BIDWELLS

Your ref:	-
Our ref:	Draft CIL Charging Cons - Reps
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Community Infrastructure Levy (CIL) Consultation
Greater Cambridge Shared Planning Service
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Sent via email to CIL@greatercambridgeplanning.org

Dear Sir/Madam,

PIONEER GROUP – GRAFTON CENTRE, CAMBRIDGE
REPRESENTATIONS ON CAMBRIDGE CITY COMMUNITY INFRASTRUCTURE LEVY (CIL) DRAFT CHARGING SCHEDULE

We write on behalf of Pioneer Group, to submit representations in response to the Cambridge City Community Infrastructure Levy (CIL) Draft Charging Schedule.

Summary of our Position on the CIL Consultation

CIL is recognised as a potential important source of funding for infrastructure that could support wider development in Greater Cambridge. These representations do not seek to oppose the principle of a draft CIL charging schedule for Greater Cambridge (Cambridge City and South Cambridgeshire) but seek to ensure it is well timed, necessary and that reasonable rates are proposed, to ensure CIL rates do not risk the viability and delivery of development.

With particular regard to our Client's role in delivering the redevelopment of the Grafton Centre – a key regeneration project in Cambridge City – we request in these representations that the Council exclude the Fitzroy/Burleigh Street/Grafton (FBG) Area of Major Change (AMC) from the CIL Charging Area and apply a £0 per square metre (psm) CIL rate. On the basis of viability, complexity and the existing negotiated Section 106 (S106) contributions package already agreed and directly related to the Grafton Centre Redevelopment project (under Full Planning Permission Ref. 23/02685/FUL), the FBG AMC should be excluded from the Charging Area and have a £0 psm CIL rate.

There may be other strategic development sites that should also be considered for exemption. We note that this principle was incorporated during a previous CIL Draft Charging process undertaken by South Cambs back in 2014 (although never adopted), following on from the associated Preliminary Draft Charging Schedule Consultation (PDSC) in 2013.

Legislative Context

These representations have been prepared with regard to the relevant legislative framework including the Town and Country Planning Act (1990) (as amended), Planning Act (2008) and CIL Regulations (2010) (as amended) in addition to the guidance set out in the PPG. With relevance to setting CIL charging schedules, the following guidance has been considered:

- An Authority must strike an appropriate balance between additional investment to support development and the potential effect on the viability of developments… charging authorities should be able to show and explain how their proposed levy rates will contribute towards implementation of the relevant plan (PPG Paragraph 010).
- The regulation allows charging authorities to apply differential rates in a flexible way, to help ensure that viability of a development is not put at risk (PPG Paragraph 022).
- 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 (PPG Paragraph 022).
- A charging authority must use 'appropriate available evidence' (as defined in the section 211(7A) of the Planning Act 2008) to inform the preparation of their draft charging schedule (PPG Paragraph 020).

The absence of reference to other parts of the CIL evidence base within these representations should not be taken as agreement to their content, and we reserve the right to make further comments on the evidence at examination stage.

Background

Pioneer Group is leading the redevelopment of the Grafton Centre, a major regeneration project which sits within the wider Fitzroy/Burleigh Street/Grafton (FBG) Area of Major Change (AMC) in the adopted Cambridge Local Plan under Policy 12 and the emerging Greater Cambridge Local Plan (GCLP) under Draft Policy S/AMC/FBG. Full Planning Permission (Ref. 23/02685/FUL) for the Grafton Centre Redevelopment was granted on 25 April 2025, subject to a S106 Legal Agreement which includes for a range of contributions which were negotiated with the City and County Councils to include all necessary strategic and site-specific obligations associated with the scheme.

The Grafton Centre Redevelopment is a complex project which represents a significant investment over multiple phases. It will take some time to be fully completed but will contribute significantly to delivering the much-needed, comprehensive regeneration of this part of the City Centre. Taking account of the build costs and package of S106 contributions associated with the permitted scheme, the project is already facing significant viability challenges – without any CIL being applied. Adding further costs, such as a CIL levy, to the balance sheet of a live project such as the Grafton Centre would be very likely to make the scheme unviable. The Site is now predominantly vacant, awaiting its phased redevelopment. However, adding significant financial uncertainty to an already challenging market context could jeopardise the scheme from being delivered.

Viability Implications

The viability evidence prepared by BNPP is fundamentally inaccurate in assessing the true viability implications of the proposed CIL rates. We have significant reservations regarding the basis on which the draft charges have been derived and the assumptions used to support them. The evidence lacks the robustness and market realism required to demonstrate that development across Greater Cambridge can viably sustain the proposed levy.

CIL is intended to be calibrated so that it does not render development economically unviable. The viability evidence fails to provide a credible assessment of the actual impact the rates would have on development in Greater Cambridge. The modelling does not reflect real market conditions, and the assumptions used, particularly around costs, values, developer margins and infrastructure requirements. The assumptions therefore bear little resemblance to the realities of development delivery in the area. It is also unclear whether the appropriate developer engagement required under paragraph 015 of the PPG has taken place, calling into question whether the evidence is proportionate, representative or compliant with national guidance.

Moreover, the cost assumptions within the appraisal are materially inaccurate. Land values, construction costs and design expectations in Cambridge are considerably higher than those assumed in the analysis, resulting in the unrealistic conclusion that development can absorb larger CIL payments than is actually feasible. In practice, introducing CIL at the levels proposed would force trade-offs that directly undermine policy objectives, leading to reductions in sustainability performance, design quality and affordable housing provision. These impacts would materially prejudice scheme deliverability and, ultimately, reduce the likelihood of much needed development coming forward.

To summarise, introducing a CIL charge in addition to extensive site specific policy requirements will impose further and substantial pressure on viability, increasing the risk that essential project funding is withdrawn or schemes become undeliverable. This outcome is particularly concerning given the Government's ambitions for accelerated growth in the Greater Cambridge area and the well-established challenges associated with bringing forward development in a high cost, high value market. Experience from other comparable locations, illustrates the real and immediate risk of over burdening development in areas with similar cost profiles. Most notable is the current situation in London, where CIL freezes are now being implemented in response to viability pressures. It is counterintuitive for Greater Cambridge to be proposing the introduction of these measures at a time when the Greater London market is sending out clear signs of economic concern.

Timing and Context of Change

We also question the timing of the current consultation on the Draft Charging Schedule, given the wider changes and uncertainties currently affecting development across Greater Cambridge. Proceeding at this time risks adoption of a CIL charging schedule that is misaligned with emerging policy, funding structures, infrastructure priorities – and the wider market climate.

Firstly, the live Government consultation relating to the creation of a centrally-led Greater Cambridge Development Corporation introduces significant uncertainty around future infrastructure delivery responsibilities, potential updates to infrastructure planning and the possibility of new funding streams which may address the existing funding gap, without reliance on CIL. Until these matters are much clearer, it is premature to progress a Charging Schedule that may quickly become outdated or incompatible with future infrastructure delivery priorities.

Additionally, greater clarity is needed on how CIL would align with the Spatial Development Strategy (SDS) being prepared by the Mayor of Cambridgeshire and Peterborough. The SDS is expected to identify strategic infrastructure requirements and may introduce a Mayoral CIL as an additional funding mechanism, thereby creating a further layer of developer contributions and increasing pressure on development viability. This uncertainty is further compounded by the wider Local Government Reorganisation (LGR), the outcome of which could fundamentally alter governance arrangements, funding responsibilities and the wider planning framework. Despite this, within the Greater Cambridge CIL consultation documents, there has been no comment on the creation of a coherent strategy to address the risks associated with the potential for conflicting or duplicated contributions.

The emerging planning context raises a number of questions about the appropriateness of progressing CIL at this time. As outlined in the CIL Supporting Statement, the Draft S106 Planning Obligations Supplementary Planning Document (SPD) for Greater Cambridge is expected to be adopted imminently and is set to increase S106 contributions to reflect rising costs of infrastructure. The SPD should bring further clarity for developers rather than increasing costs; imposing a CIL charge concurrently with the adoption of the SPD would substantially compound the viability pressures already highlighted in these representations.

Finally, the evidence presented in the Consultation regarding transport infrastructure requirements relies on the two adopted 2018 Local Plans. However, with the emerging GCLP now advancing at pace this evidence is, by definition, time limited and is at risk of becoming increasingly misaligned with the emerging policy requirements and approach to infrastructure prioritisation and delivery. In these circumstances, there is a clear risk that the CIL Draft Charging Schedule is being advanced on the basis of infrastructure assumptions that will not reflect the new policies or infrastructure delivery requirements of the new Local Plan. It is a CIL that will inherently become out of date very quickly if adopted.

It would therefore be preferable to align the adoption of any CIL Charging Schedule with the adoption timetable for the emerging GCLP, so that the infrastructure evidence can be tested against the plan that will ultimately guide development in the area in the near future. In addition, any CIL Charging Schedule for Greater Cambridge should be coordinated with the emerging SDS, the implications of LGR, and the evolving role and remit of any Development Corporation. As these take clearer shape, they may alter infrastructure responsibilities, introduce or reshape funding mechanisms (including the potential for additional levy layers), and affect the prioritisation and deliverability of infrastructure projects.

Cumulative Impacts

As set out above, the Draft GCLP introduces a suite of new and increasingly demanding policy requirements which, even in isolation, impose significant additional viability pressures on development. In a context where development costs in Cambridge are already exceptionally high and expectations around sustainability and design quality are rigorous, the introduction of further policy requirements such as BREEAM, affordable workspace provision, Biodiversity Net Gain (BNG) and minimum tree canopy cover could substantially elevate the costs for all forms of development.

Against this backdrop, the imposition of a CIL charge would further erode the ability of sites to meet these ambitious policy demands and would materially constrain the Council's own ability to deliver the objectives of the adopted Local Plans and emerging GCLP. The cumulative effect of these policy burdens, coupled with CIL, risks creating a position where schemes simply become unviable. In such circumstances, development will either fail to come forward at all, or critical elements such as design quality, sustainability performance, or biodiversity enhancements will inevitably be sacrificed. This outcome would be directly contrary to the local and central aspirations for high-quality and sustainable growth in the region.

This all acts to create uncertainty in schemes that could otherwise start to come forward for development, stalling overall delivery in Greater Cambridge. This could have significant knock-on implications for the strategic planning policies in the adopted and emerging Local Plans, including job creation, which depends upon the delivery of new employment floorspace to enable sustainable economic growth.

Infrastructure Funding Requirements

The Infrastructure Statement which supports the Consultation acknowledges the importance of transport infrastructure to the delivery of growth across Greater Cambridge. While it adequately quantifies the funding requirements, the strategy does not provide a clear justification for the specific projects identified.

The Statement indicates that the proposed infrastructure programme 'builds on' the adopted 2018 Local Plans for Cambridge City and South Cambs. Those Plans, in turn, relied on the Transport Strategy for Cambridge and South Cambridgeshire (adopted in 2014). In parallel, the Greater Cambridge City Deal was agreed to support delivery of transport schemes; however, the City Deal programme was never formally assembled to support the emerging Local Plans at that time. As a result, the current project list appears to be carried forward from a historic funding programme, rather than derived from a demonstrable assessment of necessary transport infrastructure.

On this basis, the infrastructure schedule is underpinned by evidence that is materially out of date and insufficiently robust for the purposes of setting a new CIL Charging Schedule. The transport context, costs and deliverability have changed significantly since 2014, and this should be reflected in up-to-date, plan-led evidence that meets the CIL requirement of using 'appropriate available evidence' (PPG Paragraph 020). In its current form, the Infrastructure Strategy does not sufficiently evidence the need of the transport projects it relies upon.

Further, the Infrastructure Statement acknowledges that CIL is expected to generate no more than circa £50 million. Even if fully realised, this would reduce the identified funding gap only marginally, leaving a residual shortfall of £222m, with no credible funding source or delivery mechanism identified to bridge that gap. Given the scale and cost of the projects listed (including those currently paused), £50m would fund only a small fraction of the identified projects. It is therefore unclear how the Draft Charging Schedule can be justified by reference to an infrastructure strategy that is neither adequately evidenced nor demonstrably deliverable.

Exceptional Circumstances Relief

It is imperative that a Charging Authority introduces an Exceptional Circumstances Relief (ECR) policy at the point of adopting the Charging Schedule. Under Regulation 55 of the CIL Regulations (2010) as amended, ECR exists precisely to prevent CIL from having an unacceptable impact on the economic viability of development. However, the relief is only available where the Charging Authority has proactively chosen to adopt an ECR policy from the outset. If the Authority refuses to implement such a policy at this time, then no developer, regardless of the severity of viability constraints or the strategic importance of a scheme, will have the ability to apply for this relief.

Given that ECR cannot be claimed alongside other reliefs and cannot be accessed retrospectively, failing to adopt the policy at this stage effectively removes the mechanism entirely. This would undermine the fundamental purpose of Regulation 55, which is to ensure that CIL does not render development undeliverable. The Charging Authority must therefore adopt an ECR policy at this time to ensure that a legitimate and nationally recognised viability safeguard remains available for circumstances where CIL would otherwise threaten the deliverability of critical schemes.

Exclusion of Specific Sites from the CIL Charging Area

It is also considered essential that the Charging Authority fully explores the exclusion of specific strategic sites from the CIL Charging Area, to which a £0 psm CIL rate would be applied. The Fitzroy/Burleigh Street/Grafton (FBG) Area of Major Change (AMC) should be specifically excluded and have a £0 psm rate applied.

In principle, strategic sites are inherently complex, often characterised by unique constraints, significant upfront infrastructure requirements, and bespoke delivery challenges that cannot be captured through standardised viability assumptions. At present, the flexibility afforded through negotiated Section 106 agreements provides an established and effective route for securing the extensive on-site and off-site infrastructure necessary to make such schemes acceptable in planning terms. To ensure that such key sites can progress under any future CIL Charging regime, the Council should carefully consider the exclusion of some strategic sites. This approach would align with national guidance encouraging differential rates where necessary to avoid undermining development viability set out in PPG Paragraph 020. We note that principle of excluding some strategic development sites from CIL Charging was incorporated during a previous CIL Draft Charging process, undertaken by South Cambs back in 2014 (although never adopted), following on from the associated Preliminary Draft Charging Schedule Consultation (PDSC) in 2013.

The FBG AMC is an important element of the Council's spatial strategy within both the current and emerging Local Plans. The Council adopted the Grafton Area Masterplan as an SPD in 2018 to support the redevelopment of this AMC and there has been extensive engagement and work across a range of stakeholders towards this major project. The Grafton Centre Redevelopment represents a key regeneration project in the City Centre and benefits from an agreed S106 contributions package which relates directly to the scheme (under Full Planning Permission Ref. 23/02685/FUL). Alongside adopted and emerging planning policy, the Site's rejuvenation plays a key role in the delivery of the Government's broader growth ambitions for the area. It is therefore imperative that any future CIL Charging Schedule does not jeopardise the Site's viability.

It is also worth noting that the CIL relates to the provision of strategic transport. Given that the Grafton Centre was previously a popular retail destination, the change to an employment-led use under the extant Planning Permission will lead to a reduction in the number of trips generated by the Site and lower the pressure on the existing transport infrastructure. Hence, a reduction in traffic and transport movements is a benefit arising from the scheme, complemented by a range of measures to promote the use of sustainable travel modes including S106 contributions to the public realm and greatly enhanced pedestrian and cycle access.

Consequently, the FBG AMC should be excluded from the Charging Area. Whilst the extant Planning Permission would not be subject to the introduction of a new CIL charge, it is highly possible that design evolution or changes in the market could lead to a need for changes to the approved scheme, either via formal amendment or new planning consents. Hence, a revised scheme could potentially become liable to a future CIL charge. Imposing an additional blanket levy could risk the viability and deliverability of the project as a whole and would introduce considerable uncertainty for investors. Hence, the exclusion of the FBG AMC from any future CIL Charging Area is both appropriate and essential.

Conclusion

The increased and quicker delivery of transport infrastructure across Greater Cambridge is an important matter to resolve. However, we have serious reservations regarding the current CIL Consultation and its timing, in light of the evolving planning context in Greater Cambridge and the cumulative financial burden on developments.

The viability evidence which supports the Consultation is not considered to be robust or sufficiently reflective of real development conditions in Greater Cambridge, and as such cannot credibly justify the proposed CIL rates. The combined effect of unrealistic assumptions, and a failure to account for the area's characteristically high costs, presents a substantial risk that development will be rendered unviable.

There are also concerns regarding the Infrastructure Statement, which relies on outdated evidence and assumptions, while the limited CIL income expected of around £50m would make a limited contribution to the substantial residual funding gap.

Considering the aforementioned impacts on viability, it is essential that the Council seek to introduce an Exceptional Circumstances Relief (ECR) policy to ensure any CIL does not render development undeliverable. In addition, for the site-specific reasons set out above, we are advocating for the explicit exclusion of the Fitzroy/Burleigh Street/Grafton (FBG) Area of Major Change (AMC) from any CIL Charging Area and have a £0 psm rate applied.

We hope you find the above representations useful and clear. We request the right to be heard at the examination. In the meantime, please do not hesitate to contact me if there are any queries arising.

Kind regards,

Jonathan Bainbridge
Partner, Planning