Question 1: Who are you responding on behalf of?

These Representations have been commissioned jointly by Newlands (Cambridge) Limited ('Newlands' hereafter) and Tritax Big Box Developments Limited ('Tritax' hereafter) in respect of their land interests at Newlands Park Cambridge (A14 Junction 24) and Tritax Park Cambridge (A14 Junction 25) respectively. Both are experienced developers in bringing forward strategic industrial and logistics developments across the country.

Both Newlands and Tritax are promoting their proposals through Greater Cambridge's Local Plan process and both signed Planning Performance Agreements (PPAs) with the Council in Summer 2025. They consider the current Local Plan's hostile planning policy approach, that does not support any strategic-scale warehousing in the District, to be out of date in the context of current national planning policy guidance. Similarly, both made detailed Representations to Greater Cambridge's Draft Local Plan (Regulation 18) in January 2026 confirming that retaining that policy stance in the emerging Local Plan is 'unsound' and not in line with the current and emerging National Planning Policy Framework (NPPF). It is within that context that these Representations are made.

Question 2: Do you wish to participate in the CIL examination?

Yes.

Question 3: Do you agree that the Council should introduce CIL?

Both Newlands and Tritax recognise the need to fund critical infrastructure (e.g. water, power, roads, East West rail, etc) in Greater Cambridge via a range of sources. However, strategic industrial and logistics sites are essential for meeting local plan targets for employment uses. Such development faces significant upfront expenditure on infrastructure which materially impacts on scheme viability. Applying an arbitrary standard CIL rate will render such sites economically unviable resulting in stalled development. Therefore, a zero-rated CIL approach supported by appropriate S106 obligations (where required) is strongly recommended for strategic employment sites and is something that currently works well elsewhere.

Question 4: Do you agree that the Council has demonstrated a funding gap?

We note that the Chancellor has announced £500m of funding to Greater Cambridge and would query whether that has been accounted for in this exercise. Also, the GCP Draft Budget for 2025/26 shows that £809m is required to deliver the projects. It shows funding of £810m, including a 'local contribution' including circa £27m from New Homes Bonus and £230m assumed Section 106 income. We would query why the full assumed Section 106 obligations sum (£230m) has not been accounted for in arriving at the funding gap.

Question 5: Do you agree that the Council has used appropriate evidence to inform the proposed rates?

These Representations have been commissioned jointly by Newlands (Cambridge) Limited ('Newlands' hereafter) and Tritax Big Box Developments Limited ('Tritax' hereafter) in respect of their land interests at Newlands Park Cambridge (A14 Junction 24) and Tritax Park Cambridge (A14 Junction 25) respectively. Both are experienced developers in bringing forward strategic industrial and logistics developments across the country.

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Plan is ‘unsound’ and not in line with the current and emerging National Planning Policy Framework (NPPF). It is within that context that these Representations are made.

Proposed CIL Charging Schedule

The draft CIL Charging Schedule, if adopted, will represent the introduction of CIL in South Cambridgeshire for the first time, adding significant further cost to development. The relevant charge proposed for industrial and logistics development is summarised below:

Use	CIL Rate (£ psm)
‘Industrial use including data centres’	£35

For the purpose of this representation, it is assumed that the above CIL charge would be applicable to all of the subject distribution and logistics accommodation.

Based on indicative masterplan options for the initial phases of the subject sites, the following table sets out the potential CIL liability in accordance with the draft Charging Schedule. Clearly these figures are subject to movement should the level of floorspace delivered change:

Site	Area (sq m)	CIL Rate	Est. CIL Charge (unindexed)
Tritax Park, Cambridge	82,443	£35	£2,885,505
Newlands Park, Cambridge	159,931		£5,597,585
Combined	**242,374**		**£8,483,090**

Approach & Methodology

The overarching approach to assessing viability is generally appropriate in identifying the level of planning obligations that schemes are able to support. The Greater Cambridge: CIL Viability Assessment (‘LPVA’) appraises the Residual Land Value (RLV) of differing development typologies by subtracting all associated development costs and a suitable level of developer profit from the Gross Development Value (GDV), which is assessed by calculating all revenues and capital receipts realised by the developer. RLV is then compared to Site Value Benchmark (SVB) to ascertain whether a deficit or surplus is derived which may be used to support additional contributions.

The LPVA however only considers 3 typologies relevant to industrial use i.e. Typologies 31, 32 and 33. Typology 31 assumes notional ‘industrial’ development of 43,055 sq ft and site coverage of 40%. Typologies 32 and 33 assume development of ‘warehousing / logistics’ use across 53,820 sq ft (50% site coverage), and 64,583 sq ft (60% site coverage) respectively. We would observe a greatly reduced site coverage of nearer 25% in respect of the subject sites owing to evolving policy requirements such as BNG alongside physical constraints such as screening, bunding and yard depths, which are not appropriately considered within the LPVA,

The limited typologies (31, 32 and 33) are then effectively used to support the proposed CIL charging levy for the district, irrespective of the scale of development being considered, which is inherently inadequate. It is our understanding that no larger scale, strategic sites have been tested for the purposes of the proposed CIL changes. We would illustratively highlight that the two sites combined would collectively deliver a total of 2,608,889 sq ft which is circa 40 times (4,000%) the size of the largest typology tested within the LPVA i.e. 64,583 sq ft.

The subject sites are being promoted under PPAs as sustainable locations for large-scale warehousing / logistics and industrial use within close proximity to strategic transport infrastructure (i.e. the A14) to meet needs identified in the emerging Local Plan. The sites are being promoted for the delivery of units of a significantly larger scale to that being tested so it is unclear why larger typologies have not been tested as part of the viability assessment. The maximum 64,583 sq ft units assessed are considerably smaller than many units that are being developed along the A14 Corridor and falls considerably short of the average size of a warehouse unit in the UK (i.e. 333,000 sq ft as recently reported by Savills within the WKWA Report, dated April 2024). Furthermore, the NPPF is clear that (our emphasis added):

> *"Planning policies and decisions should recognise and address the specific locational requirements of different sectors. This includes making provision for…*
>
> *(b) storage and distribution operations at a <u>variety of scales</u> and in suitably accessible locations that allow for the efficient and reliable handling of goods, especially where this is needed to support the supply chain, transport innovation and decarbonisation;…"*

The current LPVA approach therefore fundamentally disregards due consideration of site-specific circumstances and wider infrastructure costs associated with large-scale distribution and logistics development that is contrary to the above and fails to respond to proposals put forward through the Greater Cambridge Local Plan Call for Sites.

As a minimum, the LPVA should be updated to include the consideration of larger strategic sites in order that the full suite of assumptions could be more readily understood and interrogated. Without such level of detail, it is difficult to properly engage with the consultation exercise. Indeed, the PPG is clear in directing that strategic sites should be considered when establishing updated CIL levies, as follows:

> *"It is important to consider the specific circumstances of strategic sites. Plan makers can undertake site specific viability assessment for sites that are critical to delivering the strategic priorities of the plan. This could include, for example, large sites, sites that provide a significant proportion of planned supply, sites that enable or unlock other development sites or sites within priority regeneration areas. Information from other evidence informing the plan (such as Strategic Housing Land Availability Assessments) can help inform viability assessment for strategic sites." (Paragraph 005 Reference ID 10-005-2018-724)* 4

More generally, we consider many of the underlying assumptions used to support LPVA conclusions to be inaccurate or inappropriate for the purposes of viability assessment associated with distribution and logistics sites. This is considered in greater detail below.

In summary, we consider that the proposed levy for Distribution and Logistics sites has not been appropriately tested for the purposes of CIL testing, rendering the CIL charging schedule unsound without further amendment.

Response to CIL Viability

In order to assist the Planning Inspectorate in considering the updated technical evidence, all representors are invited to be given the opportunity to comment on the supporting evidence. Accordingly, our comments concerning the LPVA are summarised below. We would note that the representation is not necessarily exhaustive due to areas of the LPVA either being unclear or not having been provided for review.

Development Revenue

The LPVA includes the following revenue assumptions for the notional small-scale industrial, distribution and logistics typologies as set out at Para 4.9.1:

Typology	Rent £psf	Yield	Incentive (RFP)	Void
Industrial & warehousing	£18.10	5%	12 months	-

The above assumptions can be compared to the most recent Greater Cambridge DC LPVA, carried out by Aspinall Verdi in August 2021. Within the previous assessment a rent of £13.50 psf / 6% yield (industrial) and £12.50 psf / 5.5% yield (B2/B8) was included. This represents a suggested increase in rental value of 35 - 45% over a c.4 year period. This is not supported by transactional evidence or market sentiment.

The LPVA inherently excludes consideration of quantum adjustment for rental value, whereby only notional 43,056 – 64,583 sq ft typology schemes are considered. This is clearly unrepresentative of the subject asset class. On this basis, the adopted LPVA rental allowance applied to large scale development has a significant and material impact on rental value and therefore capital value of such uses, resulting in overstated valuation assumptions.

In response to the rental value assumption of £18.10 psf included within the LPVA, we are able to point toward transactional evidence at Atom Gateway, Bar Hill to British Antarctic Survey in 2024 at a rent of £13.50 psf over a unit size of 32,451 sq ft. We are aware of the availability of a 35,000 sq ft unit being 300 Buckingway Business Park, where a rent of £14.75 psf is agreed in principle for the 35,000 sq ft modern facility with a higher than standard office content. We understand current quoting terms are in the order of £16.50 psf for new accommodation for smaller units measuring c.10,000 and £16.00 for larger 35,000 sq ft space. These units again assume a 20%+ office content. Although notional development assumed within the LPVA may attract a slightly superior specification, the impact on rental value is offset by the scale of development proposed across the subject sites.

Despite a relative dearth of transactional rental evidence, Savills Cambridge Commercial Agency team advises anticipated rental values of between £10.50 psf for larger units exceeding say 500,000 sq ft, rising to £13.50 psf for smaller units of say up to 20,000 sq ft (assuming standard 5-10% office content). We set out below the rental values adopted within our site assessments, as advised by Savills Cambridge Commercial Agency team:

- 10,000 – 20,000 sq ft: £13.50psf
- 20,000 – 50,000 sq ft: £13.00psf
- 50,000 – 100,000 sq ft: £12.50psf
- 100,000 – 150,000 sq ft: £12.00psf
- 150,000 – 250,000 sq ft: £11.50psf
- 250,000 – 500,000 sq ft: £11.00psf

The rental allowance included within the LPVA is therefore is considered significantly overstated in the current market both in terms of agent sentiment and recent transactional evidence. Moreover we do not consider the evidence base provided and analysis thereof to be sufficiently robust for assessment purposes.

The LPVA does not make an allowance for voids within their assessment. In response we would note that the voids on some of the mid-sized units can be very long where it has taken in excess of 18 months to attract initial interest at the Buckingway Business Park before market incentive. This is reflective of the sector where we are able to identify recent market evidence of voids in excess of 18 months at the Bar Hill Industrial Estates noting the proposed development across the subject sites to be significantly larger. As with incentives, greater supply in the market drives longer void periods with built stock remaining unoccupied. LSH have recently provided research which evidences this trend, reporting that average void periods are lengthening for grade A units and are now over a year.

In response to the rental value assumption of £18.10 psf included within the LPVA, we are able to point toward transactional evidence at the Buckingway Business Park, which comprises a comparable distribution facility with commensurate modern specification. We are aware of recent letting evidence at a headline rent of £14.75 psf for 35,000 sq ft and £16 psf for 30,000 sq ft of accommodation. We understand current quoting terms are in the order of £16.50 psf for new accommodation for smaller units measuring c.10,000 – 35,000 sq ft. Although notional development assumed within the LPVA may attract a slightly superior specification, the impact on rental value is offset by the scale of development proposed across the subject sites.

Despite a relative dearth of transactional rental evidence, Savills' Cambridge Commercial Agency team advises anticipated rental values of between £10.50 psf for larger units exceeding say 500,000 sq ft, rising to £13.50 psf for smaller units of say up to 20,000 sq ft. The rental allowance included within the LPVA is therefore considered significantly overstated in the current market, both in terms of agent sentiment and recent transactional evidence. Moreover, we do not consider the evidence base provided, and analysis thereof, to be sufficiently robust for assessment purposes.

The LPVA does not make an allowance for voids within their assessment. In response, we would note that the voids on some of the mid-sized units can be very long, where it has taken 12 to 18 months to agree lettings at the Buckingway Business Park before market incentive (rent free) is added, therefore total void periods can amount to around 36 months, noting the proposed development across the subject sites to be significantly larger. As with incentives, greater supply in the market drives longer void periods with built stock remaining unoccupied. LSH have recently provided research which evidences this trend, reporting that average void periods are lengthening for grade A units and are now over a year.

The LPVA adopts a yield of 5% for both industrial and logistics typologies which reflect prime assets in prime locations and therefore set viability testing at the extreme margins of viability. As a starting point, the Knight Frank Yield guide, dated February 2026, identifies differing yield levels impacted by a number of factors including lease term, tenant quality, asset specification and location. We note that for prime distribution (15 year term) the prime yield is 5.25% and for secondary distribution (10 year term) the prime yield moves out to 6%. We would note UK gilt rates have continued to rise, with the 10-year yield exceeding 5% and 30-year yields approaching 5.7% as of March 2026, following unprecedented recent periods of inflation and expectations of further Bank of England rate increases. These rates are near multi-decade highs, reflecting increased long-term borrowing costs and will continue to place property yields under pressure.

We have reviewed a range of comparable transactions of large-scale Distribution and Logistics facilities completing during 2025 and early 2026. The transactions show a yield range of 5.25% - 6% plus, which would indicate that the LPVA assumption is both aspirational and overstated, whilst lacking in transactional evidence. This accords with advice received from Savills' Cambridge Commercial Agency team. The transactions are confidential for the purposes of this response, although we would be pleased to provide further information to both the Council and its appointed advisor for due consideration.

Finally, the LPVA is unclear in whether purchaser's costs are included. Para 3.2 stipulates that 'for a commercial scheme, scheme value equates to the capital value of the rental income after allowing for rent free periods and purchaser's costs'. Although broad reference to an allowance of 6.8% (widely adopted industry standard) is included at Table 4.38.1 concerning Site Value Benchmark, no specific allowance is included for industrial use within the LPVA and we would therefore welcome clarity. For the benefit of doubt, we would support the inclusion of a market standard allowance of 6.8%.

In summary, the LPVA revenue assumptions are overstated and unreflective of current market conditions and unsupported by transactional evidence. We also consider the LPVA to be fundamentally lacking in respect of proper transactional analysis, including review of evidence and distinction between smaller industrial facilities versus larger scale distribution and logistics facilities. The inadequate level of analysis contained within the LPVA fundamentally falls short of the requirements of planning and CIL guidance.

Development Costs

Para 4.11 states that a base build cost of £978 psm (£91 psf) is included based upon BCIS costs (ref: 284 warehouses/stores) adjusted for local circumstances. Table 4.11.1 suggests an additional allowance of 10% to account for external works for B8 storage and warehousing. This is set out within the table below for ease of reference:

LPVA Build Cost

Type	BCIS Cost	Build Cost £psm (£psf)	External Works	All-In £psm (£psf)
B8 storage and warehousing	284 warehouses / stores	£978 (£91)	10%	£1,076 (£100)

Following a review of BCIS, it is however unclear how build costs are specifically formulated within the LPVA, and we have therefore been unable to review the submitted information with reliance. We would observe that the supporting BICS data is not included within the LPVA. It is assumed that the 'mean' allowance is included for warehouses/stores over 2,000 sq m, whereby a figure of £974 psm is shown for the default (15 year period), acknowledging that data is updated from time to time.

The lack of data being provided falls short of the requirements of PPG CIL (Para 019 Ref. ID: 25-019-20190901), PPG viability (Para 010 Ref. ID: 10-010-20180724), the NPPF and professional guidance in providing for appropriate levels of analysis to support such assessments.

For reliance purposes, it is of concern that BCIS fundamentally fails to capture a sufficient level of construction data, and that such data is not truly representative of strategic development of distribution and logistics sites. For build costs, the LPVA present data from the "Average Prices" section of the BCIS. Such data takes account of UK construction cost information collected over several years. To make the data location and time relevant, the costs are rebased for locality, adjusted to Q1 2026. In response, we would make the following observations in respect of the limited information base:

I. The sample size for all warehouses is 47, for warehouses measuring over 2,000 sq m this falls to just 27 which we would consider to be relatively low for such a period of time;

II. The 'over 2,000 sq m' data suggests a material reduction to the mean cost for smaller typologies i.e. £1,720 psm (<500 sq m) and £1,025 psm (500 – 2,000 sq m) therefore meaning that the impact of smaller sized properties are inherently disregarded';

III. The figure included under the 'highest' general warehouse data set £3,469 psm represents a sizeable uplift of c.355% to the mean figure relied upon for testing purposes, and an uplift of c.740% to the 'lowest' figure, and demonstrates the level of fluctuation across the data; and

IV. Within the default dataset the overall spread of costs (for all warehouses) ranges from £465 psm (£43 psf) to £3,469 psm (£322 psf) which would again appear to suggest inconsistent data.

The extracts are based upon the BCIS 'default period' for 'maximum age of results'. The inference therefore is that the BCIS are using project data that is up to 15 years old. Whilst we acknowledge that the data is adjusted for inflation, the concern with data over such a long period is that such construction costs do not necessarily take account of changing building practice, specifications driven by modern market expectations (e.g. additional building height, floor specifications, roof loads and column spacing), and building regulations etc. Notably, where the dataset is updated to a 5 year period – arguably representing a more realistic dataset – the 'mean' figure is increased to £1,111 psm, representing a 14% uplift to the figure adopted.

To highlight the limitations of BCIS data more generally, we would highlight the Welwyn Hatfield CIL LPVA carried out by BNPP in October 2023. In respect of build costs, BNPP note 'advice on build costs has been provided by WT Partnership ('WTP'), who advised the Council on the extra over costs associated with LP 2016 policy requirements. WTP have also undertaken numerous site-specific assessments of build costs associated with viability submissions in support of planning applications in the borough'. On this basis, a base build cost of £1,450 psm (£135 psf) is included for 'industrial and warehouse' use – equivalent to an uplift of almost 50% before indexation. Although we acknowledge a general level of inconsistency in the assumptions used to inform LPVAs more generally, it is unclear why such a significantly reduced build cost is included within the Greater Cambridge CIL LPVA and we would welcome further clarity. The impact of updating cost assumptions to such a level would undermine the proposed CIL charge levy in isolation.

Site Infrastructure Costs

Whilst acknowledging reference to a 10% allowance for 'external works', it is unclear how site-wide infrastructure costs for distribution and logistics use are formulated within the LPVA. We have, therefore, been unable to review the submitted information with reliance. It is possible that strategic site costs are not included within the LPVA and we would welcome clarity on this matter.

This approach falls short of the requirements of PPG CIL (Para 019 Ref. ID: 25-019-20190901), PPG viability (Para 010 Ref. ID: 10-010-20180724), section 211(7A) of the Planning Act 2008), the NPPF and professional guidance in providing for appropriate levels of analysis to support such assessments.

We have been provided with cost advice for the subject sites to which this representation relates. The percentage uplift for site-wide infrastructure costs for both sites is set out in the following table. In all cases, this is significantly in advance of the 10% currently included within the LPVA suggesting that such costs are grossly understated for assessment purposes and that the allowance is clearly inappropriate for larger strategic development. Fundamentally, the material impact of site-wide infrastructure costs has not been tested in the LPVA.

<table>
<tr><th>Site</th><th>Source</th><th>Base build (£978 psm)</th><th>Approach</th><th>% Uplift</th><th>Cost allowance</th></tr>
<tr><td rowspan="2">Tritax Park, Cambridge</td><td>LPVA</td><td rowspan="2">£80,629,254</td><td>Standard % allowance</td><td>10%</td><td>£8,062,925</td></tr>
<tr><td>Savills</td><td>Independent cost advice.</td><td>-</td><td>£35,000,000</td></tr>
</table>

Newlands Park, Cambridge	LPVA	£156,412,518	Standard % allowance	10%	£18,254,552
	Savills		Independent cost advice.	-	£50,000,000

In respect of the subject sites, the above analysis suggests that the burden of site infrastructure costs are unaccounted for by a significant margin. Large-scale distribution and logistics sites require considerable servicing including in the form of strategic landscaping; flood storage / water attenuation, environmental mitigation, institutional service yards and HGV parking, staff amenities etc. As can be seen above, amounts to very large infrastructure costs which need to be funded up front, before a unit is delivered and a rental income realised. This represents considerable risk and cost to these large-scale infrastructure projects.

In summary, the build costs included within the LPVA fall significantly below an appropriate allowance and represent an ambiguous departure to the approach adopted within other similar assessments. Moreover, the infrastructure cost allowance is demonstrably materially inadequate when applied to larger typologies within the same use class being assessed.

Finance

Finance costs have been assumed at 7% within the LPVA inclusive of arrangement and exit fees. It is noted that such allowance is 'reflective of short term funding conditions' and 'expected to fall back to normal levels (6% to 6.5%) over the next 12 months'. The LPVA was clearly published in advance of the ongoing conflict in the Middle East, and is therefore no longer representative of such short term expectations with the reverse now anticipated across the lending sector, with another period of inflation forecast.

The finance rate adopted represents the combined cost of both debt and equity financing. When broken down, the debt element of the cost of finance includes a margin and risk premium above a five-year swap rate. The equity element should in theory reflect an equity return which, when combined with the debt element, sums to the weighted average cost of capital.

As a starting point, the Greater Cambridge LPVA (August 2021) included an allowance of 7.5% for development finance. Notably, the BoE Base rate dates at this time stood at 0.1 showing what we would consider to be a clear level of irregularity (and general lack of reaction to market considerations from practitioners to rising base rates across viability assessment in recent years). Perversely, a lower rate of finance is now included, despite a significant increase in the UK base rate over the interim period whereby development finance is now more expensive and less readily available than was the case during 2021.

At the time that the Council's guidance was produced, both the Bank of England Base Rate was 0.1% and 5-year LIBOR rate was 0.1%. The assumed finance rate of 7.5% in 2021 therefore reflected a margin above this rate of c.7.5%. LIBOR has since been discontinued in favour of the SONIA rate, and the current SONIA rate is 3.73% (at the time of writing). If we were to calculate an appropriate finance rate by applying the same margin above the 2026 SONIA rate (as between the 2021 LIBOR rate and the Council's viability guidance), the equivalent finance rate today would be above 10%.

Market data from Brickflow (a digital marketplace for specialist property finance) currently assumes interest rates of 8 - 14% for residential development finance, assuming a loan to cost of 90%. Given this context, adopting a 7% finance rate does not accurately reflect the reality of borrowing today and we maintain that such an allowance would be understated.

Similarly, we are advised that a typical finance rate will comprise of a margin above the SONIA rate, with allowances for fees on both entrance and exit of the facility. The total increase above the SONIA rate may equate to a margin of 4 - 6%. The most recent Bank of England review, in March 2026, held the base rate at 3.75%, pushing the lowest spread i.e. 4%, to 7.5% before fees. In addition, spreads over base rate have also widened, reflecting the ongoing underlying economic uncertainty, as well reported.

For the purposes of plan-making, we would query whether a finance rate of 7% is accurately reflective of the UK development market, whereby development finance has become increasingly more difficult to obtain with significant global and domestic uncertainty persisting. We would further note that the inclusion of such a finance rate would again set viability testing at the margin of viability.

Professional Fees

A professional fee allowance of 7% is included for all typologies within the LPVA, which is noted as '*at the middle to higher end of the range for most schemes'*. The allowance of 7% falls below a widely accepted allowance, typically used for viability assessment, and is therefore understated for assessment purposes.

We would consider an allowance of a minimum 10% to be the minimum acceptable level for complex strategic development opportunities, which require an extensive range of specialist consultants and effective development management.

We have identified a number of viability assessments undertaken by a range of consultants which supports the inclusion of a higher and more realistic allowance for professional fees. We would note the list is not exhaustive.

Council	Author	Assessment	Date	Allowance
Epping Forest	HDH	CIL	May 25'	10% *(Strategic Sites)*
St Albans	BNPP	LPVA	Sept 24'	10%
Uttlesford	DSP	LPVA	June 24'	10% *(employment)*
LB Croydon	BNPP	LPVA	Jan 24'	10%
Greater Cambridge	Aspinall Verdi	CIL	Aug 21'	10%
LB Bexley	BNPP	LPVA / CIL	Mar 21'	10%
LB Brent	BNPP	LPVA	Oct 19'	10%
LB Havering	BNPP	CIL	July18'	10%
Harlow	BNPP	CIL LPVA	Mar 18'	10%
South Cambridgeshire	DSP	LPVA	Oct 15'	10%

Contingency

The LPVA is unclear on whether a contingency allowance is included, with no specific reference ostensibly included. Contingency is an essential inclusion in viability assessment to account for uncertainty, unforeseeable costs, and project risks that arise during the development process, whilst acting as a financial buffer to ensure that the project remains economically viable. We would welcome clarity on whether a contingency allowance is included within the LPVA, and reserve the right to respond.

We would observe that a 5% contingency allowance was included by Aspinall Verdi within the greater Cambridge CIL LPVA in August 2021, and we are able to identify a similar allowance across a range of other LPVAs.

Developer's profit

An allowance of 15% is suggested to be included for all commercial development. We are generally supportive of the commercial profit allowance, which is a generally accepted allowance for the purposes of viability assessment for commercial development.

Site Value Benchmark

Site Value Benchmark (SVB) – also known as 'Benchmark Land Value (BLV)', is key to assessing viability because ensuring an appropriate premium to a landowner is key to ensuring the delivery of the Local Plan. Should this be set at a level that is too low, land will not come forward and development will not take place.

The LPVA considers four scenarios reflecting greenfield / undeveloped land through to secondary office uses. A range in SVB of between £250,000 - £10,250,000 per hectare is included on this basis. However, a significant proportion of the sites would ostensibly comprise what the LPVA refers to as 'greenfield' land with a value of £250,000 (lower value) - £370,000 (higher value) per hectare (£150,000 per acre) derived from an EUV of c.£20,000 – £23,000 per hectare (say £8,100 - £9,300 per acre) alongside a landowner's premium of 12.5 – 18.5 times EUV.

We have had regard to the latest joint research undertaken by the RICS and Royal Agricultural Society dated H1 2025. The national average price for all the property reported to the survey was £16,029 per acre or £39,609 per hectare. The same research reports a weighted average value of £12,646 per acre or £31,247 per hectare, which effectively removes any 'distortions', such as '*the influence of residential of development* value'.

We would observe that on a more granular regional basis, taking data from the 'East' region, a figure equivalent to £57,079 per hectare (£23,100 per acre) is included within the same study for comparable sites described as medium sized (i.e. 50 – 200 acres).

As a sense check to the above, we have considered recent agricultural transactions of a comparable nature to the subject, noting the respective earlier dates of sale for the evidence contained within BNPP's evidence by comparison. The evidence collated draws upon a range of sites with comparable geographical locations, use and size etc which transacted between £12,800 - £23,000 per acre. The evidence shows a mid-point value of c.£17,900 per acre and indicates a failure to adjust EUV in accordance with market movements within the LPVA. Similarly, research from Savills' Rural Research team also supports the basis for average land values falling in excess of that being assumed within the LPVA.

In respect of landowner's premium, the LPVA adopts a multiplier equivalent to 12.5 – 18.5 times existing use value in determining SVB for generic 'greenfield or underdeveloped land' which is noted to fall '*within the typical 10 – 20 times multiple typically tested in policy testing studies'*. We would observe that a multiplier toward the higher end of the suggested range would be considered broadly reasonable.

SVB is fundamentally a site-specific consideration, and we are therefore unable to comment further in the absence of more clarity surrounding BNPP's approach to assessing SVB for larger strategic sites. We would however observe that BNPP's current approach would result in an understated SVB.

In summary, despite the range in multiplier not being unreasonable for the purposes of policy testing, we consider the EUV included within the LPVA does not sufficiently reflect market evidence nor leading professional research in the context of agricultural land values within the locality.

Timescales

Commercial phasing assumptions are unclear and we would welcome clarity. We reserve the right to respond further.

Viability Buffer

From the information provided it is unclear whether a sufficient provision has been made for a viability 'buffer' when interpreting the viability evidence, resulting in the proposed increase in CIL levy. Such buffers are recommended within the current CIL regulations which state the following:

> *"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." (Paragraph 020 Reference ID: 25-020-20190901)*

Site specific circumstances mean that the economics of development will vary over the course of development. This is evidenced by recent build cost inflation and fluctuations in the yield profile attributed to industrial and logistics use, and is inevitable given the respective scale of development across the subject sites. It is therefore important to consider these factors when proposing a simplified 'one size fits all' levy.

The viability buffer is used to mitigate against fluctuations within the market to ensure that the rates are not set at the margins of viability. During periods of political and economic uncertainty and changing market assumptions, it is fundamental that sufficient and often increased leverage is allowed for within the proposed rates.

The proposed revised CIL charge represents a significant increase in potential cost for schemes coming forward, especially for those of a strategic nature. It is fundamentally unclear whether the LPVA sufficiently takes into consideration this additional burden on schemes when undertaking their viability modelling which would clearly have significant commercial implications.

It is essential that an appropriate viability buffer is incorporated within the LPVA and we would request that the Council verifies the extent to which this approach has been undertaken in justifying the proposed CIL Charging Schedule. Within this, we would highlight that the understated build cost and excessive revenue assumptions already set the LPVA at the margins of viability, meaning that the absence of an appropriate viability buffer is exacerbated.

Site Viability Assessment

We have undertaken detailed site appraisals for each of the subject sites using proprietary software, Argus Developer, in order to understand the scheme's ability to support the proposed CIL levy whilst remaining viable in planning. For the purpose of viability assessment, we have adopted market facing assumptions reflective of site-specific considerations. Our site-specific analysis reasonably demonstrates that all sites within are unable to support the proposed CIL charge of £35 psm.

Our assessment predicates on the architectural works prepared for pre-application purposes for each site. The relevant illustrative masterplans used to inform our assessment are confidential but we would be pleased to provide these confidentially, as required.

Our analysis shows that the adoption of the proposed CIL charging schedule, if unamended, will be fundamentally detrimental to both viability and deliverability of the subject schemes and other strategic site allocations across the district, even where the current LPVA build cost allowance is included. We would note that the site-specific appraisals are confidential although we would be pleased to share our findings with both the Council and its appointed advisor to help inform the consultation.

In addition to the subject site analysis, where appropriate viability assumptions are adopted within the LPVA own viability assessment, it is demonstrably unable to support the proposed CIL levy in respect of Typologies 31, 32 and 33.

Summary

The LPVA concludes that all industrial and logistics development is able to support a CIL charge of £35 psm for new development. Savills is unable to support these conclusions which are considered to be made without reasonable justification and evidence. This is required under Regulation 13 of the CIL Regulations 2010 (as amended) which stipulates that *"any differential rate should be justified by economic viability evidence".*

Our overarching concern is that, at this stage, the LPVA is not supported by a sufficiently robust level of analysis which includes consideration of large-scale distribution and logistics development. This concern is predicated on the small-scale logistics typologies considered within the LPVA (i.e. measuring 43,056 – 64,583 sq ft). Accordingly, there is an insufficient information base upon which to effectively engage with the consultation process.

Further to the above, our review of the LPVA identifies a number of variances in key inputs that we consider do not support the basis for the proposed introduction of CIL charges contained within the draft Charging Schedule. Specifically, we believe the key assumptions concerning development revenue, development costs including but not limited to infrastructure, fees and contingency, are unreflective of current market conditions and/or are not appropriately considered in respect of larger strategic sites.

We therefore have material concern that the subject sites would be able to viably support the delivery of CIL whilst also taking account of the Council's relevant policies. The proposed CIL charge, if adopted, will be fundamentally detrimental to both scheme viability and the deliverability of distribution and logistics facilities within the district, especially when faced with more favourable economic policies in competing authorities. The consequence of adopting such policies unchanged, would most likely preclude employment sites from being brought forward for development, fettering economic growth along the A14 (a nationally significant freight corridor), critical supply chain support for the growing life sciences and R&D sector, job creation opportunities, business rates growth and the delivery of planning obligations (S106 contributions) within the district.

We remain of the opinion that the LPVA does not reasonably demonstrate that the proposed introduction of the draft CIL charging schedule strikes a suitable balance nor is it supported by accurate viability evidence. It is therefore essential that the supporting assumptions are reconsidered and that additional testing is undertaken, particularly in respect of strategic distribution and logistics sites. We would expect the draft Charging Schedule to be appropriately amended as zero rated through further consultation and welcome further engagement to assist the Council with any further technical work being undertaken through due process.

The importance of flexibility is reinforced when taking account of the many changes regularly taking place in the development industry. For a Charging Schedule that will be in place for many years, and whose next review may not take place for some time, it is important to consider the likely impacts now to avoid unnecessary viability and deliverability issues in the future.

In conclusion, the LPVA is fundamentally not supported by an appropriate evidence base and lacks any consideration of strategic site typologies. The LPVA does not therefore adhere to salient planning and

CIL regulatory requirements without amendment. A zero-rated CIL approach supported by appropriate S106 agreements, is strongly recommended for strategic employment sites.

Should you have any queries in relation to the above please do not hesitate to contact us. We would be pleased to provide additional comment and support discussions with the Council and its appointed advisor in due course.

Question 6: Do you agree that the Council has struck an appropriate balance between additional investment to support development and the potential effect on the viability of developments?

We do not consider that the proposed rates set out within the draft CIL Charging Schedule achieve a balance between supporting infrastructure and viability.

The LPVA concludes that 't*he CIL regulations require charging authorities to strike a balance between achieving its aim of meeting needs for affordable housing with raising funds for infrastructure, and ensuring that developments generate acceptable returns to willing landowners and willing developers. The rates above ensure that these objectives are balanced appropriately….. this study demonstrates that the proposed CIL charges and the Council's flexible approach to applying policy requirements will ensure an appropriate balance between delivering affordable housing, sustainability objectives, necessary infrastructure and the need for landowners and developers to achieve reasonable returns in line with the requirements of the NPPF.'*

In response, it has been established that the proposed CIL Charge is not viable, and there is an alternative established method from which to secure contributions towards infrastructure investment (i.e. Section 106 Agreements). Therefore, the proposed CIL Charge will be an additional levy burden on developments that are already at the margins of viability.

Adopting the proposed CIL Charge unamended may serve to reduce developer confidence in Cambridge, and push developments currently on the margins of viability to being unviable. There is a nil CIL rate for all forms of economic development in the wider East of England region i.e. Babergh; Bedford; Chelmsford; East Cambs and Hunts.

Question 7: Do you agree that it is clear how CIL will operate alongside Section 106 Planning Obligations?

Please refer to Question 3, above. A zero-rated CIL approach, supported by appropriate S106 agreements, is strongly recommended for strategic employment sites.

The Councils also consulted on a Planning Obligations SPD in Autumn 2025. It is not clear how that dovetails with CIL. The Draft Planning Obligations SPD also sets out proposals for the funding of both on and off site transport infrastructure (including strategic transport interventions) which seems at odds with Para 1.8 of the LPVA and could therefore give concern to double counting, inconsistent with the CIL 122 Regulations.

Question 8: Do you agree that the draft instalment policy strikes the right balance between income and developer cashflow?

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Question 9: Do you agree that the Council has met all regulatory requirements?

We do not agree that the viability assessment sufficiently adheres to current planning and CIL regulatory standards.

The PPG is clear in directing that strategic sites should be considered when establishing updated CIL levies noting Paragraph 005 Reference ID 10-005-2018-724) 4. The absence of strategic employment site typologies means that the viability assessment falls short of planning guidance. It does not reflect the requirements of NPPF Para 87(b) to consider storage and distribution uses at a variety of scales and fails to take account of market signals, as required by NPPF Para. 32.

The lack of data being provided falls short of the requirements of the NPPF, CIL guidance noting CIL PPG Para 019 Ref. ID: 25-019-20190901, and Viability PPG Para 010 Ref. ID: 10-010-20180724), and professional guidance which provide an appropriate level of analysis to support such assessments.

We do not believe sufficient provision has been made for a viability ‘buffer’ when interpreting the viability evidence, resulting in the proposed increase in CIL levy. Such buffers are recommended within the current CIL regulations noting Paragraph 020 Reference ID: 25-020-20190901.

As a minimum the viability assessment should be updated to include the consideration of larger strategic sites alongside detailed market evidence to allow proper engagement with the consultation process.

Question 10: Do you have any comments on how you feel the neighbourhood portion should be distributed?

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