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# Turnberry

Our ref: 13.12.18 OBU CIL

Your ref: -

13<sup>th</sup> December 2018

Dear Sir/Madam

## **Community Infrastructure Levy (CIL) Draft Charging Schedule Review 2018**

I write with reference to the above consultation and our enclosed representation submitted on behalf of Oxford Brookes University. I refer you to our initial letter dated 30<sup>th</sup> October 2018 submitted in response to your Preliminary Consultation.

We were disappointed to note that no substantive changes have been made to the documentation in response and no statement setting out detailed reasoning in response to the points raised have been made. We therefore re-attach our original letter and trust that the issues raised in the letter will be looked at in more detail following this formal stage of consultation.

In terms of the key tests which must guide a Local Planning Authority in preparing a charging schedule, the following principles set out in Section 14 (1) of the Community Infrastructure Levy Regulations:

*14.— (1) In setting rates (including differential rates) in a charging schedule, a charging authority must aim to strike what appears to the charging authority to be an appropriate balance between—*

*(a) the desirability of funding from CIL (in whole or in part) the actual and expected estimated*

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*total cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding; and*  
*(b) the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.*

We made clear in our last submission that whilst the Council may consider student accommodation remains viable in the various scenarios it has modelled, the increased CIL charge for student accommodation, on its own and in combination with other draft policies recently published in the City's draft Local Plan, will not meet the need for affordable student accommodation in the City.

Oxford Brookes University has confirmed that the cost of student accommodation is deterring students from less affluent backgrounds and under-represented groups from coming to Oxford. Indeed, only 73.7% of our students come from state school backgrounds compared to the sector average of 91.5%. The University is also failing to meet its targets set by the Office for Students for recruitment of entrants from BME backgrounds.

The University has undertaken research to establish that the perceived and real cost of living in Oxford remains a significant barrier to students choosing to apply to Oxford Brookes. Cost was raised as a significant barrier by a substantial number of potential applicants, and was cited by the majority of students who did not enroll at Oxford Brookes. We have also conducted focus groups with prospective students which demonstrate that perceptions of the cost of living in Oxford in particular are a barrier to applying, especially for students from low participation neighbourhoods.

Oxford Brookes has been given a specific condition of registration as a University by the Office for Students. The University must deliver real performance in this area, and meeting this condition is critical in continuing registration. Maintaining our status as a registered University is critical to ongoing viability of the institution.

In our previous letter (appended), we set out how the University is seeking to deliver affordable rents. The Unite scheme in respect of Cowley Barracks very nearly did not proceed as it was not

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a viable and affordable scheme that met the needs of the University and its students. The scheme was only able to proceed because the City Council agreed to waive the affordable housing contribution, which meant the operator could deliver shorter lets which are more affordable to students.

The scheme may have proceeded without the support of Oxford Brookes University, but it would have had higher rents and/or longer letting periods (certainly no 38 week lets as available across 75% of the accommodation). The application of higher CIL rates merely passes these costs on to our students and makes it more difficult to deliver balanced and affordable schemes.

It is our contention that the Council views all purpose built student accommodation as meeting an homogenous need. Consequently, the Viability Report provided in support of the consultation is silent on the issue and does not model the impact of CIL increases on affordable rents for students. The modelling of the impact of CIL on the delivery of affordable housing has been undertaken and is an example where the impact of CIL on different types of accommodation for different needs has been assessed.

We would remind the Council of Paragraph 20 of the National Planning Guidance related to Housing Need, which states the following:

*“Strategic policy-making authorities are encouraged to consider options which would support both the needs of the student population as well as local residents before imposing caps or restrictions on students living outside of university-provided accommodation. They will also need to engage with universities and other higher educational establishments to ensure they understand their student accommodation requirements.”*

Oxford Brookes University is clear that the current suite of draft policies and the proposed CIL charge does not meet the needs of our student population and nor has the University been sufficiently engaged with on this point.

Under the terms of paragraph 14 (1)a of the CIL Regulations, the Council has the discretion to vary its rates in order to respond to the needs of the University and its students, recognising that

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the CIL charge will fall unevenly when compared with its impact on the University of Oxford, as set out in our last representation.

We therefore propose that the Council introduces a variable rate for Headington and east Oxford, recognising that many of the schemes that will emerge here in the future will be to meet the needs of Oxford Brookes University's students.

We would welcome further discussions with the Council in order to establish how a more nuanced approach to CIL can be effected in order to ensure that Oxford as a higher education destination, remains accessible to less affluent sections of society. Without the assistance of the Council in this worthy objective, Oxford Brookes University is unlikely to meet the inclusion targets imposed on it by the Office for Students and will struggle to attract a diverse student body, losing talent to more affordable competitor Universities.

We look forward to discussing these issues further in more detail with the Council.

Yours faithfully,



Chris Pattison  
**Director of Planning**  
**Turnberry**

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30<sup>th</sup> October 2018

Dear Sir/Madam

## **Community Infrastructure Levy Preliminary Draft Charging Schedule**

I write on behalf of Oxford Brookes University to raise the strongest objections to the proposed increase in the Community Infrastructure Levy.

We are also concerned that a four week consultation period is insufficient time to marshal detailed technical evidence that a consultation of this nature requires. We understand that it is the intention of the City Council to re-issue the Draft Charging Schedule for further consultation before Christmas. On behalf of the University we therefore reserve the right to submit additional technical evidence to support our representation: this is currently underway but is not ready for submission.

The University is extremely concerned that the City Council is seeking to increase contributions on new education floorspace by nearly 100% and student accommodation by nearly 60%, which will have adverse impacts on the investment plans for the institution, its ability to house its students and the diversity of its student body, specifically that an increase in CIL will have the following impacts:

1. The adverse impact on the University's Estates investment Plan;
2. Constraining the supply of purpose-built student accommodation, contrary to the objectives of the City's planning policy;

3. Eliminating the delivery of affordable student accommodation within Oxford that allows students from less affluent backgrounds to access education at Oxford Brookes University.

Each point is explained in more detail below, but will be elaborated on in our forthcoming addendum:

### **1. Impact on the University's Estates Investment Plan**

The University has embarked on a 10 Year Estates Investment Plan aimed at transforming the estate from one where around 60% of the estate did not meet sector standards, to an estate that would be 85% compliant by the end of the decade. The condition of the University's estate necessitates this investment: there is no do-nothing option and the Council is invited to inspect the University's estate so it can ascertain the challenges itself.

To address this challenge, the University must marshal its resources carefully. With operating surpluses of £12.5m and £5.7m in 2016 and 2017 respectively, Oxford Brookes University must look to borrowing in order to fund the ongoing £290 million Estates Investment Plan. The University's annual income is around £198m compared to the University of Oxford with an annual income of around £1.4bn. Any increase in CIL therefore impacts on the estates investment plans of both institutions unequally.

An increase in CIL contributions for Oxford Brookes University means other projects have to be cancelled or postponed so that money can be diverted towards the payment of CIL.

In the case of Clive Booth Student Village, if the project were to be appraised under the new regime, the CIL contribution would be estimated to be £1.4m higher. This would mean the number of rooms would have to be reduced in order to stay within the project budget. The City Council should take this representation as evidence that their CIL contribution will have a negative impact on key planks within their planning policy for the City, specifically the moving of students out of community housing.

## **2. Constraining the supply of new PBSA**

The staggering increase in CIL must be read in conjunction with the operation of other policies set out in the emerging draft City Plan principally:

1. The extension of the affordable housing contribution under Policy H2 to all student accommodation sites, including existing campuses;
2. On-going locational restrictions set out in Policy H8 and new restrictions on PBSA requiring the linking this to students attending ;
3. Caps on students living in the community maintained or reduced for most of the life of the proposed Plan as set out in Policy H9;
4. The ongoing shortage of land within urban Oxford.

We will be bringing forward additional evidence on these matters, but we do not see how the pipeline of PBSA in Oxford can sustain the escalation in costs and restrictions identified above, as well as further increase in CIL rates. When read in combination, the deliverability of the Council's student accommodation policy is in question with major ramifications for the future strategy of Oxford Brookes University.

The City Council should table further evidence on the impact of the supply of student accommodation.

## **3. Eliminating affordable student accommodation**

Even if student accommodation were to come forward, the financial model operated by third party private providers would evolve to absorb the cost. As all other costs and risks would remain, the additional cost would be absorbed by students through higher rents and for longer rental periods.

This is not a sustainable for Oxford Brookes in terms of its widening participation agenda. Students from less affluent backgrounds are not coming to Oxford as they are being excluded by high rents.

Only 73.7% of new students are educated in a state school compared to a higher education sector benchmark of 91.5%.

In response, the University is committed to lower rents for shorter annual periods as evidenced in the recent Cowley Barracks scheme. It was eventually recognised that the scheme contributed to the University meeting its student cap and the scheme was exempt from affordable housing contribution. However, the current arrangement of 75% of accommodation leased on 38 week lets, and 25% leased for 42 week lets, would not have been achievable, and the University would not have committed to the scheme, if the affordable housing contribution and/or an increase in CIL had been payable.

If the University had withdrawn its support, the scheme could only have survived as a speculative student accommodation facility, charging higher rents and/or for longer periods: 51-52 week lets are the norm. This would have excluded those students requiring affordable accommodation. This case study cast doubt on the viability evidence advanced by the City Council and suggests that the City's policies will not work for the University and its students if the higher CIL rates prevail alongside the operation of the new policies in the emerging City Plan.

We trust these comments will be read carefully by the City Council and that it engages directly with Oxford Brookes University and its advisors before proceeding with the next iteration of the revised CIL rates.

As stated, further evidence is underway, and we reserve the right to make further representations on the basis that the four week consultation process is insufficient to prepare complex evidence in response to the substantial documentation posted for consultation.

I trust these comments are of assistance to the City Council.

Yours sincerely,



Chris Pattison