

CCC & SCDC Community Infrastructure Levy Charging Schedules

Examination Hearing

Examiner's Action Point Response Note

Lolworth Developments Ltd

16 October 2026

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1.0 Introduction

- 1.1 This Note has been prepared by Lichfields on behalf of our client, Lolworth Developments Limited (hereafter, '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') as well as the Hearing Statement submitted on LDL's behalf on 2nd October 2026 and raised during the Examination which took place on the 12th and 13th October 2026.

Lolworth Developments Limited's Interests

- 1.2 As stated within representations and our Hearing Statement 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 the Note

- 1.3 This Note has been produced in response to the actions established within the Examiner's Post Hearing note (issued 14th October 2026) and Quintic Advisory LLP's (hereafter, 'Quintic') Greater Cambridge CIL Additional Sensitivity Testing note (issued 13th October 2026).
- 1.4 The structure of this Note is as follows:
- **Section 2.0:** Provision of feedback on Quintic's initial Greater Cambridge CIL Additional Sensitivity Testing note; and
 - **Section 3.0:** Request for additional sensitivities that we would expect to be tested reflecting the concerns raised and evidence presented during the Examination Hearing.

2.0 **Feedback on Quintic's Sensitivity Note**

- 2.1 This section of the Note provides a summary of feedback relating to Quintic's Greater Cambridge CIL Additional Sensitivity Testing note. Given LDL's interests (as stated in paragraph 1.2), the feedback is limited to the sensitivities relating to '*Industrial*' uses as set out within the Greater Cambridge CIL Additional Sensitivity Testing note.

1 Data Centres – Separate typology

- 2.2 LDL has no comment in relation to this sensitivity.

2 Test alternative plot ratios

- 2.3 LDL agrees that alternative plot ratios should be tested as part of revised modelling work. As set out within LDL's Hearing Statement (LDL HS, paragraphs 1.12-1.17) the plot ratios adopted are not reflective of large warehouse/ logistics distribution sites and are inconsistent with the emerging Greater Cambridge Local Plan evidence base. Further detail regarding the suggested plot ratios to be tested is set out in Chapter 3.0 (paragraphs 3.10-3.13).

3 Scale – Add typologies of big box logistics

- 2.4 LDL welcome the inclusion of additional testing to reflect varying scale of development, notably to reflect 'big box' logistics typologies. We would ask that 'big box' be more appropriately redefined as 'Large scale industrial' or similar. In this regard, LDL's position remains that it is simply not appropriate to extrapolate hypothetical 1ha sites to reflect the needs of large warehouse/ logistics distribution sites, particularly given the concerns that have been expressed with regards to plot ratios.
- 2.5 Further detail regarding the additional typologies to be included is set out in Chapter 3.0 (paragraphs 3.6-3.9).

4 Affordable Workspace

- 2.6 Whilst LDL does not agree with the introduction of Policy J/AW and has submitted representations setting out its objections (26th September 2026), if adopted, the Policy would have a significant impact on rental income and therefore viability. It is therefore considered inappropriate that this has not been reflected or considered in the CIL Viability Assessment and therefore consideration of this Policy in the revised modelling is welcomed. Further details are provided at paragraphs 3.18-3.19.

General Feedback

- 2.7 Although LDL acknowledges that additional sensitivity testing is necessary to assess adequately the viability implications of the proposed CIL rates, the sensitivities identified in Quintic's note do not fully address the significant concerns raised during the Examination Hearing in relation to several key appraisal assumptions. LDL therefore considers that the additional sensitivities set out in Chapter 3.0 should be incorporated into an aggregate assessment to provide a robust evaluation of their cumulative effect on development viability and the proposed CIL charging rate.

3.0 Requested Additional Sensitivities

- 3.1 This section of the Note builds upon the feedback to the initial sensitivities put forward by Quintic presented in the preceding Chapter and provides an overview of the additional sensitivities which LDL believes should be included within the revised modelling exercise.
- 3.2 As set out in Paragraph 2.7, the current list of additional sensitivities fails to acknowledge many of the concerns raised during the Examination.
- 3.3 More broadly, we would request that the appraisal outputs of Quintic's updated sensitivity modelling be shared. This will ensure sufficient transparency and allow for proper scrutiny in accordance with the PPG guidance (O11 Reference ID: 10-O11-20180724). We would expect that this would provide an overview of the elemental revenue and costs position covering each of the key appraisal inputs. At present, this is not clearly articulated in the CIL Viability Assessment which is limited to presenting the Benchmark Land Value, Residual Land Value and Maximum implied CIL Charging rate.
- 3.4 We would expect that the summary outputs via Quintic's appraisal assumptions should clearly identify in absolute terms for each scenario:
- The Gross Development Value (to include rental evidence);
 - Base Build costs;
 - Contingency;
 - External costs;
 - Professional fees;
 - Profit;
 - Policy Costs (S106, Affordable Workspace etc.); and
 - Finance Costs (and programme assumptions).
- 3.5 The structure adopted for the recommended set of sensitivities is as follows:
- 1 An overview of the supporting evidence rationalising the proposed additional sensitivity (as covered during Examination and within representations); and
 - 2 A recommendation of the specific proposed sensitivity to be modelled having regard to this evidence.

Typologies

- 3.6 As outlined in LDL's Representations (L Reps, pp.5/6) and Hearing Statement (LDL HS, paragraphs 1.5-1.10), 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 specific testing of this market segment undermines the ability of the Councils to demonstrate that the proposed charging rate would not threaten viability.

3.7 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).

3.8 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).

3.9 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..."

Requested Sensitivity: It is recommended that the revised modelling test a range of specific strategic industrial and logistics site typologies of varying scale. Our suggestion would be for scenarios comprising:

- 50,000sq.m;
- 100,000sq.m; and
- 200,000sq.m.

Within each of these we would also expect a range of unit sizes to be considered. We would request that this comprises scenarios with unit sizes of up to 50,000sq.m (for the larger site typologies i.e. 100,000sq.m and 200,000sq.m).

Plot Ratios

3.10 The plot ratios applied (of 0.5 and 0.6 with respect to Warehousing/industrial typologies) within the CIL Viability Assessment exceed both the typical and actual applied levels in the GCLP evidence for industrial and warehouse developments.

3.11 Paragraph 1.13 of the LDL HS highlights that plot ratios of 0.35 to 0.4 are considered typical requirements for industrial and warehousing occupiers, as evidenced in Table 2.1 of the Greater Cambridge Warehouse and Industrial Space Needs report (March 2025).

3.12 As set out within the LDL HS (paragraph 1.15), the requirement for the achievement of BNG in Greater Cambridge requires additional structural landscaping and green infrastructure which would put pressure on the achievement of the levels of density currently tested.

3.13 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).

- 3.14 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 (net) to take account of the green corridor and mitigation features, leading to a SCDC capacity estimate of approximately 220,000 sqm GIA of employment floorspace.
- 3.15 In respect of *S/RRA/SCS*, paragraph 7.43 of the SATP identifies the developable area as 20ha and applies a 0.45 plot ratio (net).
- 3.16 The Viability Assessment fundamentally makes no allowance for gross to net adjustment in respect of industrial typologies (or any non-residential typology) and therefore the modelling should apply gross plot ratios. Lichfields has assessed the gross plot ratios in respect of the Strategic allocation sites referenced above and has additionally corroborated this with evidence from the Cambridge 25 Application.

Table 3.1 Gross Plot Ratios

Site	Gross Site area	Developable Area	Gross Plot Ratio
C25 Allocation (Policy S/SHF)	113.3ha	220,000sqm	0.19
C25 Application	103ha	230,000sqm	0.22
Jaynic Allocation (Policy S/RRA/SCS)	24.58ha	90,000sqm	0.37

Source: Lichfields analysis

Requested Sensitivity: It is recommended that the revised modelling test gross plot ratios of 0.2 and 0.4 for large-scale strategic development in accordance with the evidence presented above.

Rental Values

- 3.17 LDL would request that Quintic provide details of the transactions data underpinning the values adopted, this should include locational and specification data regarding the make-up of the (i.e. proportion of office space provision). As evidenced within the LDL HS (paragraph 1.34), Bidwells¹ provided updated 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 (LDL HS, Appendix 2). Bidwells identify that smaller units (up to 30,000 sqft) could typically be expected to command rental values of £15.00/sqft (£161.46/sqm), whereas units of 30,000-100,00 sqft could command rents of £14/sqft, and larger units of 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).

Requested Sensitivity: It is recommended that the revised modelling test rental values of £13/sqft, £14/sqft and £15/sqft in respect of the corresponding unit sizes tested within the revised typologies (as per LDL HS, paragraph 1.35).

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.

Yield Rates

3.18 As set out within the LDL HS (Paragraph 1.36) and noted during the Examination, the viability assessment modelling is based on 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 (Aspinall 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 (taken from LDL HS, paragraph 1.36) of rental and yield sensitivities for a, say, 100,000sqft unit:

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

Requested Sensitivity: It is recommended that the revised modelling test an increased yield rate of 5.5%, consistent with the assumption adopted in the Regulation 19 Greater Cambridge Local Plan Viability Assessment (as per LDL HS, paragraph 1.36).

External Costs

3.19 The Viability Assessment adopts an allowance of 10% for externals with respect to industrial development. This figure relates to the cost of providing external yards, car parking, footpaths, plot access roads, landscaping and fencing. This allowance fails to reflect the needs of modern occupiers who require increasingly larger hardstanding yard space to enable efficient vehicular flows and accommodate HGV parking and manoeuvring. Furthermore, the requirement for the achievement of 20% BNG in Greater Cambridge requires additional structural landscaping and green infrastructure which would further increase external costs.

3.20 As evidenced within representations (LDL Reps, pg.7 and Appendix 1) cost planners/QS/PM KAM who specialise in cost advice indicate that a rate of between 15% and 20% represents a more typical figure for strategic logistics and distribution development. Evidence supporting this figure can be substantiated and provided (on a strictly Private & Confidential basis).

Requested Sensitivity: It is recommended that the revised modelling test external costs of 15% and 20% of base build costs for strategic logistics and distribution development typologies (as per L Reps pg.7).

Professional Fees

3.21 The CIL viability assessment 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. As set out during the Examination this figure appears low and conflicts with the general rate adopted with the assumption adopted by

BNP Paribas in the Oxford City Council: Local Plan Viability Assessment (December 2025), with Paragraph 4.26 stating:

'In addition to base build costs, schemes 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)

3.22 It is unclear why, or how, professional fees are justifiably lower. Notwithstanding these inconsistencies, as per KAM's evidence (LDL Reps, Appendix 1) an even higher figure of 15% would be more typical of strategic logistics/distribution development. This involves an extensive list of professionals as set out below:

- Architect;
- Structural and Civil Engineer;
- Mechanical and Electrical Engineer;
- Sustainability Consultant;
- Project Management/QS/ Employers Agent;
- Development Management Consultant;
- Traffic and Highways Engineer;
- Landscape and Visual impact Architect;
- Air Quality Consultant;
- Noise Consultant;
- Archaeological Consultant;
- Planning and Economic Consultant;
- Lighting Consultant;
- Arboriculturist.

3.23 Evidence supporting this figure can be substantiated and provided (on a strictly Private & Confidential basis).

Requested Sensitivity: It is recommended that the revised modelling test a professional fees allowance equivalent to 15% of base build costs (as per LDL Reps pg.8).

Affordable Workspace

3.24 At present, the CIL Viability Assessment fails to consider 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.

3.25 Whilst it is acknowledged that this is a draft policy as part of an untested Plan which will be subject to examination within its own right, the Policy, if adopted, would have a significant impact on rental income and therefore viability. It is therefore considered inappropriate that this has not been reflected or considered in the CIL Viability Assessment.

Requested Sensitivity: It is recommended that the revised modelling take account of Policy J/AW (Affordable Workspace), including its requirement for 10% affordable workspace (over 2,500sqm) to be provided at a reduction of at least 20% from market rents (as per LDL HS, paragraphs 1.40-1.45).

S106 Costs

3.26 As expressed in the LDL HS (Paragraphs 1.25-1.29) it is unclear from the CIL Viability Assessment what the justification for the allowance of £25/sqm for S106 costs is. The S106 costs were not substantiated or evidenced during the Examination. As stated within the Examination this figure appears materially lower than the adopted allowance (£146/sqm) within the Regulation 19 Local Plan Viability Assessment (Aspinall Verdi, July 2026) based on the AtkinsRealis draft IDP (paragraphs ES20 and 8.5).

3.27 However, it is understood that the Council are going to review and provide evidence regarding S106 Costs secured from recent industrial developments. We would request that this information is shared once the exercise has concluded in a similar format to that presented within Table 3.8 of the Council's Hearing Statement (pg.17) to allow for appropriate interrogation.

Requested Sensitivity: It is recommended that the revised modelling is tested on the basis of £146/sqm as per the Local Plan Viability Assessment (as per LDL HS paragraph 1.27).

Aggregate Testing

3.28 The revised sensitivity testing should assess the combined effect of the assumptions identified above. Testing each variable independently, while holding the remaining inputs at the levels used in the CIL Viability Assessment, would not provide a sufficiently robust indication of the viability of strategic industrial and logistics development or the implications for the proposed CIL rate. Quintic should therefore undertake aggregate testing using coherent scenarios that combine the relevant typology, plot ratio, rental values, yields, external costs, professional fees, affordable workspace and Section 106 assumptions set out in this section.