Representations to the Greater Cambridge CIL Charging Schedule

On behalf of Hill Residential Limited

Hill Residential Ltd

27 March 2026

LICHFIELDS

70133/04/MS/PH
40771844v5

Contents

Introduction

1.1 These representations have been prepared by Lichfields on behalf of the Hill Residential Limited ("Hill") to the Community Infrastructure Levy ("CIL") Draft Charging Schedules for Cambridge City Council and South Cambridgeshire District Council (herein referred to as "the Councils"). The representations are made to the Councils together, reflecting the fact that each Draft Charging Schedule is the same.

1.2 The relevant documentation for this consultation is as follows:

Draft Charging Schedules

1 Cambridge City Council Draft charging schedule

2 South Cambridgeshire District Council Draft charging schedule

Draft Instalment Policies

3 Cambridge City Council Draft Instalment Policy

4 South Cambridgeshire District Council Draft Instalment Policy

Statement of Representations Procedure

5 Cambridge City Council Statement of Representations Procedure

6 South Cambridgeshire District Council Statement of Representations Procedure

Supporting CIL Documents

7 CIL Supporting statement

8 Greater Cambridge Viability Report ("the VR")

9 Greater Cambridge Infrastructure Statement ("the IS")

1.3 A number of background documents are also listed on the consultation website[1]. These representations have had particular regard to the following documents:

1 Cambridge Local Plan (2018);

2 South Cambridgeshire Local Plan (2018); and

3 Greater Cambridge Draft Planning Obligations Supplementary Planning Document (2026).

1.4 Regard has also been had to the "*Draft Greater Cambridge Local Plan for consultation*", which was consulted upon from 1 December 2025 to 30 January 2026. Clearly, any proposed charging schedule must be considered in the context of this joint plan and the ability of it to meet development targets.

1.5 The representations contained herewith relate primarily to the proposed residential rate of £60/sqm. We conclude that the Councils should consider:

[1] https://www.greatercambridgeplanning.org/cil

1. Postponing the draft CIL charging schedule until at least after the Greater Cambridge Local Plan ("GCLP") has been adopted. Only at this point will it be possible to align actual and expected infrastructure costs and funding within Greater Cambridge, having particular regard to level of in-kind strategic transport infrastructure that is anticipated on large-scale strategic housing sites.
2. Charging no CIL (£0/sqm) for large-scale strategic housing sites on the basis that infrastructure contributions, particularly transport contributions, are best left to legal agreements entered into under section 106 of the Town and Country Planning Act 1990 ("s106 agreements");
3. Considering costs on an individual basis for large-scale housing sites in order to set CIL rates accordingly by either:
   a. setting specific CIL rates for larger sites; or
   b. off-setting significant infrastructure costs against CIL liability.
4. Introducing a CIL which reflects the difference between land values across the borough, as well as the different residential development typologies.

Questions

1.6 The questions within the consultations are as follows:

1. Do you wish to participate in the CIL examination?
2. Do you agree that the Council has demonstrated a funding gap?
3. Do you agree that the Council has used appropriate evidence to inform the proposed rates?
4. 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?
5. Do you agree that it is clear how CIL will operate alongside Section 106 Planning Obligations?
6. Do you agree that the draft instalment policy strikes the right balance between income and developer cashflow?
7. Do you agree that the Council has met all regulatory requirements?
8. The Council is allowed to use 15% of CIL receipts to improve the area close to where development took place. This is known as the 'neighbourhood portion'. Details of how this will work in Cambridge will be worked up over the next 12 months. If you have any comments on how you feel the neighbourhood portion should be distributed, please let us know[2].

1.7 These representations respond only to questions 2, 3, 4, 5 and 7.

1.8 **For the avoidance of doubt, Hill's response to question 1 is "yes".**

[2] Note this question is for Cambridge City Council only.

Q2: Do you agree that the Council has demonstrated a funding gap?

1.9 Whilst the Councils may have demonstrated a funding gap in relation to their respective existing local plans, the proposed Greater Cambridge CIL is based on evidence and policy that is out-of-date and/or irrelevant to the development landscape within Greater Cambridge. Hill considers that if CIL is to be adopted by the Councils, it should be done so in conjunction with, or following the adoption of the GCLP, so that infrastructure funding and in-kind provision can be aligned with the charging and spending of CIL.

Funding gap

1.10 The Councils have sought to demonstrate a £272,371,000 funding gap in relation to their respective adopted local plans. This is summarised in chapter 7 (table 10) of the IS. The Councils have assessed that CIL is needed to fund strategic transport infrastructure, as set out in the CIL supporting statement. However, it is not clear why the draft CIL schedule is being proposed in isolation to the GCLP, which is being brought forward at the same time and will have a significant impact on the funding and delivery of infrastructure.

1.11 Both the IS and CIL supporting statement refer to numerous documents that are out of date and limit their outlook only to infrastructure that needs to be delivered or funded by 2031 (the end of the adopted local plan periods for the Councils). Therefore, the Councils have failed to consider the infrastructure funding and in-kind provision that will arise from planned development within the GCLP. For example, the IS mentions the expected cost of Whittlesford Parkway improvement and expansion but does not mention the GCLP draft policy allocation S/AMC/WHD (Whittlesford Parkway), which is anticipated to deliver a significant amount of the identified infrastructure directly through development proposals should landowner proposals be forthcoming. Similarly, the IS references the costs associated with delivering Cambridge South East Transport ("CSET") but does not reference the role that proposed policy allocation S/GF (Land adjacent to A11 and A1307 at Grange Farm) will have in delivering and extending CSET. Nor does it make reference to the expansion of Babraham Research Campus (draft policy S/BRC) or the Cambridge Biomedical Campus (draft policy S/CBC).

1.12 In the context of the above, and as is explored in more detail in other sections of these representations, it is curious that the VR is conducted with regard to the policies within the draft (regulation 18) GCLP whereas the IS and CIL supporting statement do not reference them. For the avoidance of doubt, basing the VR on the draft plan is not considered to be the correct approach either, since the policies within the GCLP are, by definition, subject to change.

Failure to consider Cambridge Growth Company funding

1.13 Finally, it is acknowledged that there are budgetary pressures within the Councils at present, which is not helped by external factors including considerable high inflation within the construction industry. However, the Councils should consider the effects that the Cambridge Growth Company ("CGC") and the proposed Greater Cambridge Development Corporation ("GCDC") will have on funding for, and delivery of, strategic transport infrastructure. As it stands, there is little recognition of the anticipated support from these bodies in delivering strategic transport projects, despite them being a significant part of the development context in Greater Cambridge. Whilst it is acknowledged that funding from the CGC is as yet uncommitted, it is anticipated to be so shortly. By postponing the adoption of CIL Charging Schedules, the IS would be able to consider the significant effects that this funding will have for the Councils.

Expected funding from CIL

1.14 Chapters 8 and 9 of the IS state that the proposed CIL will generate around £50m between adoption and the end of the adopted plan period (2031), based on anticipated growth within the area. Notwithstanding the fact that this growth will largely arise from emerging proposals that are not considered within the IS or the CIL Supporting Statement, Hill questions the realism and justification for this assumption, or lack thereof, particularly given it is made in the short term. We also query the rationale behind exploring CIL funding to 2031 only rather than, for example, 2045 which is the end of the proposed period for the GCLP.

1.15 As part of separate representations made by Hill to the draft GCLP in relation to the Cambridge Housing Delivery Study Addendum October 2025 ('the trajectory'), we have already noted the Councils' failure to acknowledge the potential for delay and/or abandonment of sites when the policy/legal burden becomes too high. Given that CIL would only apply to planning permissions that are formally granted <u>after</u> the new Charging Schedules are adopted, the Councils should consider the stagnating effect that this may have on s106 negotiations where schemes have resolution to be granted planning permission but have not yet received a decision notice.

1.16 Further, the Councils should consider the effects that imposing CIL may have on the ability of new development to comply with policy requirements within the adopted local plans, which have not been viability tested to include CIL. This is particularly the case if sites allocated and subject to site-specific requirements that do not foresee the additional burden of CIL being placed on the developer. This is likely to lead to sites becoming delayed, meaning that CIL cannot be levied on them within the timescales assumed by the IS.

1.17 Finally, we remind the Councils 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.

Conclusion

1.18 Hill considers that the Councils should postpone the adoption of CIL until the GCLP is progressed further. As it stands, the Councils have sought to demonstrate a funding gap with an overly narrow and prescriptive scope, meaning that it is not reflective of the development landscape within Greater Cambridge. In this context, we would like to direct the Councils to PPG 25-012, which states:

"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."

1.19 By postponing the adoption of CIL and aligning it with the forthcoming GCLP, the Councils would be able to use joined up evidence to assess whether there is a real-world funding gap in Cambridge's development landscape and if there is, assess whether CIL presents an appropriate mechanism to fill that gap. At this 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.

Q3: Do you agree that the Council has used appropriate evidence to inform the proposed rates?

1.20 As an overarching view, and in line with other points made in these representations, we would highlight that the VR has been conducted in relation to the emerging GCLP, whilst the remainder of the supporting documents (including the IS and CIL supporting statement) are silent on the emerging GCLP in relation to infrastructure requirements. Therefore, there is a fundamental disconnect between the infrastructure that the CIL seeks to fund and the assumptions upon which it is viability tested. On this basis, the Councils have not used appropriate evidence to inform the proposed rates.

1.21 Notwithstanding, this section explores how the Draft Charging Schedules fail to consider the significant financial and in-kind infrastructure provision that is delivered through s106 agreements, with a particular focus on the contributions made by large-scale residential schemes.

1.22 Whilst the response to this question refers to elements of the VR, an in-depth critique of the assumptions within the VR can be found in the response to Question 4.

CIL on large-scale strategic residential sites

1.23 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.

1.24 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."

1.25 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."

1.26 With the above in mind, Hill considers that the Councils should explore further how CIL is charged on large-scale residential sites within the 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.

1.27 As is explored in more detail in the response to questions 4, 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.

Blanket removal of CIL on large-scale residential sites

Hill's preferred option is to negotiate obligations for large-scale strategic sites on a case-by-case basis, having regard to the in-kind infrastructure that the development is likely to be delivered. This should be the case on both allocated and unallocated sites, to allow for housing delivery to continue circumstances where delivery on allocations is delayed and/or does not come forwards. This is also relevant in the context of reforms within proposed 2025 draft NPPF, where large-scale unallocated housing developments may be granted a "default yes" in certain circumstances through National Decision-Making Policies.

A similar approach to the one advocated for by Hill has been put forward, and subsequently 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 Council[3]) (adopted January 2020).

1.28 Within the Examiner's report on the South Oxfordshire CIL charging schedule, the Examiner states:

"The delivery of defined strategic sites will not be affected by the CIL regime in South Oxfordshire as the Council has decided that infrastructure costs on strategic sites should be met through S106 arrangements. No CIL charge for residential development on strategic sites is proposed. This approach is acceptable in terms of national policy."

1.29 A similar assessment is made in the Vale of White Horse Examiner's Report.

[3] East and South charging areas

1.30 Importantly, the above assessments demonstrate that exempting strategic sites from CIL need not be done strictly on the basis of viability (though this can also have a significant impact, as explored in the response to question 4). 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 that has been facilitated by the larger-scale site, but which has benefits felt beyond just the remit of the development.

1.31 Meanwhile, the Chiltern and South Bucks charging schedule, which charges no CIL for sites above 400 units whether they are allocated in draft or in an adopted plan, finds:

"The viability assessment indicates that it is appropriate for large sites to be CIL zero rated and should continue to rely on S106 planning obligations; this is due to the scale of site-specific development mitigation and infrastructure requirements from large sites, such as new schools and roads."

1.32 With regards to unallocated sites, it is 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.

Site-specific CIL rates

1.33 A second option, which should only be pursued if the approach above is found to be unfeasible, is to set site-specific CIL rates for strategic site allocations based on viability evidence conducted on specific residential allocations with regard to the development plan policy and other site-specific assumptions. By way of example, this approach has been accepted in following authorities' CIL charging schedules:

1 East Suffolk District Council (adopted August 2023); and

2 Wokingham Borough Council (adopted February 2015).

1.34 Within the CIL charging schedules of all these authorities, site-specific rates for residential uses have been applied to strategic residential allocations. This ranges from £0/sqm (for certain sites in East Suffolk) to £365/sqm (for Arborfield SDL in Wokingham). The residential CIL rates within these councils have been calculated with regard to site-specific factors which govern the appropriate rate. In line with PPG 25-026, East Suffolk District Council has acknowledged circumstances where low or zero rates are appropriate owing to site and policy-specific factors, and the effect that CIL could have on viability.

1.35 Applying a similar principle, authorities in West Northamptonshire, namely Daventry (adopted September 2015), Northampton (adopted April 20216); and South Northamptonshire (adopted April 2016) apply different rates of CIL to Sustainable Urban Extensions.

1.36 In line with points already made, Hill considers that were this approach to be taken forward, it should include a degree of flexibility to allow for circumstances where site-specific factors relating to proposals on unallocated land could also be assessed and either be exempted from CIL, or have a site-specific rate applied.

Concluding remarks

1.37 Hill considers that CIL should not be charged on large-scale residential development, whether allocated or not, in recognition of the complexity of these sites and the significant in-kind infrastructure that they deliver.

1.38 Hill notes that smaller scale development often benefits significantly from in-kind infrastructure enhancements and s106 monies on larger scale strategic sites. Therefore, the Councils should consider whether residential CIL would be best charged on smaller scale sites, or windfall sites, to assist with the delivery and expansion of the more substantial infrastructure delivered by large-scale residential schemes.

Q4: 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?

1.39 In answering this question, we provide a summary of the key findings of Lichfields' scrutiny of the VR. The analysis offers a sense-check of the reasonableness of key input assumptions adopted within the document. The review has uncovered three fundamental issues, summarised as follows:

1. The VR applies highly cautious costing assumptions across the board, particularly by failing to account for abnormal costs on some sites, and omitting contingency costs altogether;
2. The VR does not effectively assess the impact of the proposed CIL rate in different areas, meaning that the proposed tested CIL residential rate does not take into account the significant variation in sales rates throughout Greater Cambridge; and
3. Even accepting the costing assumptions, the vast majority of residential development within Greater Cambridge would be unviable if 40% affordable housing is pursued in line with the draft GCLP. Corrections to costing assumptions and closer examination of viability against proposed policy requirements are likely to make this worse.

Residential Viability Assumptions

1.40 With respect to residential development the CIL viability tests 26 scenarios across a range of typologies, from low density flats to high density new settlements. It is noted that the larger scale appraisals do not take into consideration any wider on-site amenity that would typically be expected to be delivered as part of a development of scale, including retail and employment floorspace and are assessed purely on the dwellings delivered.

1.41 Paragraph 1.10 of these representations responding to (question 3) recognises that the proposed CIL rates will likely have a modest impact on residual land values in <u>most</u> cases (Lichfields emphasis). The paragraph goes on to state that in cases where it is not possible to pass the cost of increased CIL rates back to the landowner through a reduction in land value, the increase will have an impact on the affordable housing levels that can be delivered.

Costing Assumptions

1.42 This section scrutinises the costing assumptions used within the VR. In so doing, it applies common practice standards as 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.

1.43 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.

Build Costs

1.44 Table 4.11.1 of the VR sets out that with respect to build costs, Building Cost Information Service ('BCIS') data is adopted. For houses, general estate housing BCIS costs are applied with respect to 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. This is considered an appropriate basis.

Abnormal Costs

1.45 Paragraph 4.33 highlights that due to an absence of details of site investigations a reliable estimate of what exceptional costs might be is not possible. The paragraph goes on to state that BCIS does account for some 'average' level of abnormal costs. This approach understates the reality of site-specific abnormal costs. Whilst BCIS does account for a baseline level of site works (standard foundations) it does not cover site-specific abnormal costs.

1.46 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 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.

Profit

1.47 The level of profit adopted within the VR is set at 17.5% for open market housing and 6% for affordable housing. Whilst this sits within the range identified within the PPG of 15-20%, 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. Therefore, the VR applies a conservative assumption.

Professional Fees

1.48 The allowance for professional fees adopted within the report is identified as 7%. This is 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. Again, in a market like Cambridge, it is likely that fees will be at the higher end of the scale.

Sales and Marketing

1.49 An allowance of 2.5% has been made for marketing costs which includes show homes and agents' fees. Additionally, 0.25% has been applied for sales legal fees. The Fine Margins 2 research identifies that the typical allowance for sales and marketing ranges from 2.5-3.5%. The allowance adopted is therefore at the lower end of this range. Indeed, more than half of the studies assessed applied the mid-point range of 3%. Similarly, for those studies that provided separate figures for agents and legal fees the most commonly applied allowance for legal fees was 0.75%.

Development Finance

1.50 An allowance of 7% is applied within the appraisals – this is considered an appropriate allowance in the context of long-term historical interest rates. This allowance sits at the top end of the identified range within Lichfields' Fine Margins 2 study (6-7%, across 85% of studies).

Contingency (not included)

1.51 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.

1.52 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 Matthew Pennycook MP, Minister for Housing and Planning[4], 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.

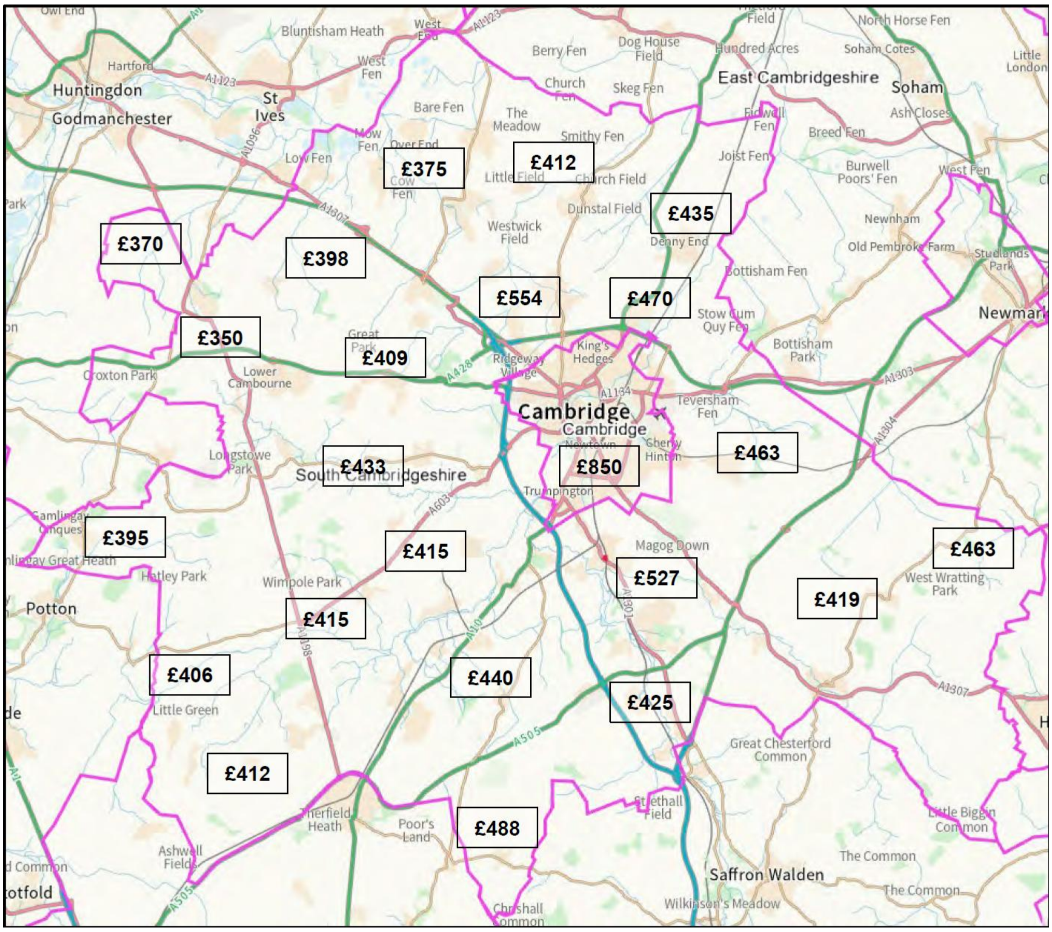
Sales Values

1.53 Figure 2.16.1 of the report presents average sales values across different areas throughout Greater Cambridge which are calculated using Land Registry sales data. It is unclear from the evidence whether actual floorspace figures have been adopted (commonly obtained from 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.

---

[4] 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

Figure 1 Sales values in Greater Cambridgeshire (approx. £ per square foot)



Source: BNP Paribas (2026)

1.54 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 2 below.

Table 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)

1.55 Converting the sales rates from across the individual areas (as presented in Figure 2.16.1 of the study) to a £ per square metre basis allows for 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 within the various areas across Greater

Cambridge fall below the £4,625 sales value tested within the CIL study, the second lowest sales value. This proportion rises to 82.6% at the £5,250 sales rate scenario. In other words, the CIL sales values that have been tested in the VR are not reflective of the sales values within Greater Cambridge. Where the VR has tested sales values of £5,250 psm and above, as it has done in four out 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 is would the testing be relevant to more than 50% of the areas.

Table 1 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

Corrected Viability Test

1.56 Considering that the sales values across the various areas within Greater Cambridgeshire largely fall in the lower tested sales value rates within 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 GCLP to deliver on its strategic priorities.

1.57 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 might reasonably undermine viability in the real world). If such adjustments were made, this would likely worsen the viability position across Greater Cambridge. Moreover, 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.

1.58 The analysis indicates that 84.6% of scenarios tested at a sales value of £4,000 per square metre are unviable.

Table 2 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

1.59 An analysis of the scenarios tested at the £4,625 sales values 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 the £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 3 CIL Viabilty – £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

1.60 An analysis of the scenarios tested at the £5,250 sales values identifies that almost half (49.0%) of tested scenarios are unviable.

Table 4 CIL Viability – £5,250 psm (40% AH)

	Description	BLV1	BLV2	BLV3	BLV4
1	Low density flats	Unviable	Marginal	Viable	Viable
2	Low density rural extension	Unviable	Unviable	Viable	Viable
3	Low density flats	Unviable	Unviable	Viable	Viable
4	Low density rural extension	Unviable	Unviable	Viable	Viable
5	Medium density flats	Unviable	Viable	Viable	Viable
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	Marginal	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	Marginal	Viable	Viable
16	High density flats	Unviable	Viable	Viable	Viable
17	High density flats	Unviable	Viable	Viable	Viable
18	Low density flats and houses	Unviable	Viable	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	Viable	Viable
23	Low density edge of settlement houses/flats	Unviable	Unviable	Viable	Viable
24	Low density edge of settlement houses	Unviable	Unviable	Unviable	Viable
25	New settlement	Unviable	Unviable	Unviable	Unviable
26	New settlement – High density flats and houses	Unviable	Unviable	Viable	Viable
	Count of Unviable	26	18	4	3
	% of Unviable	100.0%	69.2%	15.4%	11.5%

Source: Lichfields review of BNP Paribas

Implications for the proposed residential CIL rate

1.61 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 GCLP (including 40% affordable housing and in-kind infrastructure provision on strategic residential sites).

1.62 Further, in recognition of the abnormal costs associated with some development typologies, particularly brownfield schemes, the Councils should consider applying specific rates to different residential typologies based the costs associated with these developments. When considering large scale residential schemes, the VR should consider costs associated with 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.

1.63 In sum, the draft Charging Schedules have not appropriately considered the effects of charging CIL on the viability of residential developments, particularly those on Brownfield land and in the Rural Southern Cluster.

Q5: Do you agree that it is clear how CIL will operate alongside Section 106 Planning Obligations?

1.64 Hill's answer to question 2 of this consultation has already explored the lack of clarity arising from the fact that the IS and CIL supporting statement do not reference the emerging GCLP, all the while the VR which purportedly underpins the Draft Charging Schedules is conducted in relation to draft policies within the GCLP.

1.65 Hill does not dispute that the IS and CIL supporting statement is clear that the funds are intended for the delivery of strategic transport infrastructure, whilst s106 obligations will continue to be used for other infrastructure such as schools, libraries, doctor's surgeries, sports facilities, community centres, and green infrastructure. However, neither the IS nor the CIL supporting statement are draft policy and will not be read as such in practice.

1.66 There is a concerning lack of coordination between the Draft Charging Schedules and the Cambridge Planning Obligations SPD ("the SPD"), which has been approved by South Cambridgeshire Council (3 February 2026) and Cambridge City Council Cabinet (24 March 2026) and will be adopted imminently.

1.67 The SPD appears to have been drafted without reference to the fact there are emerging CIL Charging Schedules, despite being adopted around the same time as the Draft Charging Schedules were released. Further, it has been drafted in relation to the development plans for South Cambridgeshire and Cambridge City, both of which anticipate a CIL, yet still does not make provision for one being in place.

1.68 Moreover, the SPD does not make reference to how planning obligations relating to transport will be made in combination with CIL; there is no assurance within 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 the IS and CIL supporting statement states that the CIL funds will be used for the purposes of funding transport infrastructure.

1.69 Hill considers that if a CIL is adopted in Greater Cambridge, the SPD would need to be withdrawn and replaced with a Supplementary Plan under the new plan-making system. Such a plan would be subject to examination and, therefore, be appropriately considered against relevant policies (likely to be those within the GCLP), funding context, and any existing CIL at that time. This reinforces the need to delay the adoption of the CIL charging schedule and instead consider the need for, and spending of, CIL alongside the emerging GCLP.

Q7: Do you agree that the Council has met all regulatory requirements?

1.70 The Planning Act 2008 (as amended) and the Community Infrastructure Levy Regulations 2010 (as amended) ('the CIL Regulations') provide the legislative context for the preparation of a CIL charging schedule.

1.71 Given that a number of the preceding questions within this consultation pose similar questions to those raised within relevant legislation, Hill uses its response to this question to summarise points already made, with reference to elements of the regulatory requirements which have not been met.

Planning Act

1.72 Part 11 of The Planning Act 2008 (as amended) states at section 211(2):

"(2) A charging authority, in setting rates or other criteria, must have regard, to the extent and in the manner specified by CIL regulations, to—

> *(a) actual and expected costs of infrastructure (whether by reference to lists prepared by virtue of section 216(5)(a) or otherwise);*
>
> *(b) matters specified by CIL regulations relating to the economic viability of development (which may include, in particular, actual or potential economic effects of planning permission or of the imposition of CIL);*
>
> *(c) other actual and expected sources of funding for infrastructure*

1.73 At s211 (7(A)), it says:

"(7A) A charging authority must use appropriate available evidence to inform the charging authority's preparation of a charging schedule."

CIL regulations

1.74 Regulation 14 of the CIL Regulations, allowed for within the Planning Act 2008, states:

14.— Setting rates

(1) In setting rates (including differential rates) in a charging schedule, a charging authority must strike an appropriate balance between—

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

(2) In setting rates in a charging schedule, a charging authority may also have regard to actual and expected administrative expenses in connection with CIL to the extent that those expenses can be funded from CIL in accordance with regulation 61…

Assessment against relevant regulatory requirements

1.75 With reference to s211 (7(A)) of the Planning Act, Hill's response to Question 2 of this consultation demonstrates that the Councils have not used appropriate available evidence to inform the preparation of their Draft Charging Schedules. This is because the proposed Greater Cambridge CIL would be based on evidence and policy that is out-of-date and/or irrelevant to the development landscape within Greater Cambridge. The fact that the VR is conducted with regard to the policies within the draft (regulation 18) GCLP whilst the IS and CIL supporting statement do not reference the draft GCLP further demonstrates that the evidence used by the Councils cannot be considered "appropriate" in accordance with s211 (7(A)) of the Planning Act.

1.76 With reference to regulation 14(1)(a) of the CIL regulations, it is not considered that the Councils have effectively considered the actual and expected costs of infrastructure, nor have they appropriately taken into account other actual and expected sources of funding. The Councils have failed to consider the real-world development landscape within Cambridge by not assessing the effects of the GCLP, the CGC, and the Cambridge City Deal, on infrastructure delivery. Moreover, the Councils have not sufficiently considered the desirability of funding infrastructure from CIL alongside the in-kind and financial contributions that will be made from other sources of funding. In particular the emerging GCLP does not consider large-scale residential schemes within are not considered as a *sui generis* source of infrastructure funding within the evidence base.

1.77 With reference to regulation 14(1)(b), it is not considered that the Councils' have taken a robust approach to establishing the effects of the Draft Charging Schedules on development viability. A lack of comprehensive testing, failure to account for the stark differences in sales values across Greater Cambridge, and inadequate input assumptions to the VR, mean that the approach to viability testing is not robust. Not to mention, the VR has been conducted with reference to policies within the regulation 18 GCLP, which are by definition subject to change over the course of the plan-making process.

1.78 In summary, the Councils have not met their regulatory requirements in producing the draft Charging Schedules. When seeking to correct this, the Councils should look to expressly align CIL with the emerging GCLP, so as to facilitate the delivery of its strategic goals.