

CCC and SCDC Community Infrastructure Levy Charging Schedules

Examination Hearing Statement

**Issue 8 - Charging rate for industrial use including data
centres**

Lolworth Developments Ltd

02 October 2026

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Introduction

- 1.1 This Hearing Statement has been prepared by Lichfields on behalf of our client, Lolworth Developments Limited ('LDL'), a subsidiary of Salhia Real Estate. It follows, and should be read in conjunction with, the representations that Lichfields submitted on LDL's behalf to the Greater Cambridge Community Infrastructure Levy (CIL) Draft Charging Schedule on 27th March 2026 ('L Reps').

Lolworth Developments Limited's Interests

- 1.2 LDL is actively promoting the "Cambridge 25" site to the east of the improved Junction 25 of the A14, opposite Bar Hill, for a sustainable employment park development. The Cambridge 25 site (a c.103ha planning application site) forms the primary part of the proposed 113.1ha site allocation '*Policy S/SHF: Land north of A1307, Bar Hill (Slate Hall Farm)*' in the draft Regulation 19 GCLP '*for a major new employment site*', as identified by the Indicative Spatial Framework for the Site Allocation in the GCLP (at Figure 89).

Scope of Hearing Statement

- 1.3 In this context, this Hearing Statement relates primarily to the proposed rate of £35/sqm for Industrial Use B2 and B8 (including data centres) within the South Cambridgeshire District Council Draft Charging Schedule (January 2026), informed by the evidence contained within the Greater Cambridge: CIL Viability Assessment prepared by BNP Paribas (January 2026) and mindful of Quintic Advisory LLP's response to viability representations obo Greater Cambridge (June 2026). It therefore deals with Issue 8 of the Examiner's Note, whilst also mindful of Issue 2 regarding infrastructure requirements and funding.

MIQ 1

MIQ1: <i>Do the typologies for industrial and warehousing/logistics provide appropriate evidence for the types of schemes being brought forward in Greater Cambridge? Do they provide appropriate evidence in relation to data centres?</i>

- 1.4 No.

Limited scenario testing

- 1.5 Three scenarios have been tested to reflect different typologies in respect of the viability of industrial and warehousing/logistics developments to contribute towards the CIL charging, all based on a hypothetical one-hectare site with varying plot ratios, converting to an implied floorspace (L Reps pp.5/6). Our review of CoStar data highlights that the stock of industrial premises throughout Greater Cambridge is varied, with there being just 35 larger industrial premises (in excess of 6,000 sqm) accounting for almost half (45.7%) of total industrial floorspace but just 6.6% of the total number of industrial premises (L Reps p.6 and Table 2.2).
- 1.6 The scenarios tested are therefore not representative of the varying scale of industrial typologies in Greater Cambridge, in particular they do not reflect large-scale industry and

logistics developments which very substantially exceed the upper threshold of the scenarios that have been tested. Applying a say x100 multiplier to the hypothetical 1ha site with 0.5% or 0.6% plot ratios also fails to appreciate that modern logistics development typology typically now contain significant elements of green and blue infrastructure and high-quality public realm which not only impacts plot density (and therefore lettable/saleable space) but also increases both capital costs of development and the development service charges. The implication is that the three scenarios tested do not provide appropriate evidence for the range in the type and scale of schemes being brought forward in Greater Cambridge, notwithstanding Quintic Advisory Response (pg.5) that “the BCIS categories selected reflect the main types of B2/B8 space being developed”.

1.7 The consequence of this is that it is not possible to determine the viability implications of the identified CIL rate on a wide range of industrial premises, including large-scale logistics facilities (L Reps p.6). This is despite the GCLP’s Development Strategy relying on two strategic site allocations to meet the majority of the industrial and logistics needs of Greater Cambridge to 2045 and beyond (GCLP S/DS 2.e. on page 41).

1.8 These include *Policy S/SHF: Land north of A1307, Bar Hill (Slate Hall Farm)* and *Policy S/RRA/SCS Land to the south of Cambridge Services, A14*. These site allocations extend to 113.3ha and 24.58ha respectively, so substantially different to the (one hectare) scenarios tested, and it is not reasonable to say that the smaller test sites can be extrapolated up to this scale of development proposed in these two strategic site allocations (Quintic Advisory Response, pg.5). The need to test the viability of storage and distribution operations at a variety of scales and address specific locational requirements of different sectors is necessary to be consistent with the NPPF requirements for the sector, both the NPPF 2024 (at paragraph 87) and the NPPF (August) 2026 (in paragraph 1(c) and 1(c)(ii) of Policy E1).

1.9 It is also necessary to test the viability of specific strategic sites (for all land uses), which are critical to the GCLP’s strategic priorities within its Development Strategy, to satisfy the PPG requirement (at Paragraph: 005 Reference ID: 10-005-20180724).

1.10 The CCC and SCDC CIL Viability Assessment, in not doing so, does not accord with their Community Infrastructure Levy Supporting Statement, advising:

“...a charging authority should directly sample an appropriate range of types of sites across its area, in line with planning practice guidance on viability with this sampling exercise providing a robust evidence base about the potential effects of the rates proposed, balanced against the need to avoid excessive detail...”

1.11 No comment regarding data centres.

Plot Ratios

1.12 The BNP Paribas Viability Assessment 3 scenarios were: industrial development at a 0.4 plot ratio and warehousing/logistics development at 0.5 and 0.6 plot ratios (L Reps p.6).

1.13 The assumed plot ratios adopted are not reflective of large warehouse/ logistics distribution sites and are inconsistent with the emerging Greater Cambridge Local Plan evidence base. The Greater Cambridge Warehouse and Industrial Space Needs report (March 2025) provides an overview of typical plot ratio requirements of industrial and warehousing occupiers ranging from 0.35 to 0.4. (Table 2.1).

- 1.14 A 0.5 plot ratio is very different to a 0.35 plot ratio, providing 43% more built development on it than a plot ratio of 0.35; accordingly, it is significantly more viable.
- 1.15 Furthermore, the requirement for the achievement of 20% BNG in Greater Cambridge requires additional structural landscaping and green infrastructure which would put pressure on the achievement of that level of density as, for example, is identified for the policy S/SHF on the Indicative Spatial Framework for this strategic site allocation (GCLP Figure 89). The GCLP Regulation 18 Site Allocation Topic Paper 2025 ('SATP', paragraph 7.13) explains that the developable part of the 113.3ha site allocation is around 70ha and applies a 0.3 plot ratio to take account of the green corridor and mitigation features, leading to a SCDC capacity estimate of approximately 220,000 sqm GIA sqm of employment floorspace.
- 1.16 The plot ratios applied within the CIL Viability Assessment exceed both the typical and actual applied levels in the GCLP evidence for industrial and warehouse developments.
- 1.17 Applying plot ratios that exceed realistic expectations would result in an overstatement of the potential Gross Development Value and therefore overstate the viability of development.

MIQ 2

MIQ2: *Is the assumption on build costs appropriate and sufficiently up to date?*

- 1.18 No.
- 1.19 Building Cost Information Service ('BCIS') data has been adopted in respect of build costs. We agree that this is an appropriate source of information.
- 1.20 However, we do not agree that the singular BCIS build cost rate adopted is appropriate, as the adoption of a blanket build cost fails to reflect the costs for all types of industrial and warehouse development that are likely to be developed in Greater Cambridge, for the reasons explained (L Reps pp. 6/7).
- 1.21 Nor does the BCIS build cost data reflect the higher sustainability and design requirements of CCC and SCDC, relative to other Local Planning Authorities, the requirement for higher quality and inevitably cost being taken further in their emerging GCLP (e.g. 20%+ BNG) .
- 1.22 The implication of the above is that BNP Paribas has substantially under-estimated the build costs associated with large scale industrial and warehousing development in Greater Cambridge.
- 1.23 The BCIS costs information is considered sufficiently up to date as a generality, but it is not up to date in reflecting the costs of modern large scale industrial and warehouse development involving low plot ratios to accommodate substantial soft and hard landscape and amenity areas and the associated capital and maintenance costs.

MIQ 3

MIQ3: *Is the increase for external works appropriate?*

- 1.24 No, for the reasons stated (L Reps p. 7 and KAM costs evidence at appendix 1).

MIQ4

MIQ4: *What is the basis for the assumptions on S106 costs and are they realistic and appropriate?*

- 1.25 The CIL Viability Assessment applies a blanket Section 106 allowance of £25/sqm across all non-residential uses (paragraph 4.26). However, paragraph 4.26, states that: ‘GCSP intends to continue using Section 106 to secure the bulk of contributions towards infrastructure from developments.’ (Lichfields emphasis)
- 1.26 It is unclear how this position is reconciled with the viability assumptions adopted, as the proposed CIL charge of £35/sqm for B2/B8 development exceeds the assumed Section 106 cost allowance of £25/sqm (paragraph 4.26), equivalent to a value of 40% above the Section 106 contributions adopted within the Viability Assessment.
- 1.27 Notwithstanding the stated intention that Section 106 will continue to secure ‘*the bulk of*’ (Council’s evidence base) *contributions*’, the £25/sqm Section 106 allowance adopted within the CIL Viability Assessment is substantially lower than the Section 106/s.278 allowance of £146/sqm assumed for all the appraisals of commercial development in the Regulation 19 Local Plan Viability Assessment (Aspinall Verdi, July 2026) based on the AtkinsRealis draft IDP (paragraphs ES20 and 8.5).
- 1.28 If Section 106 is expected to remain the principal mechanism for securing infrastructure contributions, it is unclear why the CIL Viability Assessment adopts a S106 allowance that is:
- Lower than that of the proposed CIL allowance; and
 - Substantially lower than that assessed within the Greater Cambridge Local Plan Viability Assessment.
- 1.29 The effect of this low s.106 cost assumption is that it is likely to materially overstate the viability position of developments. We therefore do not agree that the assumptions on Section 106 costs adopted within the modelling are realistic and appropriate.

MIQ 5

MIQ5: *What is the basis for the approach to benchmark land values and is this appropriate? Is the reference in Paragraph 6.25 of the Viability Assessment to development typically being on previously developed land appropriate?*

- 1.30 We do not disagree with the general approach adopted with respect to Benchmark Land Values (‘BLV’). However, with respect to Greenfield sites, the CIL Viability Assessment identifies a range of £20,000-£23,000 per gross hectare (Paragraph 4.37). 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 (paragraph 5.71).

- 1.31 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 Existing Use Value ('EUV') of between 12.5 and 18.5 times.
- 1.32 The Viability Assessment (at 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.
- 1.33 The Viability Assessment (at paragraph 6.25) appropriately expects that there will be a significant volume of new B2 and B8 space to support new R&D and commercial activity in Greater Cambridge. It goes on to suggest that B2/B8 (general industrial, warehousing and data centres) development would typically be on undeveloped land rather than developed land (Lichfields emphasis), stating that the surpluses generated by these uses are lower and therefore a lower rate should be applied. This distinction in the viability assessed on undeveloped land and PDL is not made in the CIL Charging Schedule, so the different viability implications of these different site typologies is not addressed.

MIQ 6

MIQ6: Are the assumptions on rental income appropriate?

- 1.34 No, it is not possible or appropriate to apply a single rental value across the premises types and across the Greater Cambridge geography, for the reasons set out (L Reps pp. 8/9).
- 1.35 Bidwells¹ has provided update information regarding appropriate average rental values for new build storage and distribution units in Greater Cambridge, highlighting that rental values vary by scale of development in their 25 September 2026 email at Appendix 1). Bidwells advise that smaller units (up to 30,000 sqft) could typically be expected to command rental values of £15.00/sqft (£161.46/sqm), whereas 30,000-100,000sq ft units values of £14/sqft and larger units (over 100,000 sqft) could achieve £13.00/sqft (£139.93). This range is between 17% and 28% below the £18/sqft (195/sqm) figure set out in the CIL Viability Assessment Table 4.9.1).
- 1.36 Additionally, another core assumption within the viability assessment modelling is an assumed yield rate of 5.0%. This yield rate appears to conflict with the rate adopted within the Regulation 19 Local Plan Viability Assessment of 5.5% for industrial development (Aspinal Verdi, July 2026, Table 5.24). Applying a lower yield rate artificially and significantly inflates the Gross Development Value, overstating the viability position of schemes. This is illustrated by the below comparison of rental and yield sensitivities for a, say, 100,000sqft unit:

¹ Bidwells are a leading real estate adviser with significant expertise in the industrial and logistics property market across Cambridgeshire. The team has extensive experience in managing major industrial instructions across the region and regularly provide research insights into the market performance through its Cambridge Industrial Databook publication.

- 100,000 sq ft x £18psf @ 5% yield = £36,000,000
- 100,000 sq ft x £14psf @ 5% yield = £28,000,000
- 100,000 sq ft x £18psf @ 5.5% = £32,727,272
- 100,000 sq ft x £14psf @ 5.5% = £25,454,545

1.37 The CIL Viability Assessment's approach means that rents for large scale B2/B8 developments have been over-estimated and, therefore, overstate the viability position of such schemes. Similarly, applying a lower yield significantly overstates the Gross Development Value.

MIQ 7

MIQ7: *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?*

1.38 No. We identify the reasons why the assumptions on the abnormal costs, contingencies and professional fee costs are not appropriate (L Reps pp. 7/8)

Profit

1.39 The CIL Viability Assessment adopts an allowance of 15% with respect to profit for industrial developments. This is a typical assumption reflecting a typical degree of development risk, but higher profit levels should be tested to allow for a range of development risks and ensure more of a viability buffer is provided.

Emerging Local Plan Policy Requirements

1.40 The CIL Viability Assessment lists the emerging GCLP Regulation 18 Local Plan (January 2026) policies with cost implications for development (Table 2.35.1 and Appendix 1).

1.41 However, there is no supporting quantitative evidence to demonstrate how this has been considered and what the cost implications for developments will be (i.e. an excel column with the policy cost assumptions in the supporting CIL Viability Assessment appendices).

1.42 Further, there is no identification in the CIL Viability Assessment or any other Examination Document, of how the GCLP Regulation 19 Local Plan (August 2026) policies will have cost implications for development.

1.43 There is, therefore, no evidence to suggest that the CIL Viability Assessment has considered the cost implications of the Regulation 19 version of the Greater Cambridge Local Plan for the viability of the tested development typologies, which closed for consultation on the 25 September 2026.

1.44 For Industrial Uses, this means that the CIL Viability Assessment has not considered the implications of the Regulation 19 version of Policy J/AW (Affordable Workspace) which seeks 10% affordable workspace with 20%+ reduction on market rents whilst the Regulation 18 version of the same policy had no specific requirements.

- 1.45 This draft Regulation 19 Policy would have a significant impact on rental income and therefore viability, but this has not been reflected or considered in the CIL Viability Assessment.

MIQ 8

MIQ8: *Is the charging rate of £35 per sqm for industrial use including data centres justified by the evidence? Does it provide a sufficient buffer below the potential maximum charging rate?*

- 1.46 No. And no.
- 1.47 As set out in our representations, and for the additional reasons provided in this Hearing Statement, the proposed CIL rate of £35/sqm CIL rate for 'Industrial use (B2/B8) including data centres' is not adequately justified and has not been demonstrated to be viable.
- 1.48 By way of summary, this is for the following reasons:
- 1 The assessment of viability is based on the testing of an **insufficient** number and range of development site **typologies**.
 - 2 Critically, the evidence base does not test the viability of large-scale strategic distribution and logistics development despite the GCLP's Development Strategy relying on two **strategic site allocations** to meet the majority of the industrial and logistics needs of Greater Cambridge to 2045 and beyond (GCLP S/DS 2.e. on page 41). The **absence** of testing this market segment undermines the ability of the Councils to demonstrate that the proposed charging rate would not threaten viability;
 - 3 The assumptions that have been applied in respect of **costs** are **inadequate** as they:
 - Under-estimate construction costs;
 - Fail to make sufficient provision for external, abnormal costs, contingencies, professional fees and Section 106 costs;
 - 4 The assumptions that have been made in respect of **rental values** overestimate the **Gross Development Value** of industrial development, as they:
 - Over-estimate plot ratios;
 - Over-estimate the rental values; and
 - Overly optimistic prime yield rate assumptions.
- 1.49 Furthermore, several assumptions adopted within the CIL Viability Assessment are contradictory to those adopted in the Regulation 19 Local Plan Viability Assessment.
- 1.50 The implication of this is that a £35/sqm CIL charge could threaten the delivery of B2/B8 developments which would contribute to the growth aspirations for the Greater Cambridge area. As well as undermining the economic prosperity of the area, this would also result in CIL receipts being lower than expected such that the identified funding gap would be even greater than anticipated. This could, in turn, threaten the delivery of the strategic transport infrastructure which is required to support future development – potentially resulting in the area becoming less attractive to investment and development and creating a negative

feedback loop in terms of further reduced CIL receipts and less money being available to fund infrastructure provision.

- 1.51 The proposed charging rate of £35/sqm 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.
- 1.52 In particular, the assessment is based on a limited range of development typologies and adopts a series of assumptions which collectively have the effect of significantly overstating development viability. Consequently, the CIL Viability Assessment overstates the residual land values and the maximum supportable CIL rate.
- 1.53 The existence of materially different viability assumptions between the CIL Viability Assessment and the Regulation 19 Local Plan Viability Assessment further undermines confidence in the level of headroom.
- 1.54 In the above circumstances, the CCC and SCDC **CIL charging rate for strategic and other industrial and logistics site allocations should be zero**, with any necessary mitigation of infrastructure impacts addressed in site and scheme specific s.106 planning obligations.
- 1.55 A review of CIL Charging Schedule's for neighbouring Local Planning Authorities (LPAs) to Greater Cambridge identifies that most authorities, who have an adopted CIL Charging Schedule, set CIL at £0/sqm for B-class employment uses. This is highlighted below:
- Huntingdonshire District Council - £0/sqm for General Industrial, Storage & Distribution (B2 and B8) (Paragraph 1.5);
 - East Cambridgeshire District Council - £0/sqm for all other uses (including B2/B8 uses) (Table 1);
 - West Suffolk – No adopted CIL Charging Schedule;
 - Braintree – No adopted CIL Charging Schedule;
 - Uttlesford District Council – £0/sqm for Employment and Business uses on greenfield sites (Table 1);
 - North Hertfordshire – No adopted CIL Charging Schedule; and
 - Central Bedfordshire – No adopted CIL Charging Schedule.
- 1.56 This trend is also observed across Peterborough City Council (£0/sqm for all other (including B2/B8 uses)) and Bedford Borough Council (£0/sqm for Industrial and Warehousing uses (B2/B8)).
- 1.57 It has not been evidenced what makes Greater Cambridge more viable than all the above Local Planning Authorities for B2/B8 uses. Nor has there been due consideration to what impact charging a rate of £35/sqm would have on investment direction in the local area.

Appendix 1 – Bidwells’ Industrial and Logistics Agency rental advice, 25 September 2026

Subject: FW: Greater Cambridge Community Infrastructure Levy Viability Assessment - produced by BNP Paribas in January 2026

From: Walter Scott <[REDACTED]>

Date: Friday, 25 September 2026 at 12:43

To: GRAEME COSGROVE <[REDACTED]>

Subject: Greater Cambridge Community Infrastructure Levy Viability Assessment - produced by BNP Paribas in January 2026

Hi Graeme

I understand that the BNP Paribas Report referenced above includes an assessment of B2/B8 Storage and Warehousing Rents at a level of £195 sq m or £18 psf. Our advice from March this year has not changed. In our experience, this is grossly overstating the levels of rents that would be achievable for new build storage and distribution units in Greater Cambridge. It also appears to be very broad-brush and doesn't account for nuances in the market in terms of quantum of space.

In our opinion, more appropriate rental levels would be in the region of £15.00 psf for units up to 30,000 sq ft, £14.00 psf for units between 30,000 and 100,000 sq ft and £13.00 psf for units over 100,000 sq ft.

I hope this is of assistance.

Kind regards
Walter



Walter Scott BSc (Hons) MSc MRICS

Partner, Industrial & Logistics Agency

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