

Greater Cambridge Draft CIL Charging Schedule 2026 CIL Hearing Statement

For Examination on 12 October 2026

Hill Residential Limited

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LICHFIELDS

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1.0 Introduction

- 1.1 This Hearing Statement has been prepared by Lichfields on behalf of Hill Residential Limited (“Hill”). It follows earlier representations submitted on Hill’s behalf to the Greater Cambridge Community Infrastructure Levy (“CIL”) Draft Charging Schedule on 27 March 2026, the contents of which we have not replicated here. This Hearing Statement is prepared further to these representations which the Examiner has reviewed. The Draft Charging Schedule is being put forward by South Cambridgeshire Council and Cambridge City Council (“the Councils”) as part of a joint examination.

Hill’s Interests Within Greater Cambridge

- 1.2 Hill has a range of interests within Greater Cambridge, most notably Cambridge East (draft allocation Policy S/CE), land at Hinxton Grange (HELAA Site ID 200765), and site to the east of Hardwick (HELAA Site ID 40414). Hill also forms part of the Cambridge Investment Partnership and South Cambridgeshire Investment Partnerships, working in joint venture with the City and South Cambridge councils respectively to bring forward new Council/affordable and market-sale housing, alongside community and commercial uses.

Cambridge East

- 1.3 Hill has recently acquired the ownership of the site known as Cambridge East from Marshall Group. This comprises 285 hectares of land to the east of Cambridge, including Cambridge Airport.
- 1.4 Cambridge East is a draft allocation in the emerging Greater Cambridge Local Plan(emerging GCLP) (S/CE Cambridge East) for:
- “A new city district of approximately 8,000 homes delivered from 2032, subject to the necessary water infrastructure being available, significant employment floorspace in use classes E(g) and approximately 20,000 square metres gross internal area (GIA) of B2/B8 employment floorspace, with a range of supporting services and facilities including retail, community, cultural, faith, leisure, education and sports and open space uses.”*
- 1.5 Policy S/CE indicates that the site’s development will need to be supported by a range of infrastructure, but the scale of development and the full range of infrastructure have not yet been masterplanned or assessed. It is expected that this infrastructure will be required both on-site and off-site.

Hinxton Grange

- 1.6 The site, which is owned jointly by Hill and Russell Smith Farms Ltd, surrounds the existing Hinxton Grange and is located to the immediate north of the Wellcome Genome Campus expansion site, which has outline planning permission for a mixed-use development (LPA ref S/4329/18/OL). The site extends to the A505 roundabout at its northwestern corner, with a parcel of land on the northwestern side of the roundabout close to Whittlesford Parkway Station also forming part of the site – this is known locally as “Ricketts Field”.

- 1.7 The site at Hinxton Grange is not allocated in the emerging GCLP; however, initial masterplanning identifies the potential for approximately 3,000 homes through a sensitively designed scheme that respects local heritage assets, provides extensive accessible parkland and green space, delivers homes where people want to live and work, and unlocks the potential of Whittlesford Parkway station and its connections to nearby research campuses.

Site to the East of Hardwick

- 1.8 The site at Hardwick is located immediately east of the existing village of Hardwick and is currently in the green belt. Hardwick is already considered a sustainable location in transport terms, and the planned transport improvement projects (such as the Cambourne to Cambridge Busway, which runs adjacent to the site, and the Comberton Greenway) would make Hardwick more accessible by sustainable modes of transport in the near future.
- 1 The site is not allocated in the emerging GCLP; however, initial masterplanning suggests a site capacity of approximately 400 homes in a landscape setting.

Scope of Hearing Statement

- 1.9 In this context, this Hearing Statement relates primarily to the proposed rate of £60/sqm for Residential Uses within the Draft Charging Schedule (January 2026) and therefore primarily deals with Issue 3 of the Examiner's Note. However, many of the points made in Issue 3 are overarching points which are applicable to a range of uses covered in Issues 6 and 7 (including employment and retail uses). Indeed, there is no testing of any mixed-use typologies. Considering that Cambridge East will also include a significant quantum of commercial floorspace and supporting services and facilities, the strategic points made in this Hearing Statement are relevant to the proposed rates for these uses.
- 1.10 Issues 1 and 2 of the Examiner's note are also dealt with insofar as they relate to the appropriateness of adopting CIL, with regard to the relevant tests within the Community Infrastructure Levy Regulations (2010) as amended.
- 1.11 Particular regard has been had to the following documents:
- Cambridge City Council Draft Charging Schedule (examination document 1.1)
 - South Cambridgeshire District Council Draft Charging Schedule (examination document 1.2)
 - CIL Supporting Statement (examination document 3.1)
 - Community Infrastructure Levy Consultation Statement (CIL Consultation Statement) (examination document 5.1)
 - Greater Cambridge Draft Planning Obligations Supplementary Planning Document (the SPD) (examination document 6.4)
 - Cambridge City Council and South Cambridgeshire District Council Community Infrastructure Levy Infrastructure Statement (CIL Infrastructure Statement) (released as part of the CIL consultation in February/March 2026)

- Greater Cambridge Viability Report (CIL VR) (released as part of the CIL consultation in February/March 2026)
- Quintic Advisory response to viability representations (the Quintic Response) (examination document 5.2)
- GCLP Viability Assessment 2026 (GCLP VA)

1.12 The Councils' draft charging schedules are referred to collectively in this Hearing Statement.

1.13 The following sections address the relevant matters raised in the Examiner's note and provide responses to each question as appropriate.

2.0 **Issue 1 - Legislative requirements and consultation**

1) Have the Councils complied with relevant requirements for the format and content of the Draft Charging Schedules and the publication, submission and availability of documents?

2.1 Hill does not propose to comment on this question.

2) Have the Councils undertaken adequate and appropriate consultation on the Draft Charging Schedules? How has the development sector been involved in the preparation of the Draft Charging Schedules?

2.2 Hill does not dispute the adequacy and/or appropriateness of the consultation process undertaken on the Draft Charging Schedules, but raises concerns about its inputs and adequacy of the assessments.

3.0 Issue 2 - Infrastructure requirements and funding

1) Is the evidence on strategic transport infrastructure requirements adequate and sufficiently up to date?

- 3.1 The Council identifies that the proposed CIL is intended to help meet a gap in infrastructure funding relevant to the 2018 local plans, which run up to but not beyond 2031. As was raised in Hill's representations to the CIL consultation, the strategic transport infrastructure evidence is not considered to be sufficiently up to date despite the Council's assertion in their CIL Consultation Statement that it is.
- 3.2 Whilst it may be the case that the adopted 2014 transport strategy remains relevant to the development of Greater Cambridge, Hill's principal concern (which, concerningly, is still not recognised by the Councils) is the existence of a raft of newer, more relevant evidence that does not form part of the evidence base for the Draft Charging Schedules. This amounts to an inadequate assessment of the relevant evidence. No assessment has been made of the extent to which the Draft Interim Greater Cambridge Transport Strategy (2026), and indeed the emerging GCLP, interacts with the 2014 evidence. In this respect, the Councils' assertion that the 2014 transport strategy "*is as relevant now as it was in 2014 and is appropriate evidence in the adoption of CIL*" is clearly misguided, not least because the 2014 strategy does not expressly refer to the main project that this CIL is proposed to fund, namely CSET 2 (Cambridge South East Transport phase 2). In short, there is a clear mismatch here. On the one hand the Councils are stating the proposed CIL is intended to help meet a gap in infrastructure funding relevant to the 2018 local plans, but on the other it is expressly seeking to fund CSET 2, which does not form part of the 2018 local plans.
- 3.3 In relation to Cambridge East specifically, the adopted 2018 local plans do not plan for the redevelopment of the site – in fact the policies specifically prevent its development until those local plans have been reviewed. Those 2018 local plans do not set out infrastructure or other requirements for the development of the airport site. Any CIL or other funding mechanism relevant to Cambridge East therefore needs to be planned and tested alongside the policies of the emerging GCLP, not the 2018 local plans.
- 3.4 To rectify this, the options are:
- 1 **Delay the introduction of this CIL and combine it with the emerging GCLP.** The emerging GCLP is now well advanced with the Regulation 19 consultation closed and with submission for examination due by the end of the year. This CIL is backward looking and out-of-date in the context of the latest transport evidence base for the emerging GCLP.
 - 2 **Were CIL to proceed now (contrary to Hill's view), it must be limited to the funding gap for 2018 local plans growth only**, this would address the mismatch referenced in paragraph 3.2. At present, it is inconsistent with the PPG (ID:25-017-20190901) in expecting emerging GCLP sites not in the 2018 local plans (as is the case for Cambridge East) to address an infrastructure funding gap associated with proposal from the previous local plan.

3 **Were CIL is to proceed now (contrary to Hill's view), Cambridge East should be excluded.** The 2018 Cambridge City Local Plan identifies Cambridge East as safeguarded land. Whilst the emerging GCLP formally allocated the site (S/CE Cambridge East) the development is not associated with the 2018 local plans and would create the 'mismatch' identified in paragraph 3.2. It is also a Strategic Site that the PPG (ID:25-026-20190901) expressly identifies as potentially warranting a low or zero rate to reflect its own planning obligations, which the CIL evidence base has not adequately assessed.

3.5 Hill considers that the Councils should postpone the adoption of CIL until the emerging GCLP is progressed further.

3.6 In this context, we would direct the Examiner to PPG 25-012, which states (emphasis added):

*"Charging schedules are not formally part of the relevant plan **but charging schedules and relevant plans should inform and be generally consistent with each other**. Where practical, there are benefits to undertaking infrastructure planning for the purpose of plan making and setting the levy at the same time. A charging authority may use a draft plan if they are proposing a joint examination of their relevant plan and their levy charging schedule."*

3.7 By postponing the adoption of CIL and aligning it with the emerging GCLP, the Councils would be able to use joined-up, up-to-date evidence to assess the extent of the funding gap in Cambridge's development landscape and, if one exists, whether CIL presents an appropriate mechanism to fill it. At that point, the Councils would also be able to align the justification for charging and spending CIL with the priorities of the CGC and the GCDC. This would make it significantly clearer what the timeline for implementation of projects is and how this is intended to be achieved. This would constitute adequate evidence that is sufficiently up to date for the purposes of introducing an effective CIL charging schedule.

2) What is the timescale for implementation of projects and how is this intended to be achieved?

3.8 The CIL consultation response refers most commonly to CSET 2 as the project which the proposed CIL will be used to fund. It is identified that a Transport and Works Act Order application was submitted on 9 January 2025, but little information is provided as to the expected delivery timescales for the project. It is noted that the Draft Interim Greater Cambridge Transport Strategy 2026, which as discussed above is not expressly referred to by the Councils in the evidence base for this charging schedule, refers to a 'south corridor package' akin to the scope of CSET 2 that is foreseen under the "Long term (2035-2045)" category. Notwithstanding that this is outside the window for which CIL is intended to be used, the presence of information on timescales in the Draft Interim Greater Cambridge Transport Strategy 2026, but not the adopted 2014 strategy, is a further reason for this CIL to align with the emerging plan and evidence base. In its current form, the evidence only tells half the story.

3) What is the basis for the estimated costs of this infrastructure and are the costs realistic and up to date?

- 3.9 The Councils have sought to demonstrate a £272,371,000 funding gap in relation to their respective adopted 2018 local plans. The Councils have assessed that CIL is needed to fund strategic transport infrastructure. The CIL Consultation Statement (June 2026) states:

“The Infrastructure Statement produced by the Councils, with input from Cambridgeshire County Council and the Greater Cambridge Partnership, explains that in 2018 the cost associated with delivery of the strategic transport infrastructure necessary for the local plans was £855m. The present-day cost exceeds £891m.”

- 3.10 Hill is not in a position to dispute these costs. However, echoing points already made, the charging schedule and supporting evidence base do not consider the costs of the infrastructure that will be delivered under the emerging GCLP, and the extent to which this will be delivered on, or as part of, strategic site allocations.

4) What is the package of funding for this infrastructure and to what extent is it secured?

- 3.11 As set out in the CIL Consultation Statement, CIL will sit alongside funding from, among other things, the Cambridge City Deal and existing s106 payments.

- 3.12 Nevertheless, a funding gap will remain following the introduction of CIL which the CIL Consultation Statement states “*partners will look to address through other means*”. It is not clear how such funding will be achieved and the Councils are encouraged to specify this in more detail at the Examination if this question is to be answered effectively. The current evidence suggests that the package of funding is not secured.

5) How will the use of S106 contributions change following the introduction of the CILs? Will there be overlap between funding from S106 contributions and CIL for particular infrastructure projects or from particular development proposals?

- 3.13 There is a concerning lack of coordination between the Draft Charging Schedules and the recently adopted Greater Cambridge Planning Obligations SPD (April 2026). It is not clear why the SPD was adopted while CIL was being consulted upon and remaining agnostic to this fact in its drafting.

- 3.14 The SPD does not refer to how planning obligations relating to transport will be made in combination with CIL. In particular, there is no assurance within the SPD that the level of s106 contributions requested for transport will be tempered and/or removed once CIL is brought in. This is particularly relevant in the case of Chapter 10: Transport and Highways of the SPD, which, despite acknowledging some other forms of funding such as the Greater Cambridge City Deal (para 10.8), fails to acknowledge a circumstance under which CIL would fund this infrastructure. This is concerning, given that CIL funds are intended to be used for the purposes of funding strategic transport infrastructure.

- 3.15 In the context of the above, it is welcomed that the CIL Consultation Statement (June 2026) clarifies that if CIL is introduced:

“[it] will be used to fund strategic transport projects and Section 106 agreements will continue to be used to fund site specific transport infrastructure and local infrastructure such as schools, libraries, doctor’s surgeries, sports facilities, community centres, and green infrastructure.”

and

“s106 contributions would no longer be sought towards strategic transport infrastructure projects and that s106 contributions and/or s278 agreements would still be required in relation to transport infrastructure that would not be necessary were it not for the development.”

- 3.16 However, this position is not set out within the SPD, and it would need to be formalised if CIL is adopted. Hill requests a commitment from the Councils that if CIL is adopted in Greater Cambridge, the SPD would be withdrawn.

6) Will there be a funding gap which justifies the introduction of the CILs in principle?

- 3.17 Hill does not dispute that there is a funding gap for infrastructure within Greater Cambridge under the 2018 local plans. However, per previous comments, Hill does not consider that the general approach to demonstrating infrastructure funding gaps, and ways to fill this gap, are appropriate in the context of the wider development context within Greater Cambridge given the status of the emerging GCLP, and alongside other factors such as the forthcoming development corporation.

7) What is the basis for the estimated CIL income? Is this realistic?

- 3.18 The consultation document states that CIL is expected to generate between £25m and £50m during the adopted 2018 local plan periods to 2031. This is a notable extension of scope from the previous infrastructure statement submitted under the local plan, which simply stated that the expected revenue from CIL would be £50m. CIL will only apply to planning permissions granted and commenced after the CIL charging schedule is adopted and on that basis this scale of revenue over this period seems highly unlikely.
- 3.19 In any case, Hill questions the realism and justification for this assumption, given that it is made in the short term. As noted in relation to Question 1 (Issue 2), Hill also queries the rationale for exploring CIL funding to 2031 only rather than, for example, to 2045, which is the end of the proposed period for the emerging GCLP.
- 3.20 The Councils are reminded that major residential planning permissions often contain phases for demolition and/or enabling works which mean that CIL is not paid immediately on commencement of development. Therefore, as with s106 contributions, the Councils should not overstate the extent to which CIL funding may be received faster than other forms of funding.
- 3.21 It is also noted that the Councils have, in their response to Question 3 in the CIL Consultation Statement, asserted that *“adopting a CIL will mean that many planning permissions can be issued sooner with clarity as to what the application will be required to contribute towards strategic transport infrastructure.”* However, as the Councils appear to acknowledge themselves soon after making this statement, this is unlikely to be true in

practice given that s106 agreements will continue to play a significant role in how developer contributions are funded.

8) How much CIL income is estimated to be passed on to Parish Councils/ Neighbourhoods? How does this affect the amount to be used on strategic transport infrastructure?

3.22 Hill has no response to this question.

9) What is the intended approach to the use of CIL income to support administrative/ operational costs?

3.23 Hill has no response to this question.

4.0 **Issue 3 - Residential charging rates (including retirement housing and residential institutions)**

1) Do the 26 residential typologies provide for a sufficiently comprehensive assessment in terms of the types of developments likely to come forward?

- 4.1 The CIL VR does not test any mixed-use typologies which is a fundamental flaw. Planning Practice Guidance (ID:25-026-20190901) states that:

“Differential rates for geographic zones can be used across a charging authority’s area. Authorities may wish to align zonal rates for strategic development sites. Viability guidance sets out the importance of considering the specific circumstances of strategic sites (‘Why should strategic sites be assessed for viability in plan making?’). This includes the potential to undertake site specific viability assessments of sites that are critical to delivering the strategic priorities of the plan.”

- 4.2 Both the adopted 2018 local plans and emerging GCLP rely on such sites to meet housing and employment needs, supported by appropriate infrastructure. Critically, this includes new settlements and a new ‘city district’, in the emerging GCLP. None of the larger scenarios (covering ‘Strategic Sites’ of over 1,500 homes, Scenarios 20 to 26) include any other uses than housing (Table 4.1.1). This is despite many of those sites including not only ‘amenity’/supporting uses for a residential community but also substantial commercial floorspace. This will be the case at Cambridge East and many other sites.

- 4.3 We therefore consider that the CIL VR does not provide ‘appropriate available evidence’ to allow the Councils or the Inspector to meet the legal requirement to weigh *“the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.”*

- 4.4 The structure of the assessment and of the charging schedules reflects this single use approach and thus the implications for strategic sites are not properly being tested. There is no specific ‘issue’ set out in the Examiners Note in relation to this, but in Hill’s view, it is a critical issue that undermines the sufficiency of the evidence.

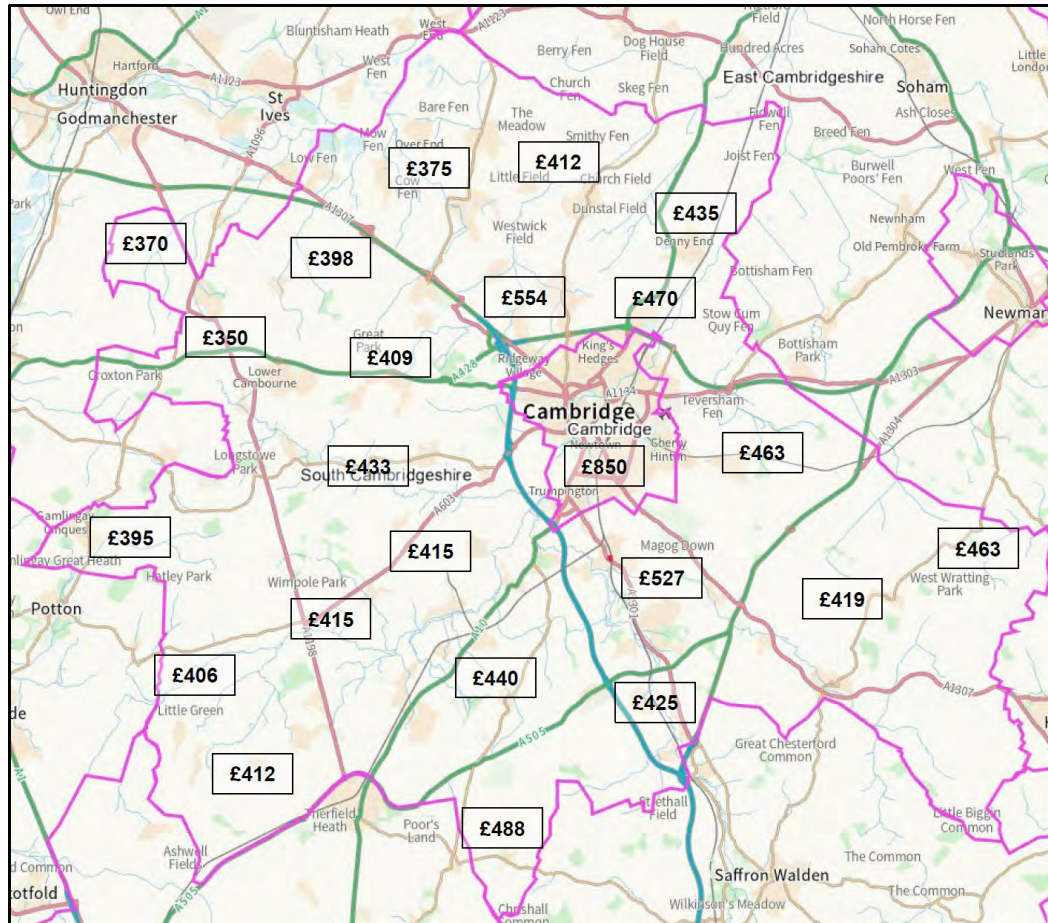
2) Is the evidence on residential sales values (Fig 2.16.1 and Appendix 3) sufficiently comprehensive? Does it provide an appropriate basis for the viability appraisal and how has it been used to inform the appraisal?

- 4.5 No.

- 4.6 Figure 2.16.1 of the CIL VR presents average sales values across different areas throughout Greater Cambridge, calculated using Land Registry sales data. It is unclear from the evidence whether actual floorspace figures have been adopted (commonly obtained from Energy Performance Certificate (‘EPC’) data) or whether standard assumptions regarding average floorspace have been applied. Notwithstanding this, the data highlights that there is

a significant variation in sales rates commanded throughout the authority. This is not reflected in the Councils' proposal to introduce a blanket rate of CIL across the whole area.

Figure 4.1 Sales values in Greater Cambridge (approx. £ per square foot)



Source: BNP Paribas (2026)

4.7

For scenario testing, the study adopts sales values ranging from £4,000 per square metre to £9,000 per square metre. The full range of scenarios is presented in Table 4.1 below.

Table 4.1 Sales values tested

Scenario	Sales Value (£ per sq.m)
1	£4,000
2	£4,625
3	£5,250
4	£5,875
5	£6,500
6	£7,125
7	£8,375
8	£9,000

Source: BNP Paribas (2026)

- 4.8 Converting the sales rates for the individual areas (as presented in Figure 2.16.1 of the study) to a £ per square metre basis allows an assessment of the reasonableness of the sales values tested in the CIL study. The analysis presented below identifies that more than half of the individual sales values identified across the various areas in Greater Cambridge fall below the £4,625 sales value tested in the CIL study, the second-lowest sales value. This proportion rises to 82.6% under the £5,250 sales-rate scenario. In other words, the CIL sales values tested in the VR are not reflective of sales values within Greater Cambridge. Where the VR has tested sales values of £5,250 psm and above, as it has done in four of the six tested scenarios, these are not relevant to the vast majority (>80%) of the identified sales areas within Greater Cambridge. In only one of the tested scenarios would the testing be relevant to more than 50% of the areas.
- 4.9 The CIL VR fails to identify an average sales value across Greater Cambridge, instead stating that average sales values range from £4,000 per sqm to £9,000 per sqm. This forms the basis of the sensitivity testing. By way of comparison, evidence from the Regulation 19 Local Plan Viability Assessment (undertaken by Aspinall Verdi) identifies a median sales price of £4,620 psm based on Land Registry and EPC data. Based on this evidence and the CIL VR's area-based average values, most of the scenarios tested appear inappropriate for the Greater Cambridge market.

Table 4.2 Sales Values compared to CIL tested sales values

Area	Rate (£/psf)	Rate (£/psm)	CIL Sales Values Tested					
			£4,000	£4,625	£5,250	£5,875	£6,500	£9,000
1	£375	£4,037	Higher	Lower	Lower	Lower	Lower	Lower
2	£412	£4,435	Higher	Lower	Lower	Lower	Lower	Lower
3	£435	£4,682	Higher	Higher	Lower	Lower	Lower	Lower
4	£470	£5,059	Higher	Higher	Lower	Lower	Lower	Lower
5	£463	£4,984	Higher	Higher	Lower	Lower	Lower	Lower
6	£419	£4,510	Higher	Lower	Lower	Lower	Lower	Lower
7	£463	£4,984	Higher	Higher	Lower	Lower	Lower	Lower
8	£527	£5,673	Higher	Higher	Lower	Lower	Lower	Lower
9	£425	£4,575	Higher	Lower	Lower	Lower	Lower	Lower
10	£488	£5,253	Higher	Higher	Higher	Lower	Lower	Lower
11	£440	£4,736	Higher	Higher	Lower	Lower	Lower	Lower
12	£415	£4,467	Higher	Lower	Lower	Lower	Lower	Lower
13	£415	£4,467	Higher	Lower	Lower	Lower	Lower	Lower
14	£412	£4,435	Higher	Lower	Lower	Lower	Lower	Lower
15	£406	£4,370	Higher	Lower	Lower	Lower	Lower	Lower
16	£395	£4,252	Higher	Lower	Lower	Lower	Lower	Lower
17	£433	£4,661	Higher	Higher	Lower	Lower	Lower	Lower
18	£350	£3,767	Lower	Lower	Lower	Lower	Lower	Lower
19	£409	£4,402	Higher	Lower	Lower	Lower	Lower	Lower
20	£370	£3,983	Lower	Lower	Lower	Lower	Lower	Lower
21	£398	£4,284	Higher	Lower	Lower	Lower	Lower	Lower
22	£554	£5,963	Higher	Higher	Higher	Higher	Lower	Lower
23	£850	£9,149	Higher	Higher	Higher	Higher	Higher	Higher
Count of Lower			2	13	19	21	22	22
% Lower			8.7%	56.5%	82.6%	91.3%	95.7%	95.7%

Source: Lichfields analysis of BNP Paribas CIL VR (2026)

- 1 Considering that the sales values across the various areas within Greater Cambridge largely fall within the lower tested sales-value bands in the CIL study, these have been re-presented for residential scenarios across the four BLV scenarios for 40% affordable housing delivery. This demonstrates, at a high level, the effect that the Draft Charging Schedules are likely to have on the ability of the emerging GCLP to deliver its strategic priorities.

4.10

It should be noted that adjustments have not been made to the costing assumptions, despite these having been found to be consistently conservative (and thus potentially understating costs and overstating viability in practice) in the light of economic downside risks. If such adjustments were made, this would likely worsen the viability position across Greater Cambridge. Moreover, the corrected viability tests do not consider the cost of in-kind infrastructure provision on strategic residential sites, which is also likely to have a negative effect.

Table 4.3 Viability Appraisals – £4,000 psm sales rate (40% AH)

	Description	BLV1	BLV2	BLV3	BLV4
1	Low density flats	Unviable	Unviable	Unviable	Unviable
2	Low density rural extension	Unviable	Unviable	Viable	Viable
3	Low density flats	Unviable	Unviable	Unviable	Unviable
4	Low density rural extension	Unviable	Unviable	Viable	Viable
5	Medium density flats	Unviable	Unviable	Unviable	Unviable
6	Low density rural extension	Unviable	Unviable	Viable	Viable
7	Low density rural extension	Unviable	Unviable	Viable	Viable
8	Extra Care scheme	Unviable	Unviable	Unviable	Unviable
9	Low density edge of settlement houses/flats	Unviable	Unviable	Unviable	Viable
10	Low density rural extension	Unviable	Unviable	Unviable	Viable
11	Low density rural extension	Unviable	Unviable	Viable	Viable
12	Low density edge of settlement houses/flats	Unviable	Unviable	Unviable	Unviable
13	Low density edge of settlement houses/flats	Unviable	Unviable	Unviable	Unviable
14	High density houses	Unviable	Unviable	Viable	Viable
15	High density flats	Unviable	Unviable	Unviable	Unviable
16	High density flats	Unviable	Unviable	Unviable	Unviable
17	High density flats	Unviable	Unviable	Unviable	Unviable
18	Low density flats and houses	Unviable	Unviable	Marginal	Viable
19	High density flats	Unviable	Unviable	Unviable	Unviable
20	Low density edge of settlement houses	Unviable	Unviable	Unviable	Unviable
21	Medium density edge of settlement houses/flats	Unviable	Unviable	Unviable	Unviable
22	New settlement	Unviable	Unviable	Unviable	Unviable
23	Low density edge of settlement houses/flats	Unviable	Unviable	Unviable	Unviable
24	Low density edge of settlement houses	Unviable	Unviable	Unviable	Unviable
25	New settlement	Unviable	Unviable	Unviable	Unviable
26	New settlement – High density flats and houses	Unviable	Unviable	Unviable	Unviable
	Count of Unviable	26	26	19	17
	% Unviable	100.0%	100.0%	73.1%	65.4%

Source: Lichfields review of BNP Paribas

4.11

An analysis of the scenarios tested at the £4,625 sales value identifies that the majority (71.2%) of tested scenarios are unviable. As set out above, more than half of the individual sales values identified within the various areas across Greater Cambridge fall below £4,625 psm. This demonstrates that CIL, as proposed within the Draft Charging Schedule, will make policy-compliant residential development unviable in the majority of Greater Cambridge.

Table 4.4 CIL Viability – £4,625 psm sales rate (40% AH)

	Description	BLV1	BLV2	BLV3	BLV4
1	Low density flats	Unviable	Unviable	Viable	Viable
2	Low density rural extension	Unviable	Unviable	Viable	Viable
3	Low density flats	Unviable	Unviable	Unviable	Unviable
4	Low density rural extension	Unviable	Unviable	Viable	Viable
5	Medium density flats	Unviable	Unviable	Unviable	Unviable
6	Low density rural extension	Unviable	Unviable	Viable	Viable
7	Low density rural extension	Unviable	Unviable	Viable	Viable
8	Extra Care scheme	Unviable	Unviable	Unviable	Unviable
9	Low density edge of settlement houses/flats	Unviable	Unviable	Viable	Viable
10	Low density rural extension	Unviable	Unviable	Viable	Viable
11	Low density rural extension	Unviable	Unviable	Viable	Viable
12	Low density edge of settlement houses/flats	Unviable	Unviable	Viable	Viable
13	Low density edge of settlement houses/flats	Unviable	Unviable	Viable	Viable
14	High density houses	Unviable	Viable	Viable	Viable
15	High density flats	Unviable	Unviable	Unviable	Unviable
16	High density flats	Unviable	Unviable	Unviable	Unviable
17	High density flats	Unviable	Unviable	Unviable	Unviable
18	Low density flats and houses	Unviable	Unviable	Viable	Viable
19	High density flats	Unviable	Unviable	Unviable	Unviable
20	Low density edge of settlement houses	Unviable	Unviable	Viable	Viable
21	Medium density edge of settlement houses/flats	Unviable	Unviable	Viable	Viable
22	New settlement	Unviable	Unviable	Unviable	Viable
23	Low density edge of settlement houses/flats	Unviable	Unviable	Unviable	Unviable
24	Low density edge of settlement houses	Unviable	Unviable	Unviable	Unviable
25	New settlement	Unviable	Unviable	Unviable	Unviable
26	New settlement – High density flats and houses	Unviable	Unviable	Unviable	Unviable
	Count of Unviable	26	25	12	11
	% Unviable	100.0%	96.2%	46.2%	42.3%

Source: Lichfields review of BNP Paribas

- 4.12 In light of the issues raised above in relation to the VR, the Councils should revise the Draft Charging Schedules to account for the significant variations in residential sales values across Greater Cambridge. Any future assessment of viability should be reflective of the extent of different value areas within Greater Cambridge, as well as the full extent of policy requirements within the emerging GCLP (including 40% affordable housing and in-kind infrastructure provision on strategic residential sites).
- 4.13 Further, in recognition of the abnormal costs associated with some development typologies, the Councils should consider applying specific rates to different residential typologies based on the costs associated with those developments. When considering large-scale residential

schemes, the CIL VR should consider costs associated with the in-kind provision of infrastructure, as well as wider on-site amenity that would typically be expected to be delivered as part of a development of scale.

3) How has it been used to appraise different residential typologies, including retirement housing and residential institutions?

4.14 Hill does not believe that the CIL Charging Schedules recognise how different types and scales of development contribute to and deliver infrastructure. In particular, the Councils appear not to have considered whether CIL may not be appropriate for large scale strategic residential development.

4.15 On this matter, PPG 25-022 states:

“...Differential rates may be appropriate in relation to

- geographical zones within the charging authority’s boundary;*
- types of development; and/or*
- scales of development.*

... Charging authorities may wish to consider how any differential rates appropriately reflect the viability of the size, type and tenure of housing needed ... Charging authorities should consider the views of developers at an early stage.

If the evidence shows that the area includes a zone, which could be a strategic site, which has low, very low or zero viability, the charging authority should consider setting a low or zero levy rate in that area. The same principle should apply where the evidence shows similarly low viability for particular types and/or scales of development.”

4.16 Linked to this, PPG 25-025 states:

“... Authorities may wish to align zonal rates for strategic development sites. Viability guidance sets out the importance of considering the specific circumstances of strategic sites This includes the potential to undertake site specific viability assessments of sites that are critical to delivering the strategic priorities of the plan.

Charging authorities may want to consider how zonal rates can ensure that the levy compliments plan policies for strategic sites. This may include setting specific rates for strategic sites that reflect the land value uplift their development creates. Low or zero rates may be appropriate where plan policies require significant contributions towards housing or infrastructure through planning obligations and this is evidenced by an assessment of viability.”

4.17 With the above in mind, Hill considers that the Councils should clarify that CIL will not be charged on strategic sites within the emerging GCLP, in recognition of the in-kind infrastructure that is often delivered on these sites and the scheme-specific approach that should be taken to planning obligations.

4.18 This has been previously recognised in relation to viability of such sites and affordable housing, for example in the AAP for Cambridge East which expressly notes that

“...this major and complex development which has a wide variety of requirements covering infrastructure and services, and a balance must be struck between competing requirements, in the light of economic viability... The appropriate level of contributions sought from the development will take into account costs which fall to the development, including the relocation of the airport and associated activities (including site remediation).”

- 4.19 Hill considers that the Councils should reconsider the level of CIL proposed on all residential schemes owing to fundamental flaws in the viability assumptions which underpin the testing of the proposed rates.

4) What is the basis for the assumptions on affordable housing tenure and values and are these appropriate?

- 4.20 Hill has no response to this question.

5) Are the assumptions on build costs appropriate and sufficiently up to date? Do they adequately reflect the build costs associated with different residential typologies including retirement housing and residential institutions?

- 4.21 Yes. (As per paragraph 1.44 of Hill’s March 2026 representations).
- 4.22 Table 4.11.1 of the VR sets out that, with respect to core build costs, Building Cost Information Service (‘BCIS’) data is adopted. For houses, general estate housing BCIS costs are applied; for flats, a higher BCIS rate is adopted. Whilst it is not stated within the report, it is assumed, based on a review of BCIS, that median build costs are adopted. That being the case, this is considered appropriate. However, if median build costs were not adopted, we would have concerns about this approach.
- 4.23 Hill does not comment in relation to retirement housing and residential institutions.

6) Are the increases for external works appropriate?

- 4.24 No.
- 4.25 The CIL VR adopts a blanket allowance of 15% of BCIS build costs to account for external works associated with site infrastructure and services. Applying a single external works allowance across all development typologies fails to reflect market realities. It is recognised that larger sites would typically face higher external costs due to the scale and complexity of infrastructure requirements. A blanket assumption therefore risks understating the true cost profile.

7) Is the additional cost assumption for larger residential developments on the edge of settlements (£29,070 per unit) justified and appropriate?

- 4.26 No.
- 4.27 The CIL VR does not explicitly state what this allowance is expected to cover; it is therefore not possible to comment on the reasonableness of this assumption.

8) What is the basis for the assumptions on S106 costs and are they realistic and appropriate?

- 4.28 Paragraph 4.26 of the CIL VR outlines an assumption of £25,000 Section 106 per residential unit rising to £46,000 per unit for strategic allocations. However, it is unclear what is included within these allowances or the basis for these figures. As already noted, the Greater Cambridge Planning Obligations SPD does not provide any guidance in this regard, or in relation to its interaction with CIL. It is therefore not possible to draw any conclusion on their reasonableness.

9) What is the basis for the approach to benchmark land values and is this appropriate?

- 4.29 We do not disagree with the general approach adopted with respect to Benchmark Land Values. However, with respect to Greenfield sites, the CIL VR identifies a range of £20,000-£23,000 per gross hectare. This corresponds to a range of £8,093.72/acre to £9,307.78/acre (gross). The values within this range are between 7% and 24% lower than that adopted within the Regulation 19 Local Plan Viability Assessment which identifies an existing use value of £10,000/acre across Greater Cambridge.
- 4.30 The CIL Viability Assessment then identifies Benchmark Land Values in the order of £250,000 to £370,000 per gross hectare, corresponding to a multiple of EUV of between 12.5 and 18.5 times.
- 4.31 Bullet point 4 of Paragraph 4.40 identifies that larger sites are expected to correspond to £250,000/hectare (gross), equivalent to 12.5 times EUV (at £20,000/hectare (gross)), i.e. at the lower value range identified. If the EUV adopted in the Regulation 19 Local Plan Viability Assessment of £10,000/acre (or £24,710/hectare) were adopted, this would correspond to a BLV of £308,880/hectare. This translates to a value 24% higher than that currently adopted within the CIL Viability Assessment.

10) Are the other assumptions including on profit, other costs and policy requirements appropriate? To what extent have emerging Local Plan policy requirements been taken into account?

- 4.32 No. Hill's March 2026 representations scrutinised the costing assumptions set out in the CIL VR – the position set out in those representations still stands.
- 4.33 The previous consultation response and our response below is informed by common practice standards identified in Lichfields' Fine Margins 2 research. This research reviewed 93 Local Plan and CIL viability assessments and Inspector's Reports from across England and Wales to ascertain what assumptions have been made and deemed appropriate by the Inspector in relation to viability. The research therefore establishes a firm grasp over what is considered a "reasonable" assumption for the purposes of viability. When assessed against these benchmarks, we have identified that the VR consistently applies conservative assumptions, fails to account for a range of abnormalities, and omits an allowance for contingency costs.

- 4.34 By consistently placing assumptions at the lower end of what is reasonable in every case, this has a cumulative effect of underestimating true costs, particularly in a market and part of the country more likely to experience cost pressures.

Profit

- 4.35 As per paragraph 1.47 of Hill's March 2026 representations, the level of profit adopted within the CIL VR is set at 17.5% for open market housing and 6% for affordable housing. This allowance falls short of the minimum profit margin that lending institutions would be prepared to accept (c.20-25%). This is particularly relevant in the context of larger strategic sites which would be expected to require a larger lender risk buffer to account for increased risk.
- 4.36 Further, Lichfields' Fine Margins 2 research indicates that 75% (96) of the 128 studies assessed assumed an allowance of 20%, and given the risk profile in the current market, setting it too low will undermine delivery.

Professional Fees

- 4.37 As per paragraph 1.48 of Hill's March representations, the CIL VR includes an allowance of 7% of base build costs to cover professional fees. It describes this as being "*at the middle to higher end of the range for most schemes*". This conclusion is predicated on the assumption that a single figure would be appropriate for all development proposals. This figure appears low and conflicts with the rate adopted within the Regulation 19 GCLP Viability Assessment (10%). It is also lower than the typical range identified within Lichfields' Fine Margins 2 research which identified that 88% (126/144) of studies assessed adopted a range of between 8% and 10%, suggesting a conservative approach has been taken in the VR. This is illustrated by the BNP Paribas assumption adopted in the Oxford City Council: Local Plan Viability Assessment (December 2025), a city with comparable characteristics to Cambridge, at Paragraph 4.26 stating:

'In addition to base build costs, scheme will incur professional fees, covering design and valuation, highways consultants and so on. Our appraisals incorporate a 10% allowance, which is at the middle to higher end of the range for most schemes.' (Lichfields' emphasis)

- 4.38 In a market like Cambridge, it is likely that fees will be at the higher end of the scale.

Abnormal Costs

- 4.39 Paragraph 4.33 of the CIL VR highlights that due to an absence of details of site investigations a reliable estimate of what exception costs might be is not possible. The paragraph goes on to state that BCIS does account for some 'average' level of abnormal costs. Whilst BCIS does account for a baseline level of site works (standard foundations), these cannot be reasonably described as constituting "*abnormal*" costs. Critically, BCIS does not cover site-specific, abnormal costs (as per paragraph 1.45-6 of Hill's March representations).
- 4.40 It is recognised that is difficult to provide a blanket assumption regarding site-specific abnormal costs and that every site is different. However, failure to account for abnormal costs at all is an oversight particularly in the context of brownfield sites which are often subject to much greater abnormal costs. This will be of particular concern for the

deliverability of development within the remit of Cambridge City Council, particularly Cambridge East, and potentially North East Cambridge should funding for it become available. This will also impact a number of schemes with the Cambridge Investment Partnership, of which Hill is part, which sit within the City and often involve surplus/brownfield sites.

Contingencies

- 4.41 It is common practice to include a contingency allowance to account for unforeseen costs that arise throughout the development period. The study does not appear to provide an allowance for contingency and therefore is likely to underestimate the true cost of development. Lichfields' Fine Margins 2 insight identified that 90% (130/144) of studies made a contingency allowance. Of these, 91% (118/130) fell within a range of 2.5-5% of build costs, with 5% the most frequently cited.
- 4.42 The inclusion of contingency costs is particularly relevant in the current economic context. In the period 2021 to 2026, developers have had to account for an exponential and unexpected increase in build costs of c.20% between October 2021 and 2025. These are expected to rise further, by as much as 15% by 2030. This issue was recognised in a December 2025 letter from the Minister of State for Housing and Planning¹, which recognised the effect of the “*coronavirus pandemic, increased construction costs, high interest rates, regulatory changes and wider economic conditions*” on the deliverability of housing developments.

Policy Requirements

- 4.43 It is noted that the Councils state in the Consultation Statement (June 2026):
- “It is not necessary for the Councils to consider exempting strategic development sites from paying CIL because all such sites have the benefit of planning permission and are therefore not liable to pay CIL on any development brought forward under those permissions. Following the adoption of the Greater Cambridge Local Plan it may be appropriate to review any adopted CIL charging schedule, and which may set rates based on geography and/or scale of development. This should not be taken to mean that the CIL rates for allocated sites will be set to £0.”*
- 4.44 The Council's comment above supports our suggestion for postponing any adoption and aligning it with the emerging GCLP. It also seems illogical to adopt a CIL schedule and then shortly thereafter change it to accommodate strategic sites in the new plan.
- 4.45 Not giving certainty on whether CIL will be levied on allocations in the emerging GCLP within part of the draft charging schedule, or in a formal policy commitment, will have a significant impact on the assumed delivery rates within the emerging GCLP as the additional burden combined with site-specific policy requirements for on-site and in-kind strategic transport infrastructure provision will delay ongoing investment, design, and technical strategies being pursued on draft allocations. Whilst the Council asserts that the viability evidence “*incorporates CIL alongside these proposed policy requirements*”, there

¹

https://assets.publishing.service.gov.uk/media/6967728797d42030a67b0d67/Letter_from_Minister_of_State_for_Housing_and_Planning_to_the_Planning_Inspectorate_Modifying_planning_obligations.pdf

is a significant lack of specificity around the infrastructure costs associated with proposed allocations. It is also noted that the CIL VR has not been updated to consider the GCLP VA, and GCLP VA is not listed as an examination document. It is unclear how the CIL VR can be considered appropriate for the purposes of this examination in this context as it relies on different assumptions to the GCLP VA.

- 4.46 Clearly, for strategic sites that are more directly integrated with the delivery of infrastructure, infrastructure costs will be significantly higher than smaller sites. It is not appropriate that a 'standard' s106 cost-per-dwelling rate of £45,500 is applied to each development typology tested in the GCLP VA, regardless of the scale of development and site-specific infrastructure needed to make it acceptable in planning terms. This is despite p.91 of the GCLP VA acknowledging "*that the Strategic Sites will bear a greater burden of the IDP costs than the other typologies, as they will likely have greater strategic infrastructure included.*" For authorities considering such a significant quantum of strategic proposals, this is not an adequate assessment of effects. It cannot be said that the Councils have appropriately considered the emerging GCLP policy requirements.

11) Is the charging rate of £60 per sqm for residential houses and flats justified by the evidence? Does it provide for a sufficient buffer below the potential maximum charging rates? Is it appropriate to apply the same rate to all residential houses and flats regardless of the scale of development or location?

- 4.47 No.

- 4.48 As set out in our March 2026 representations, and for the reasons reaffirmed in this Hearing Statement, we are concerned that the evidence base does not robustly identify that the proposed £60 psm residential CIL charging rate is viable.

- 4.49 By way of summary, this is based on the following concerns:

- 1 The range of sales values adopted within the sensitivity scenarios are unrealistic and overestimate the Gross Development Value of residential development, as they:
 - a Do not account for locational differences;
 - b Largely exceed the median sales value identified within the GCLP VA.
- 2 As highlighted within this Hearing Statement, several assumptions adopted within the CIL VR are contradictory to those adopted in the Regulation 19 Local Plan Viability Assessment and do not reflect reasonable assumptions that have been deemed appropriate by the Inspectors for other Local Plan and CIL viability assessments across England and Wales (see Lichfields Fine Margins 2 research)

- 4.50 The implication of this is that it could threaten the delivery of development.

- 4.51 The proposed charging rate of £60 psm can only be regarded as providing an appropriate buffer if the underlying evidence robustly identifies the level of available headroom. For the reasons set out in this Hearing Statement, the evidence fails to do so.

- 4.52 The existence of materially different viability assumptions between the CIL VR and the Regulation 19 Local Plan Viability Assessment further undermines confidence in the level of headroom.

4.53 Hill does not consider it appropriate to apply the same rate to all residential houses and flats regardless of the scale of development, owing to the significant levels of in-kind infrastructure associated with larger sites, especially strategic sites, or in the case of Cambridge East a new ‘city district’. Given that the Councils already recognise that they may need to review the CIL alongside the emerging GCLP (see Issue 2, question 5), it would be better to pre-empt the disapplication of CIL on strategic sites (as defined within the 2026 NPPF) to allow for their significant in-kind infrastructure delivery and viability issues. The 2026 NPPF defines a strategic site as:

“A site for residential, commercial or mixed-use development which would be implemented in multiple phases, have significant infrastructure requirements and require a masterplan. Typically, for a residential-led development, strategic sites would have capacity for at least 1,500 dwellings (although the scale of residential development can vary depending on the mix of uses on the site).”

4.54 Hill’s preferred option is to agree obligations for strategic sites (as defined in the 2026 NPPF) on a case-by-case basis, having regard to the in-kind infrastructure that the development is likely to deliver and the effects this will have on viability. This should be the case on both allocated and unallocated sites, to ensure housing delivery continues in circumstances where delivery on allocations is delayed and/or does not come forward. This would also future-proof a decision made in the future, by the Cambridge Development Corporation. As set out in Hill’s previous representations from March, a similar approach has been accepted by examiners in the following authorities’ charging schedules:

- 1 South Oxfordshire Council (adopted January 2023);
- 2 Vale of White Horse District Council (adopted April 2023);
- 3 Folkestone and Hythe District Council (adopted November 2023); and
- 4 Chiltern and South Bucks (now Buckinghamshire Council²) (adopted January 2020).

4.55 It is also notable that Folkestone and Hythe Council has a payment-in-kind policy in place which allows land and buildings as payment in kind where the value of CIL due to be paid is equal to the agreed value of the land and buildings acquired in kind (as allowed for by reg. 73 of the CIL regulations). This approach allows for infrastructure costs of any development, including large-scale unallocated sites, to be offset against infrastructure costs.

4.56 A policy of this kind could be incorporated immediately upon adoption of the CIL charging schedule, clarifying that strategic sites outside of the current 2018 adopted plans would not be charged where transport infrastructure costs outweigh the value of CIL. As specified previously in the response to Issue 2, question 5, this is a highly important distinction to make early on whilst emerging sites in the GCLP are in their preparatory phases.

4.57 Importantly, as specified in representations made previously, exempting strategic sites from CIL need not be done strictly on the basis of viability. The Councils can make a choice as to how infrastructure contributions are best sought on large-scale residential sites in order to meet strategic infrastructure priorities. CIL levied on other development, such as smaller scale/rural development, could then be spent on increasing access to infrastructure

² East and South charging areas

that has been facilitated by the larger-scale site, but which has benefits felt beyond solely the remit of the development.

4.58 It is relevant to consider the provisions of the 2026 NPPF in the context of the above, in particular policies HO4 and HO13. Policy HO4 states:

Local plans should identify specific sites for this form of development, together with infrastructure and other site-specific requirements, including:

...(b) making a realistic assessment of the likely rates of delivery and identifying opportunities for supporting rapid implementation, such as through joint ventures, land assembly or locally led development corporations.

4.59 Meanwhile, policy HO13(3) states:

“In relation to development proposals for strategic sites, the consenting framework should:

a. Set out the parameters and requirements for the design, infrastructure and other features of the development (including the quantity and type of affordable housing to be provided), with the level of initial and subsequent detail tailored to the proposed scale and phasing of the development; and

b. Be flexible enough to respond positively to changing circumstances as phases are brought forward, including changes to housing need, infrastructure requirements, viability and design.”

4.60 Given that CIL is inherently inflexible (at least without a policy of the type specified above), the Council risks falling foul of HO13(3)(b) by enhancing the viability pressures faced by incoming developers and partnerships who wish to develop in Cambridge in the medium and long term. With reference to regulation 14 (b) of the CIL regulations 2010 (as amended) alongside the 2026 NPPF, the proposed charging schedule would not support the development of its area.

4.61 As specified in the response to Issue 2, question 7, the Council’s assertion in the CIL Consultation Statement (June 2026) that “*adopting a CIL will mean that many planning permissions can be issued sooner with clarity as to what the application will be required to contribute towards strategic transport infrastructure*” is plainly untrue for strategic sites owing to the plethora of site-specific considerations, including transport considerations, that need to be considered on a case-specific basis to ensure developments are acceptable in planning terms.

12) Is there sufficient, specific evidence to justify the charging rates for retirement housing and residential institutions?

4.62 Hill provides no comment on this question.