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27th March 2026

BY EMAIL ONLY

Vistry representations on draft CIL Charging Schedule and associated documents

To whom it may concern,

This representation has been prepared by Vistry in response to South Cambridgeshire District Council's consultation on its draft Community Infrastructure Structure Charging Schedule, Instalment Policy and associated evidence closing on Sunday 29th March 2026. It is noted that the Charging Schedule is intended to be submitted for examination under Section 212 of the Planning Act 2008.

Procedural matters

As part of this representation, I wish to be notified via my postal address at Countryside House, The Drive, Brentwood, Essex, CM13 3AT of any of the following events:

i) that the draft charging schedule has been submitted to the examiner in accordance with section 212 of PA 2008,
ii) the publication of the recommendations of the examiner and the reasons for those recommendations, and
iii) the approval of the charging schedule by the charging authority.

I also formally request the right to be heard at the examination as appropriate.

The current consultation

The salient points of the current CIL consultation and its future application with respect to residential development are:

1. The draft Charging Schedule proposes that CIL is to initially be charged at a flat rate of £60 per square metre for all types of residential development (bar affordable housing).
2. This sum will be indexed linked using the BCIS "All In Tender Price Index".
3. That there will be an instalments policy, the application of which will vary depending on the scale of the overall CIL liability (where the larger the CIL liability, the more staged the Levy payment will be).
4. CIL is to be charged on all residential developments regardless of scale, location or other factors.
5. That once CIL is constituted, it will be compulsory except those scenarios where exemptions are applied.

Having reviewed the consultation material in the above context, I wish to make the following comments for further review.

Scale of CIL liability – The base CIL residential rate of £60 per square metre in itself is not considered excessive. However, it would be beneficial if the final Charging Schedule in the table under the heading statement of compliance were to make explicitly clear that this is to be charged on a "per square metre on the GIA" of the development to reflect paragraph 72 of the CIL NPPG rather than the current wording which simply refers to it as applying on a per square metre basis. This is important for three reasons:

1) For those parties less familiar with the application and / or payment of CIL to make it expressly clear how the CIL is to be calculated for the avoidance of doubt in the future.
2) It helps to avoid any future erroneous payments or disputes arising from a lack of clear direction at the point of local interaction with the CIL regulations.
3) It creates a clear point in time at which CIL is introduced how it was to be calculated and subjected to viability testing such that should there be any future legislative change that this can readily be identified and subject to future review.

Cost and form of instalment policy – The introduction of an instalment policy is noted and generally welcomed. In terms of the detail of the policy, in scenarios whereby the levy exceeds £500,000 the whole levy (i.e. 100%) is to be paid by 420 days after the commencement of the development. Where the CIL is less than this sum, the whole payment is to be made in less than a year from commencement.

The practical effect of this policy in financial terms is that in the vast majority of cases, the levy cannot be paid from revenue generated by the development as it is unlikely a material number of residential occupations would have occurred at the point in time in which CIL is paid. The payment of CIL will therefore require development finance and its associated cost which for larger developments will have implications in terms of peak funds employed, IRR and ROCE. This increased development finance does not appear to have been modelled within the accompanying viability study and which may therefore be an omission which could overstate viability.

To put this in practical context, taking a hypothetical development requiring payment of CIL on a modest 240 homes, assuming an average blended GIA of 110 sqm, the CIL levy would amount to an increased upfront cost of £1.584m (i.e. £60 CIL charge per sqm GIA x 110 sqm x 240 homes). For reference, this equates to a CIL cost of approximately £6,600 per dwelling (i.e. £60 CIL charge per sqm GIA x 110 sqm).

For larger strategic developments, this cost may be substantially greater and would be on top of other significant upfront costs associated with land acquisition, costs to service a site, the construction of homes and the payment of any early s106 contributions. This could become a substantial additional financial burden that could adversely affect viability of projects, especially where s106 rates for larger development are assumed in the accompanying Viability Assessment to be up to £46,000 per dwelling.

It is requested that an additional category of site is therefore introduced into the CIL instalment policy for larger developments whereby the CIL instalment policy is a point of agreement. This is important to ensure that larger residential developments are not effectively taxed (levied) out of viability and therefore have the unexpected consequence of undermining the delivery of existing and future Local Plans.

For example, an additional row could be added to the table for developments where the Total CIL Liability exceeds £1m (i.e. residential developments of circa 253 homes assuming an average GIA of 110 sqm) that the instalment policy will be a point of agreement to be included in the s106 agreement such that it becomes legally binding.

An alternative approach would be for larger developments, say over a threshold of 200 homes (resulting in CIL payments in excess of £750k again assuming average GIA of 110 sqm), to have a longer duration for the application of the instalment policy of three to four years from commencement to enable revenue to be generated and reduce the need for additional development finance and where the impact of the development would take place over a longer delivery timeframe.

The instalment policy should also specify the mechanics of how phased developments are to be treated.

Relationship to s106 obligations – It is noted that Section 5 of the Supporting Statement published alongside the draft Charging Schedule and Instalment Policy states that in *"summary a CIL will be used to fund strategic transport projects and Section 106 agreements will continue to be used to fund local infrastructure such as schools, libraries, doctor's surgeries, sports facilities, community centres, and green infrastructure"*.

From this wording, it is clear that the intention is for there to be double dipping insofar that developments are expected to pay CIL and in addition the expectation that there will be substantial or full s106 payments (contrary to the original purposes of CIL) and where s106 costs are expected to increase substantially over those historically collected. Specifically, section 5 of the Supporting statement states:

> *"Analysis of planning permissions issued since the start of 2022 shows that the value of section 106 agreements for smaller developments typically ranges between £8,000 and £12,000. Larger developments contribute more though this is often in the form of inkind infrastructure. A total contribution equivalent to around £12,000 to £15,000 per dwelling is a good indicator of section 106 agreements completed in Greater Cambridge over the last few years. Because section 106 agreements are used to mitigate the impact of a development the level and nature of contributions can vary across the Council areas. Contributions towards County Council infrastructure (education and transport) varies considerably. Whilst many contributions* [Note – the word 'contributions' is taken to be an error and assumed to have meant 'developments'] *are not required to contribute anything, other developments have paid the equivalent of £10,000 per dwelling.*
>
> *"The Planning Obligations Supplementary Planning Document is expected to increase the level of contributions developers will pay to reflect the current cost of providing infrastructure. Whilst unlikely, a development could be expected to contribute up to £20,000 per dwelling where none of the local infrastructure (particularly schools) can cope with the additional demand generated by the development. The assessment carried out by BNP Paribas assumes a Section 106 contribution of £25,000 per dwelling thereby providing an additional buffer to any new national policies that may be introduced."*

A number of points need to be made in relation to the above.

First, this text is fundamentally misleading in the context of the 'Greater Cambridge: Community Infrastructure Levy Viability Assessment' prepared by BNP Paribas and published as part of the consultation evidence. Section of 6.42 of which states:

> *"GCSP intends to continue using Section 106 to secure the bulk of contributions towards infrastructure from developments. To account for residual Section 106 requirements, we have included an allowance of up to £25 per square metre for non-residential development and £25,000 per unit for residential schemes; and £46,000 per unit for major identified strategic site allocations (typologies 22 to 26). The actual amounts will of course be subject to site-specific negotiations when schemes are brought forward through the development management process."*

As such, it is fundamentally incorrect to assert that s106 contributions of up to £25,000 per dwelling when for certain forms of development these costs are assumed to be up to £46,000 i.e. 84% greater than reported in the Supporting Statement. With the addition of CIL on top at approximately £6,600 per dwelling this could amount to total base CIL and s106 costs of £52,600 before indexation is applied. This then does not account for other infrastructure costs associated with the mitigation of development such as s278 works which would not be captured in the above allowances.

The table below shows the significant monetary effect of these s106 allowances when combined with CIL, where the combined costs are very substantial and a significant increase over the averages quoted in Summary Statement of *"around £12,000 to £15,000 per dwelling"*.

Table 1 – Analysis of modelled s106 and CIL allowances

Number of homes proposed	Assumed s106 liability as a cost per dwelling (£)	Total base s106 liability – excluding indexation (£)	Average CIL cost per dwelling assuming average GIA at 110 sqm at £60 per sqm (£)	Number of CIL liable homes (assuming 40% provided as affordable)	Total CIL liability – excluding indexation (£)	Total combined s106 and CIL liability – excluding indexation (£)
200	£25,000	£5,000,000	£6,600	120	£792,000	£5,792,000
400	£25,000	£10,000,000	£6,600	240	£1,584,000	£11,854,000
2,000	£46,000	£92,000,000	£6,600	1,200	£7,920,000	£99,920,000
3,670	£46,000	£168,820,000	£6,600	2,202	£14,533,200	£183,353,200

Even for a comparatively small development of 400 homes, whereby 240 homes are CIL liable, and the lower s106 cost is assumed at £25,000 per home plus CIL at around £6,600 per dwelling the combined cost would amount £11,854,000. Larger strategic developments would reach sums over £100 million.

This double dipping needs to be assessed in two contexts. First, whilst it is noted that the figures included in the Viability Appraisal SPD are considered in the Supporting Statement as a worst case i.e. the s106 cost is likely to be closer to £20,000 per dwelling for development of non *'major identified strategic site allocations'* and therefore gives head room as "*an additional buffer to any new national policies that may be introduced*". This is not the case in practice as it does not allow for s106 costs to increase with indexation to reflect inflation and also implies that further costs may be imposed on development through future policy decisions.

As such, over the lifetime of the CIL policy and Planning Obligations SPD these costs would be expected to increase markedly. By way of example, the current Q1 2026 Index point is 410 and over the last 5 and 10 years the BCIS 'All In Tender Price Index' has increased by 25.0% (index point Q1 2021 = 328) and 49.09% (index point Q1 2016 = 275) respectively. At these rates, it would take approximately five years before the cost of £25,000 per dwelling s106 cost is reached once indexation is allowed for based on approximately a 25% increase in inflation for the last two five-year periods. Where CIL would normally be in place for substantially longer than five years, much greater s106 and CIL sensitivity testing is required to ensure that the introduction of CIL does not in the next 5 to 10 years render projects unviable.

This future variation does not appear to have been fully tested in the Viability Assessment and therefore the future affordability is potentially unknown to the policy maker. In effect, by default it would appear that the underlying assumption is that house price increases will offset any indexation inflation.

This is contrary to the current economic climate, where at the present time house price growth has remained broadly flat but inflation has increased (with associated increased borrowing costs associated with increased interest rates) linked with global economic events. This leaves little headroom to offset the future cost of policies once indexation and inflation is captured. This is further complicated, where construction and development costs are adversely affected by inflation meaning the suggested headroom will be reducing as sales prices remain broadly flat.

Should that situation persist, it is highly likely that developments will become financially unviable or residual land values will fall such that there is no incentive for a landowner acting reasonably to make their land available in preference to waiting for an alternative policy regime to be implemented in the future. The planning consequence is that viability cannot be maintained and or housing supply will not increase. This collective position therefore needs to be very carefully considered such that it does not have significant adverse planning affects.

Additionally and in this context, it should be noted that neither the Council nor the Viability Appraisal have provided evidence of any comparable developments being delivered at the combined s106 and CIL costs being considered or undertaken any sensitivity testing associated with the future cost burden of its proposed policies over the lifetime of the intended CIL. This is particularly significant where development s106 and CIL costs above £25,000 per dwelling often face viability issues.

In the absence of such clear evidence, a precautionary approach should be adopted where there should be a specified timeframe to complete a review of the viability of CIL of say five years from its inception. There should also be sensitivity testing to ensure that the introduction of CIL will not adversely affect development from coming forward when combined with s106 costs and all other development costs including development finance.

Use of CIL receipts

It is noted at section 10 of the Planning Obligations SPD that Transport and Highways contributions maybe sought. Section 10.27 of the SPD relates to Exemptions and states *"There is no development threshold below which a transport obligation may not be required and there are no types of development that would be exempt from transport infrastructure requirements"*.

It is also noted that section 5 of the Supporting Statement states that CIL will be "*used to fund strategic transport projects"*. The accompanying Infrastructure Funding Statement indicates the nature of projects that are to be funded which on face value appear to meet the nature of projects to which CIL can be applied.

However, care needs to be taken that the infrastructure projects to be funded "support the development of its area" to comply with section 59 of the CIL Regulations given the extensive geography to be covered relative to the specific location of any development paying CIL such that it is caused to be applied to a relevant area where more localised transport impacts are clearly intended to be funded via either s106 or developer funded works via s278.

Build cost assumptions

It is noted from the accompanying viability study (Table 4.11.1 pm page 23) that for residential developments a base cost of £1,608 per sqm is applied using BCIS. An allowance is then made for external works at 15%. These external works are then described at 4.12 as being to account for external works. Section 4.13 then states that for *"larger residential developments on the edge of existing settlements, developers typically incur additional costs for utilities upgrades, estate roads and other related infrastructure. We have incorporated a further allowance amounting to £29,070 per unit to address these requirements"*.

A number of observations are made for further review as follows:

1) It should be specified what timeframe the base build cost related to, such that it is grounded in a point in time and can be scrutinised as part of the CIL examination and to also assist with future review.
2) It needs to be recognised that build costs are increasing with inflation and the availability of materials which can deviate significantly from sale prices and therefore be a significant determiner of whether a scheme remains viable.
3) It is not entirely clear what the 15% external works allowance is intended to cover. This should be clarified such that a proper understanding of the viability study can be established and furthermore whether specific costs have effectively not been accounted for / excluded from the Viability Study which may distort its ultimate conclusions.
4) It is assumed that the 15% externals allowance would only cover the costs associated with plot externals (i.e. within development parcels) such as plot roads, drainage, services, parking, footpaths and land scaping. It should be noted that this level of allowance would not cover the costs of site wide infrastructure such as strategic infrastructure or highways. In this context, the allowance of £29,070 is therefore a sensible precaution taken in the assessment for larger projects. However, this type of infrastructure cost would also be expected of smaller projects or schemes as small as 100 homes upwards to the multiple thousands. It should not therefore just apply to "*larger residential developments"* as suggested in section 4.13 of the Viability Assessment.
5) For clarity, it is vital that the term *"larger residential developments"* is more fully defined as to what typologies it is being specifically big applied to in the Viability Assessment to ensure that full development costs are being properly assessed across the full spectrum and all scales of developments.

Development Finance costs

It is not immediately clear how development finance costs are assessed within the Viability Assessment. This should be made clear such that full development costs are being properly assessed in the Viability Assessment in relation to the affordability of CIL when combined with s106 costs and can also be readily understood.

Viability Appraisal outruns

It is surprising that specific development appraisal outruns do not appear to have been published for each typology tested such that the application of the viability testing can be properly reviewed and assessed in the context of the assumptions being made on the viability of CIL. Without such material being made available, it is difficult to properly understand, assess or verify the accuracy of the Viability Assessment and thus the affordability of the proposed CIL when applied in addition to significant s106 costs and all other planning and development costs and therefore whether a benchmark land value using EUV+ can be achieved. Without such detailed information, it is not possible to conclude that the proposed CIL rates would not adversely affect the viability of projects and the deliverability of the Local Plan and or future Development Plans such that a landowner acting reasonably would release its land.

I trust this feedback is helpful and would welcome the opportunity to further discuss the matters raised herein in due course.

Yours faithfully

[redacted]

William Wood
Associate Planning Director – Vistry Strategic Land & Major Projects