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Our ref: I
DD: [REDACTED]
E: [REDACTED]
Date: 25/03/2025

Ian Kemp
Programme Officer
Oxford City Council CIL Examination
By email only

Dear Mr Kemp,

OXFORD CITY COUNCIL PARTIAL REVIEW OF COMMUNITY INFRASTRUCTURE LEVY

I write with reference to the above matter and the forthcoming Examination on the 31st March 2025 as well as the additional evidence submitted by the Council.

The University had raised concerns at the increase in CIL, principally owing to the uncertain impact on investment in Class E research and development activity which is an important part of Oxford's economy and will be a significant aspect of its economic output and success in the years ahead.

In our representation, we highlighted the importance of Oxford as a knowledge intensive cluster. This is summarised in Section 2 and in Appendix 1. We would be grateful if you could refer the Inspector to these sections so he is familiar with the University's position in terms of the scale of opportunity the cluster can offer, but also the extremely competitive internationalisation of the innovation economy.

Potential investment in the innovation economy in Oxford is vulnerable to diversion of capital and opportunity for a variety of reasons:

- through acquisition and assimilation of domestic start-up technology within an overseas cluster;
- national or international investors/businesses appraising the high cost of growing or expanding in one cluster compared to another;
- lack of space or suitable sites;
- adverse tax regimes or other policies in one cluster compared to another.

This has been brought into focus by the recent publication of a report by the Society of Chemical Industry: Unlocking Value in Life Sciences, which identified that the UK has lost out on £15 billion a year over the last decade due to a decline in international competitiveness.

Although this decline is attributable to a number of factors, it underlines the University's concern with any initiative that may increase barriers to investment coming or staying within Oxford. The evidence provided considers the viability of sites within the jurisdiction of Oxford City Council, but does not consider the ramifications for retaining or attracting investment in innovation across clusters, particularly domestic clusters in London, but more notably, Cambridge.



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In support of this point, we would highlight the following paragraphs within our statement:

Paragraph 2.6 (our emphasis):

*The Independent Review of University Spin-out Companies published by the Government in November 2023 further outlines the government's 'ambition for the UK to be a science and technology superpower, with thriving partnerships between universities and high-tech spin-out companies contributing to economic growth and productivity'. **The report goes on to recognise that UK universities are globally competitive on research commercialisation with Oxford third respectively in the world in terms of the number of deals in their spin-outs between 2013 and 2017.***

Paragraph 2.9:

Emphasising the importance of economic growth and productivity, paragraph 85 of the NPPF states that (our emphasis):

'Planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. **Significant weight should be placed on the need to support economic growth and productivity**, taking into account both local business needs and wider opportunities for development. The approach taken should allow each area to build on its strengths, counter any weaknesses and address the challenges of the future. **This is particularly important where Britain can be a global leader in driving innovation, and in areas where high levels of productivity, which should be able to capitalise on their performance and potential.**'

Paragraph 2.8 in Appendix 1:

Although Oxford's Science & Tech cluster is smaller in size when compared with Cambridge, according to figures from the Higher Education Statistics Agency (HESA), the University of Oxford consistently generates more research income (total £4.3 billion between 2015/16 – 2021/22) than the University of Cambridge (total £3.8 billion between 2015/16 – 2021/22). That suggests that K.I. businesses have found it more difficult to locate in Oxfordshire than around Cambridge. Circumstantial evidence is provided by a recent study of 50 of the fastest growing life science businesses, prepared by PwC.... The study found that Cambridge has been more successful than Oxford at attracting life science businesses from other parts of the UK.

Paragraph 3.5 of Appendix 2 confirms that nearly one third of demand for laboratories originates from overseas.

Para 5.9 of Appendix 2 states the following:

If the K.I. Industries in the cluster are constrained, then potential jobs, capital and expertise are likely to be lost to other clusters. With a smaller cluster in relative terms, the risk is that the Universities would be less able to attract academics and researchers, compared to Cambridge, or clusters in other countries.

The University recognises the need for investment in local infrastructure, but is concerned that the current approach to viability is backward-looking, focussing on the output of a regional economy without regard for the choices of international investment in the innovation economy.

If this CIL rate is approved, it will be the highest of all CIL rates in the South East, exceeding that of London. Cambridge has no CIL:

Local Planning Authority		R&D Rate / m ² (2025)		Total
Oxford City Council				£168.74
London Boroughs		CIL Rate	Mayoral CIL Rate	
Islington		£0	£94.79	£94.79
Camden	Zone A (Central)	£129	£94.79	£223.79
	Zone B (Rest of Camden)	£37	£94.79	£131.79
	Zone C (Highgate, Hampstead)	£37	£94.79	£131.79
Westminster		£0	£94.79	£94.79
Tower Hamlets		£0	£71.09	£71.09
Oxford-Cambridge Arc				
West Oxfordshire		Draft		£0
Cherwell		Draft		£0
South Oxfordshire				£0
Vale of White Horse				£0
West Northamptonshire				£0
North Northamptonshire				-
Milton Keynes				-
Buckinghamshire				£40.97
Bedford				£0
Central Bedfordshire				£0
Luton				-
Peterborough				£0
Fenland				-
Huntingdonshire				£0
East Cambridgeshire				£0
Cambridge City Council				-
South Cambridgeshire				-

A typical E-Class laboratory scheme such as that recently approved at 135-137 Botley Road (Ref: 22/03076) would attract a CIL payment of circa £2.2m compared to zero in Cambridge. Whilst the central area of London has rates of between £94 and £223, London also has an under-developed life sciences cluster compared to Oxford or Cambridge, which underlines the need for competitiveness.

We would strongly recommend that cross-cluster sensitivity analysis is undertaken: could more revenue be obtained by taking a smaller proportion of much larger growth, rather than seeking a five-fold increase from a far smaller proportion of growth when the highest rates in the South East of England are applied?

We trust this summary of our position is helpful and would be grateful if this could be accepted in lieu of our attendance.

Yours sincerely

Chris Pattison
Head of Oxford