

[REDACTED]

From: [REDACTED]
Sent: 31 January 2024 08:13
To: localplan@york.gov.uk
Subject: DIO response to York revised CIL Draft Schedule
Attachments: 2024-01-31 DIO response to York revised CIL Draft Schedule.pdf

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Dear Sir / Madam,

Please find attached DIO's response to the revised draft CIL charging schedule for York.

Contact details are provided in the signature below, should you have any further questions please do not hesitate to contact me.

Kind regards,

[REDACTED]

[REDACTED]

[REDACTED]

3 Brindleyplace, Birmingham B1 2JB

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York Revised CIL Draft Charging Schedule

1. DIO Consultation Response

- 1.1 Avison Young is instructed by the Defence Infrastructure Organisation (DIO) to review and comment on the consultation that the City of York Council is currently undertaking on its proposed revisions to its Community Infrastructure Levy (CIL) Draft Charging Schedule for York. DIO is currently promoting some of its landholdings in York through the York Local Plan examination process. These include Imphal Barracks and Queen Elizabeth Barracks for residential uses and Towthope Lines for employment use. We note that employment development is not a land use that is proposed to be subject to CIL and therefore these representations focus solely the intended modifications to the CIL Charging Schedule so far as they relate to the rates for residential uses set out on Page 2 of the Revised Draft CIL Charging Schedule.
- 1.2 In summary, DIO has several concerns about the justification behind the setting of different rates for certain residential developments as such DIO objects to the draft charging schedule on this basis. These are discussed in detail below.
- 1.3 The National Planning Policy Guidance states in relation to CIL setting differential rates:

"The regulations allow charging authorities to apply differential rates in a flexible way, to help ensure the viability of development is not put at risk. Charging authorities should consider how they could use differential rates to optimise the funding they can receive through the levy. Differences in rates need to be justified by reference to the viability of development."

Paragraph: 022 Reference ID: 25-022-20230104; Revision date: 04 01 2023

- 1.4 DIO supports the Council's intention to reduce the CIL rate for its Imphal Barracks below the £200 sqm charge, given the brownfield urban nature of the site and considers that a lower rate is fully justified in relation to the viability of development.
- 1.5 However, there is an apparent lack of justification underpinning the Council's decision to not levy CIL against 8 strategic sites that are proposed to be allocated for development in the emerging Local Plan with £0 CIL Charge. These sites are completely or predominately greenfield.¹ Whilst DIO appreciates that site specific abnormal costs may render a CIL charge impracticable, there needs to be clear evidence to demonstrate that a greenfield site in York should have a lower CIL charge than sites in the urban area such as at Imphal Barracks. Put simply, DIO is keen to ensure the CIL charge is justified, and equitable across all proposed allocations.

¹ Policy SS13 Land West of Elvington Lane (ST15) is partially brownfield given former runway but mostly greenfield. The remainder are gf sites as far as I can see (SS8 Land Adj Hull Road (ST4); Policy SS9 Land East of Metcalfe Lane (ST7); SS10 Land North of Monks Cross (ST8); SS11 Land north of Haxby (ST9); SS12 Land West of Wiggington Road (ST14); SS16 Land at Tadcaster Rd (ST31); SS18 Station Yard, Wheldrake (ST33).

Queen Elizabeth Barracks (ST35)

- 1.6 DIO is concerned that there is no reference whatsoever to Queen Elizabeth Barracks (QEB) in the CIL Draft Charging Schedule. QEB was identified by the Council as a draft housing allocation ST35 in the Regulation 19 Submission version of the Plan (Examination Reference: CD001). It, combined with Site H59 could potentially deliver something in the order of 545 dwellings.
- 1.7 In June 2019, the City Council published its proposed modifications to the City of York Local Plan for a period of public consultation. One of the changes that the Council considered necessary to make the Plan sound was to remove the QEB site from the Plan in the light of the outcome of its Habitat Regulations Assessment which highlighted the potential for the development to give rise to adverse effects on the Strensall Common Special Area of Conservation. Notwithstanding this, one of the other modifications that the Council said that it was intending to make the plan (new Policy GI2A) would in our view still enable residential development to come forward at QEB. Based on DIO's latest capacity assessments this could yield around 345-455 new homes which could be delivered under the provisions of this new policy. This matter is covered in the representations that AY made on DIOs behalf to the Draft Local Plan Proposed Main Modifications Consultation dated 24 March 2023 (PM SID 345).
- 1.8 Whilst the final policy position relating to QEB has yet to be established through the Examination in Public process, our concern is that the changes that the Council is contemplating making to its Draft CIL charging schedule would automatically mean that any residential development that takes place at QEB would immediately be subject to the levy, and would be chargeable at £200 per sqm.
- 1.9 We would advocate that a more nuanced approach is adopted, as the schedule as currently drafted could impact housing delivery in York in the new plan period, as a blanket £200 per sqm CIL charge on all other residential sites is not considered appropriate particularly on brownfield sites coming forward as windfall development. We also suggest that it would be appropriate for a bespoke appraisal to be carried out at QEB to determine an appropriate CIL charge for any residential development that comes forward on this site, and in the absence of any new evidence would advocate a £0 CIL charge is appropriate in this instance.

Imphal Barracks (ST36)

- 1.10 The City Council has appointed Porter Planning Economics (PPE) Ltd to undertake a further viability testing of its CIL charging schedule. We have reviewed PPEs analysis insofar as it relates to the DIO Imphal Barracks site and wish to make the following comments / observations:
- a. The site is brownfield in the urban area and we therefore welcome a CIL charge that is lower than the general City wide charge for residential use;
 - b. The appraisal is broadly in line with our expectations, however:
 - i. it doesn't take account of the fact that there are a number of listed buildings within the site and they together with other buildings, will need to be retained. Given the likely quality requirements in converting the heritage buildings to other uses and high value nature of the area, we are of the view that PPE should have applied a higher build cost in this instance;
 - ii. it seems to us as though the raw build cost rates that have been included for flats and houses are potentially on the low side given the current market cost of raw materials and labour.
 - iii. we query how PPE has arrived at the £200,000 per net ha remediation/demolition allowance for this site. As discussed above, the site is brownfield land and consideration need to be given to the listed buildings, ground conditions and is likely to require higher than usual quality finishes. There may be other as yet unidentified technical issues that DIO won't know

about until much closer to the point of disposal / development. As a consequence, we would be keen to understand the rationale behind the remediation figure that PPE has used;

- iv. it is unclear what assumptions PPE has made in respect of the likely S106 development costs per unit and this figure may have underestimated the contributions required for services and facilities such as *"the delivery of sufficient education provision to meet demand arising from the development"* as required by the proposed planning policy SS20.

- 1.11 The above comments, on Imphal Barracks (ST36) should be considered in light of the need for CYC to be consistent and equitable in its application of the £0 sqm CIL Charge and £100 sqm CIL charge.

CYC approach to demolition and CIL charge reduction

- 1.12 We note the Government Guidance on Community Infrastructure Levy was published on 12 June 2014 and updated on 4 January 2023.

- 1.13 This guidance states that:

"The internal area of a building which is demolished during the development of a scheme can be taken into account in calculating the levy charge, in certain circumstances. To be eligible, the parts of the buildings to be demolished must contain a part that has been in lawful use for a continuous period of at least 6 months within the 3 years ending on the day planning permission first permits development. They must also be demolished before completion of the chargeable development."

Paragraph: 103 Reference ID: 25-103-20190901; Revision date: 01 09 2019

- 1.14 DIO want CYC to confirm that their approach to demolition will be in line with this guidance. At Imphal Barracks, and at Queen Elizabeth Barracks, there are significant number of buildings that would need to be demolished to enable development to come forward. They would in our view be capable of meeting this NPPG definition. Whilst the precise number of buildings to be demolished has yet to be determined through Development Management procedures, DIO is keen to seek assurances from CYC that the total floorspace of any demolished buildings will be taken into account and deducted, as appropriate and necessary, from the total new proposed floorspace when the chargeable CIL floorspace calculations are being run at the planning application stage. An approach that enables a discount of floorspace, from the buildings being demolished, is entirely consistent with CIL guidance.

- 1.15 We reserve the right to make further representations as required as CIL progresses to Examination and provide our contact details in the covering email accompanying this response and wish to be kept informed of any future opportunities for engagement as necessary.

Avison Young
31 January 2024