

[REDACTED]

**From:** [REDACTED]  
**Sent:** 30 January 2024 15:03  
**To:** localplan@york.gov.uk  
**Cc:** [REDACTED]  
**Subject:** DRAFT COMMUNITY INFRASTRUCTURE LEVY - REPRESENTATIONS ON BEHALF OF OAKGATE GROUP LTD  
**Attachments:** CIL Consultation 30.01.24.pdf; YorkCIL\_jan24consultaiton\_reps\_v1.pdf

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Dear Strategic Planning Policy Team

Please find attached correspondence from [REDACTED] in relation to the above.

Regards



[REDACTED]

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Our ref: [REDACTED]  
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Date: 30 January 2024



CIL Consultation  
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For the attention of Strategic Planning Policy Team

By Email

Dear Strategic Planning Policy Team

## **Draft Community Infrastructure Levy – City of York Council (November 2023) Representations on behalf of Oakgate Group Ltd (“Oakgate”)**

Quod act on behalf of Oakgate and have previously made representations to the City of Yorks’s (CYC) draft Charging Schedule for CIL. Following initial representations to the draft Charging Schedule in March 2023, further information was submitted to the Council on 7 August 2023.

The evidence submitted previously<sup>1</sup> demonstrated that there are distinct, and different, sales values across different market areas within York, and that the evidence presented by PPE (in their Viability Study)<sup>2</sup> in support of the original draft CIL Charging Schedule was based on a narrow set of samples, and related only to new build properties. It also demonstrated that applying a blanket rate, would render schemes unviable.

In support of the revised CIL charging rates, PPE have undertaken further viability analysis<sup>3</sup> of the proposed CIL Levy for residential, (ie, the blanket rate of £200 per sqm across all parts of the City) by analysing the level of premium to sales values generated by new build sales, over re-sales of existing properties.

For the reasons outlined in the attached Report by Bidwells, the approach by PPE is not considered to be robust, and is not based on sufficient evidence to derive sound conclusions.

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<sup>1</sup> 27 March and 7 August 2023.

<sup>2</sup> City of York Viability Study, Final Report (December 2022).

<sup>3</sup> CIL Sensitivity Test Viability Report (November 2023) and Errata Addendum (December 2023).





In view of the above, and as explained in the attached Report, Oakgate maintain their objections to the draft CIL charging rate for residential applied in a “blanket” manner across the entire City, at a rate of £200 per sqm.

We, therefore, invite CYC to reconsider the proposed charging rate of residential, for the reasons outlined in the attached, in order to ensure that it is sound, and we would be happy to support the Council and PPE in their review of this matter.

We await your response to the above. In the meantime, we wish to reserve our right to appear at the Examination into the draft CIL charging schedule once that has been arranged.

Yours faithfully

[Redacted signature]

[Redacted text]

[Redacted text]

**REPRESENTATIONS ON THE  
CITY OF YORK CIL  
VIABILITY STUDY  
ADDENDUM (NOVEMBER 23)  
ON BEHALF OF OAKGATE  
GROUP LTD**

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# Table of Contents

1.0	Introduction	1
2.0	Methodology	1
3.0	Conclusions	2

## 1.0 Introduction

- 1.1 Bidwells is instructed by Oakgate Group Ltd (Oakgate) to review the “*City of York CIL Viability Study Addendum – November 2023*” (the “Addendum”) prepared by Porter Planning Economics Ltd (“PPE”) on behalf of the City of York Council (“the Council”) in November 2023.
- 1.2 The Addendum responds to previous consultations on PPE’s work in preparing the evidence base for the proposed York Community Infrastructure Levy (“CIL”).
- 1.3 This note sets out Bidwells’ high-level comments on the Addendum and the methodology that PPE has adopted, and most specifically with reference to the way in which PPE has assessed residential sales values across the City of York.

## 2.0 Methodology

- 2.1 We note that the first part of the Addendum PPE carries out an update to their previous work based on updated sales values and build costs reflecting more recently available data. We agree that this is an appropriate approach and make no further comments on this.
  - 2.2 At paragraph 15 of the Addendum, PPE refers to the consultation responses prepared by Bidwells on behalf of Oakgate relating to the lack of testing of varying values of flatted sales across York. Bidwells’ response raised concerns that PPE advocates a single rate of CIL for residential development across York on the grounds that in PPE’s view there is no material difference in residential sales values across the City.
  - 2.3 In their Addendum, PPE addresses this criticism by stating that in earlier consultations participants suggested that there was no significant value difference across York which would merit setting different value areas.
  - 2.4 The evidence of residential sales values that Bidwells provided in response to previous consultations demonstrates that there are clear value differences across York. PPE does not disagree with this in the Addendum, but their conclusion that a single CIL rate across all of the City would be viable remains unchanged.
  - 2.5 As noted by Bidwells in their previous representations, there are many postcode sector areas (e.g. YO1 8, YO19 4, YO24 3 etc.) where no new build transactions have occurred, and therefore there is no evidence of new build sales values on which PPE can base their conclusions.
  - 2.6 PPE instead seeks to support the proposed CIL levy of £200 per sq m across all parts of the City by analysing the level of premium to sales values generated by new build sales over resales of existing properties in those postcode sector areas where there are new build sales.
  - 2.7 The Addendum identifies that new build properties have been sold in only 11 of 35 postcode sector areas within York. This means that there are 24 postcode sectors in York where no new
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build properties have been sold, meaning no data from new build sales has been able to be considered for 69% of postcode sectors in the City.

- 2.8 PPE analyses those areas where new build properties have been sold and identifies the percentage premium that has been achieved in pounds-per-square-metre sales values by new properties over existing properties.
- 2.9 PPE identifies that in postcode sectors where there were transactions of both new build and existing properties, the premium for new build properties was 30% (referred to as a “*weighted average*”.)
- 2.10 PPE then applies this weighted average 30% premium to values of resale properties to the 24 postcode sectors where there were no new build properties and in so doing seeks to demonstrate that new build properties in these areas would be able to sustain the level of CIL that has been proposed.
- 2.11 Bidwells does not consider this approach to be robust. It is not based on sufficient evidence for sound conclusions to be arrived at.

## 3.0 Conclusions

- 3.1 The National Planning Policy guidance requires rates for CIL to be set using evidence.
  - 3.2 In Bidwells’ opinion, whilst PPE have used some evidence to set rates, it is not of sufficient depth to reasonably and accurately demonstrate that the level of CIL that they have proposed is viable across all postcode sector areas within York.
  - 3.3 Bidwells considers that the application of what is effectively an ‘*average of averages*’ new build premium to setting a CIL is a crude and blunt instrument. It merely confirms that *if* that particular premium is applied to all postcode areas in the City, the proposed level of CIL would be viable in all areas, with the exception of two strategic sites.
  - 3.4 There is no evidence available to suggest that a new build premium of 30% is achievable in all areas of the City. No sensitivity analysis has been provided to demonstrate the impact on the ability of postcode areas to viably support CIL if this new build premium is not achieved.
  - 3.5 In our opinion, in order to provide a thorough and robust analysis, this sensitivity testing should be carried out.
  - 3.6 Whilst we agree to a large extent with the approach and assumptions that PPE have made, in our opinion there is insufficient evidence available of new build sales values across all areas of York for the proposed single rate of CIL to be justified for residential development across the City.
  - 3.7 We would invite PPE to reconsider this to ensure that the CIL that is brought in is robust, evidence based, and able to support the delivery of much needed housing within the City. Bidwells, on behalf of Oakgate would be happy to support PPE in their review of this matter.
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BIDWELLS