

Briefing Note

Our ref 70133_04/PHy
Date 16 October 2026
To Greater Cambridge CIL Examination
From Lichfields
Copy Hill Residential Limited

Subject CCC & SCDC Community Infrastructure Levy Charging Schedules – Examination Hearing

1.0 Introduction

1.1 This Note has been prepared by Lichfields on behalf of our client, Hill Residential Limited (hereafter, ‘Hill’). It follows, and should be read in conjunction with, the representations that Lichfields submitted on Hill’s behalf to the Greater Cambridge Community Infrastructure Levy (CIL) Draft Charging Schedule on 27th March 2026 as well as the Hearing Statement submitted on Hill’s behalf on 2nd October 2026 and raised during the Examination which took place on the 12th and 13th October 2026.

2.0 Scope of the Note

2.1 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).

2.2 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.

3.0 Feedback on Quintic’s Sensitivity Note

3.1 This section of the Note provides a summary of feedback relating to Quintic’s Greater Cambridge CIL Additional Sensitivity Testing note. The feedback is limited to the sensitivities relating to ‘Residential’ (bullet 1) as set out within the Greater Cambridge CIL Additional Sensitivity Testing note.

1 Residential

3.2 Only one formal sensitivity is outlined within Quintic’s Sensitivity Testing note. This sets out an intention to:

- Re-test existing typologies with cost data produced by Bidwells, subject to receipt of full elemental cost plans so that double counting and other items included elsewhere in the appraisals can be removed. It is likely that these costs will need to be reviewed by a QS to identify overstatement of costs.

3.3 Hill is unable to provide comment on this sensitivity, having not had sight of the costs evidence cited by Bidwells.

General Feedback

3.4 Although Hill acknowledges that additional sensitivity testing is necessary to adequately assess the viability implications of the proposed CIL rates, the sensitivities suggested in Quintic's note are very limited and therefore it does not fully address the significant concerns raised during the Examination Hearing in relation to several key appraisal assumptions. Hill therefore considers that the additional sensitivities set out in Section 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.

4.0 Requested Additional Sensitivities

4.1 This section of the Note builds upon the feedback on the initial sensitivities put forward by Quintic in the preceding chapter and provides an overview of the additional sensitivities that Hill believes should be included in the revised modelling exercise.

Transparent appraisal outputs

4.2 As set out in Paragraph 2.7, the current list of additional sensitivities fails to acknowledge many of the concerns raised during the Examination.

4.3 We would request that the appraisal outputs of Quintic's updated sensitivity modelling be shared.

4.4 This will ensure sufficient transparency and allow for proper scrutiny in accordance with the PPG guidance (011 Reference ID: 10-011-20180724). 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.

4.5 We would expect that the summary outputs should clearly identify in absolute terms for each scenario:

- The Gross Development Value;
- Base Build costs;
- Contingency;
- External costs;
- Professional fees;

- Profit;
- Policy Costs (S106, BSL); and
- Finance Costs.

4.6 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

4.7 As outlined in our representations and Hearing Statement (paragraphs 4.1-4.4), the evidence base does not test any mixed-use typologies, which we maintain is a fundamental flaw. Planning Practice Guidance (ID:25-026-20190901) states that:

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

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

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

4.10 Whilst it was raised during the Examination, Hill does not agree with Quintic’s contention that it is appropriate to test strategic site typologies on a single residential use basis. The responses during Examination that residential and non-residential viability outputs can simply be aggregated is not considered an appropriate approach. This approach does not appropriately reflect the development economics and likely phasing (and therefore cashflow position) associated with the delivery of such schemes. It is noted that mixed used typologies have in fact been considered in other CIL Viability Studies led by the Quintic team when at BNP Paribas (notably Wiltshire and Southwark).

4.11 The Council's Hearing Statement (pp.14/15) states that the volume of residential typologies is consistent with other similar studies undertaken across the country, specifically referencing Uttlesford Council's recent (September 2025) CIL viability study.

4.12 However, it is noted that the Uttlesford CIL Viability recommends a nil rate for strategic scale sites, noting:

'Overall, continued use of s.106 is considered to offer the most directly responsive and suitably flexible mode for securing infrastructure contributions.'

Requested Sensitivity: Hill maintains that a nil rate should be sought for strategic-scale sites. However, notwithstanding this position, it is recommended that the revised modelling test mixed-use typologies that reflect the characteristics of strategic sites.

Residential Sales Values

4.13 A fundamental concern is the broad range of sales values adopted within sensitivity testing. The CIL VR presents average sales values across different areas throughout Greater Cambridge, calculated using Land Registry sales data. It remains unclear whether actual floorspace figures have been adopted (commonly obtained from Energy Performance Certificate ('EPC') data) or whether standard assumptions regarding average floorspace have been applied.

4.14 It is noted in the Council's Hearing Statement (page 15) that the values are based on 13,425 completed transactions. However, the CIL VR fails to identify an overall average sales value (per sqft/sqm) across Greater Cambridge based on this transactional evidence which grants sufficient confidence and clarity that the broad range of values are representative of the values that could be expected to be achieved across Greater Cambridge. The Council's own evidence on area-based sales values (Figure 2.16.1) appears to indicate 13 of the 23 areas (equivalent to 56.5%) have sale values below the second lowest tested sale value rate of £4,625 per sqm.

4.15 By way of comparison, evidence from the Regulation 19 Local Plan Viability Assessment (undertaken by Aspinall Verdi) identifies a median sales price of £4,620 per sqm based on Land Registry and EPC data (based on 914 new build specific transactions).

Requested Sensitivity: It is recommended that the revised modelling clearly articulates the average sales value across Greater Cambridge as a whole, based on Land Registry transactional data, if area-specific or zonal charging is not to be considered.

Infrastructure Costs for larger residential developments

4.16 The CIL VR currently adopts an allowance of £29,070 per dwelling. The Council's Hearing Statement (pg.16) identifies that this figure is taken from the June 2012 Local Housing Delivery Group's Local Plan Viability Testing guidance. The guidance identifies a range of £17,000-23,000 per dwelling which has been adjusted to account for BCIS Tender Price Index ('TPI').

4.17 As expressed during the Examination, Lichfields reviewed the BCIS TPI covering the period from Q3 2012 (in accordance with the document's publication date) to Q3 2025 (broadly the date on which the CIL VR work was undertaken) and applied it to the range. The results identified that the BCIS TPI over this period was 181 (relative to a Q3 2012 common base of 100). Applying this to the range set out in the Housing Delivery Group's guidance implies:

- A lower bound value of £30,770 (based on £17,000);
- A central estimate of £36,200 (based on the mid-point value of £20,000); and
- An upper bound estimate of £41,630 (based on £23,000).

4.18 The discrepancy in these values is an underestimate ranging from £1,700 to £12,560 per dwelling. The values identified in the above analysis are therefore 5.8% to 43.2% higher than that adopted within the CIL VR. Given the range of values, it would be reasonable to adopt the midpoint value.

Requested Sensitivity: It is recommended that the revised modelling reflect the mid-point value of £36,200 per dwelling.

Profit

4.19 As per paragraphs 4.35-4.36 of our Hearing Statement, the level of profit adopted within the CIL VR is set at 17.5% of GDV for open market housing and 6% for affordable housing. This allowance falls short of the minimum profit margin that lending institutions would be prepared to accept (c.20-25%). This is particularly relevant in the context of larger strategic sites which would be expected to require a larger lender risk buffer to account for increased risk.

4.20 Further, Lichfields' Fine Margins 2 research indicates that 75% (96) of the 128 studies assessed assumed an allowance of 20%. It is also noted that the Regulation 19 GCLP Viability Assessment adopts an allowance of 20% on open market housing.

Requested Sensitivity: It is recommended that the revised modelling adopts a 20% profit allowance reflecting expectations of lending institutions and in accordance with the value adopted within the GCLP Viability Assessment.

Professional Fees

4.21 As per paragraphs 4.37-4.38 of our Hearing Statement representations, the CIL VR includes an allowance of 7% of base build costs to cover professional fees. It describes this as being "*at the middle to higher end of the range for most schemes*". This conclusion is predicated on the assumption that a single figure would be appropriate for all development proposals.

4.22 As expressed during Examination, this figure appears low and conflicts with the rate adopted within the Regulation 19 GCLP Viability Assessment (10%). It is also lower than the typical range identified within Lichfields' Fine Margins 2 research which identified that 88% (126/144) of studies assessed adopted a range of between 8% and 10%, suggesting a conservative approach has been taken in the VR.

- 4.23 This is further illustrated by the Quintic team’s assumption (while at BNP Paribas) adopted in the Oxford City Council: Local Plan Viability Assessment (December 2025), a city with comparable characteristics to Cambridge, at Paragraph 4.26 stating:

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

- 4.24 It remains unclear why, or how, professional fees are justifiably adopted at a rate lower than this and which departs from the assumption adopted in the GCLP Viability Assessment.

Requested Sensitivity: It is recommended that the revised modelling test a professional fees allowance equivalent to 10% of base build costs.

S106 Costs

- 4.25 As expressed in our Hearing Statement (paragraph 4.28) and following the Examination, the basis for the assumed Section 106 cost of £46,000 per dwelling for major strategic sites (identified by the Council as typologies 22–26) remains unclear. The Council’s Hearing Statement (pp. 16–17) and the evidence in Table 3.8 outline a sample of Section 106 contributions secured on recent developments, which informed the lower rate of £25,000 for general residential schemes. However, the origin or justification of the £46,000 figure remains unclear.

- 4.26 However, it is understood that the Council will provide evidence substantiating the Section 106 costs secured from previous developments of a comparable scale. We would welcome clarification once this exercise has concluded, together with a summary in a format similar to that presented in Table 3.8 of the Council’s Hearing Statement (p. 17).

Requested Sensitivity: It is recommended that the revised modelling test any revised Section 106 cost assumption arising from the Council’s evidence-gathering exercise, subject to the sample of developments being appropriate and representative.

Aggregate Testing

- 4.27 We would also clarify that the sensitivity testing should be undertaken as an aggregate exercise. We do not consider that simply ‘turning the dial’ on individual sensitivities in isolation, while holding other key inputs fixed at their current rates, adequately or appropriately tests the implications for viability and, therefore, for the proposed CIL rate. In our view, these sensitivities should be considered as a whole.