusual site so it is inappropriate to make a judgement as to whether or not the site is viable – however we would recommend that the Council engages with the site promoter to establish if the site can be prepared for development and made available for less than the residual value.*

17. The site is not identified as a strategic housing site in the Local Plan and has therefore not been subject to further viability testing. The site is part in VoWH and part in South Oxfordshire.

18. Since the SHLAA Viability Study several of the cooling towers have been removed and the site has been transferred to new ownership. The site's promoters have prepared various schemes and are in discussion with the development management team within the Council. Core Policy 16 of the Local Plan safeguards 29ha of the site for employment uses. The provision of other uses on the remainder of the site such as residential, ancillary retail, institutional or community uses would be considered favourably by the Council. The Council and SODC would both expect any scheme on this site to be aligned with the overall vision for the Science Vale.

19. In their response to the Preliminary Draft Charging Schedule the site's promoters have suggested that as the site is a strategic site and as it is subject to a similar level of infrastructure costs as the Grove and Crab Hill sites it should be subject to a differential rate of zero.

- This site it is not listed in the Plan as a strategic housing site and any housing that it may yield has not been incorporated into the Housing Trajectory. As such if housing is not delivered on this site the Development Plan would not be put at 'serious risk' or 'threatened'. For the avoidance of doubt the Council do wish to see this site come forward as part of the Science Vale to meet employment needs.
- Much of the development on the site will be subject to the zero CIL rate proposed for employment uses, with no adverse implications for site viability.
- The promoters suggest the site will be required to bear the full costs of the Science Bridge. This is incorrect. The Science Bridge is a major piece of strategic infrastructure that is expected to cost about £36,000,000 and is part of the Science Vale Transport Package (SVTP). The Council's CIL strategy seeks to meet the cost of the SVTP from development across the district as a whole, of which the majority is

in the Science Vale area. The LEP have also allocated funding for this bridge. Contributions will be funded through CIL rates, primarily from residential development. The Council have included this item of infrastructure on the draft Regulation 123 List. The Didcot A site would be required to provide land for the bridge and other access roads, but the land requirement is modest relative to the scale to the site and potential development, this is not an abnormal cost to the development.

- There are no other known major transport or education facilities that would need to be provided on site (unlike Crab Hill and Grove where there are major costs for school provision). Assuming the site was to come forward as a high quality employment and residential site, within the vision of the Science Vale, the Council believe that it is unlikely the site would require site specific mitigation measures greater than the allowance applied to all sites in viability testing to date.

20. On this basis, and without evidence of higher infrastructure costs, applying to this site there is no evidence on which to base a differential rate of CIL.

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