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AN EXAMINATION UNDER SECTION 212
OF THE PLANNING ACT 2008 (AS AMENDED)

**REPORT ON THE DRAFT UTTLESFORD DISTRICT COUNCIL
COMMUNITY INFRASTRUCTURE LEVY CHARGING SCHEDULE**

Independent Examiner (appointed by the Council): Keith Holland BA (Hons)
DipTP MRTPI ARICS

Charging Schedule Submitted for Examination: 13 March 2026

Date of Report: 16 June 2026

Main Findings - Executive Summary

In this report I have concluded that the draft Uttlesford Community Infrastructure Levy Charging Schedule provides an appropriate basis for the collection of the levy in the area.

Three Examiner Modifications (**EMs**) are necessary to meet the drafting requirements, which are set out in full in the report's appendix. These can be summarised as follows:

- Reduce the rates for residential development on greenfield and brownfield sites by 25%.
- Reduce the rate for employment and business uses on greenfield sites to £0.

The specified modifications **EM1 - EM3** recommended do not alter the basis of the Council's overall approach or the appropriate balance achieved.

Introduction

1. I have been appointed by Uttlesford District Council (UDC), the charging authority, to examine the draft Uttlesford District Community Infrastructure Levy (CIL) Charging Schedule. I am a chartered town planner with more than 25 years' experience inspecting and examining Development Plans and CIL Charging Schedules.
2. This report contains my assessment of the Charging Schedule in terms of compliance with the requirements in Part 11 of the Planning Act 2008 as amended ('the Act') and the Community Infrastructure Regulations 2010 as amended ('the Regulations').¹ Section 212(4) of the Act terms these collectively as the "drafting requirements". I have also had regard to the National Planning Policy Framework (NPPF) and the CIL section of the Planning Practice Guidance (PPG).²
3. To comply with the relevant legislation, the submitted Charging Schedule must strike what appears to the charging authority to be an appropriate balance between helping to fund necessary new infrastructure and the potential effects on the economic viability of development across the district. The PPG states³ that the examiner should establish that:

¹ The Regulations have been updated through numerous statutory instruments since 2010, most notably through the Community Infrastructure Levy (Amendment) (England)(No. 2) Regulations 2019.

² The CIL section of the PPG was substantially updated on 1 September 2019, and most recently updated 26 April 2024. At the time of completion of the examination, no further updates have been made to the CIL section of the PPG following publication of the December 2024 NPPF. For example, in relation to Development contributions, the paragraph referenced in the current PPG as 34 is now paragraph 35 (albeit the text remains unchanged).

³ See PPG Reference ID: 25-040-20190901.

- the charging authority has complied with the legislative requirements set out in the Act and the Regulations;
 - the draft charging schedule is supported by background documents containing appropriate available evidence;
 - the charging authority has undertaken an appropriate level of consultation;
 - the proposed rate or rates are informed by, and consistent with, the evidence on viability across the charging authority's area; and
 - evidence has been provided that shows the proposed rate or rates would not undermine the deliverability of the plan (see NPPF paragraph 34⁴).
4. A hearing session for this examination was scheduled for Wednesday 20 May 2026. The two representors who expressed a desire to be heard failed to attend. The hearing was opened as scheduled and closed without any discussion. Consequently, this examination is based on the written representations made. In this report, all references to the proposed rates are £s per square metre.
5. For residential development, the Council propose several rates. On greenfield sites £200, on brownfield sites £100, on strategic allocations in the Local Plan £0 and for flatted development £0. The large format retail rate is £100 and employment and business uses on greenfield sites it is £25. All other development is £0. The Charging Schedule is accompanied by a series of maps showing the variable rates areas.

Has the charging authority complied with the legislative requirements set out in the Act and the Regulations, including undertaking an appropriate level of consultation?

6. The draft Charging Schedule was consulted on between 15 September 2025 and 27 October 2025. The consultation included advertisements in the local press and posts on the Councils social media platforms. A Statement of the Modifications proposed by the Council was published in March 2026. All those who made representations were informed of the modifications proposed and had the opportunity to make further representations. The modifications dealt with matters of clarification and did not alter the substance of the draft Charging Schedule.
7. The Charging Schedule complies with the Act and the Regulations, including in respect of the statutory processes and public consultation, consistency with the adopted Local Plan and the Infrastructure Delivery Plan, and is supported by an adequate financial appraisal. I also consider that, other than the nominal £25 charge for employment and business uses

⁴ See footnote 2.

development on greenfield sites, it is compliant with national policy and guidance contained in the NPPF and PPG respectively.

Is the draft charging schedule supported by background documents containing appropriate available evidence?

Infrastructure planning evidence

8. The Uttlesford Local Plan 2021 – 2041 (LP) was submitted for examination in December 2024. In January 2026 the Inspector concluded that, with the main modifications recommended, the LP is sound. The LP was adopted in March 2026. The LP seeks to make provision for 14,741 new homes (2021-2041) and around 58 hectares of land for employment development. The LP was supported by an Infrastructure Delivery Plan (IDP), dated July 2024. The IDP identifies two categories of infrastructure – essential infrastructure and infrastructure important for placemaking. In preparing an infrastructure gap analysis, the Council has taken into account local and nationally secured funding. The analysis shows a gap of £10,066,582 for the identified placemaking projects and a gap of £201,514,383 for the essential projects.
9. In the light of the information provided, the proposed charge would be likely to make a modest contribution towards filling the large funding gap. The figures demonstrate the need to introduce a CIL.

Economic viability evidence

10. The Council commissioned the Dixon Searle Partnership (DSP) to undertake a CIL Viability Assessment (VA). The VA is dated September 2025. The VA uses the conventional residual valuation approach. Generic development typologies are tested and the findings of the viability testing done for the LP are taken into account.
11. The VA tests 12 residential typologies with schemes ranging from 1 dwelling to 100 dwellings. The type of development tested includes houses, flats, sheltered flats, extra care flats, and mixed-use developments. Site types taken into account include previously developed land (PDL), greenfield sites (GS) and sites that are a combination of PDL and GS. The residential typologies are tested over a range of value levels representing varying sales values. Five strategic site allocations, as per the LP, are tested. In considering the mix of dwellings, DSP relies on evidence provided by the Council for the LP examination based on the Council's Local Housing Needs Assessment. Dwelling sizes are based on Nationally Described Space Standards.
12. As regards residential sales values, DSP favour using a range of sources including previous viability studies, Valuation Office Agency data, property search, sale and marketing reporting, marketing websites and stakeholder information. The sales evidence used in the VA mirror those used in the LP viability evidence. Values levels tested ranged from £4,000 to £6,000 per sq. m. These values are seen by DSP as representative of varying new build sales prices likely to be seen across the district. DSP consider that the most

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relevant new build property values are within the range of £4,250 per sq.m to £5,250 per sq.m.⁵ DSP assume that new flatted development will be at the upper end of sales values. Retirement living and extra-care housing are tested using a range of sales values from £5,250 per sq.m to £7,000 per sq.m.⁶ The modelling done by DSP assumes an on-site policy compliant affordable housing requirement. The affordable housing revenue received by a developer is based on the capitalised value of the net rental stream or the capitalised net rental stream and capital value of retained equity.

13. For commercial development the VA tests 13 typologies including large format retail, small retail, offices, industrial/warehousing, research and development proposals, a nursing home and a budget hotel.
14. For commercial and non-residential development, DSP note that there is a very wide variation in gross development value (GDV) depending on the type of development and its location. Data on yields and rental values is based on CoStar property intelligence database, Valuation Office Agency data and a range of property and development industry publications features and websites. DSP record that they have also noted the Council's reporting of its own portfolio.
15. A range of annual rental values are assumed for each of the non-residential typologies and then capitalised on the basis of assumed yields. A range of yields from 3.5%-8% are used to provide sensitivity testing.
16. In relation to base building costs Building Cost Information Service (BCIS) data is applied rebased using an Uttlesford location factor. For residential development the base costs used range from £1,393 per sq.m for mixed lower quartile developments to £1,970 per sq.m for supported housing with estate development at £1,531 per sq.m. The range of base costs for commercial development is large with the most costly being £2,899 for research and development office space and the lowest being £1,033 per sq.m for large format industrial/warehousing. An additional 10%–15% has been assumed for plot external works, depending on the scheme type and site-preparation/site wide costs have been added at the equivalent of £500,000 per hectare. Contingencies are assumed at 5% of build costs.
17. For residential development a range of other costs are assumed including finance costs at 6.5%, professional and other fees at 8%-10% of build costs and developers profit at 15%-20% of GDV for open market housing and 6% for affordable housing. Generally, a s106 allowance of £10,000 per dwelling has been included, while for strategic sites there is an allowance based on available estimates of specific infrastructure costs.⁷
18. For commercial development, additional costs include 5% of build cost for sustainable design/construction, 6.5% for finance, 10% of assumed annual

⁵ VA Final Report Paragraph 3.2.4.

⁶ Ibid Paragraph 3.2.5.

⁷ Ibid Paragraph 3.3.12.

rental for letting/management and 15% of GDV for developer's profit.

19. Assumptions regarding energy reduction/climate change, Biodiversity Net Gain, accessibility standards, parking, water efficiency and space standards are detailed and taken into account.
20. In line with national guidance, benchmark land values (BLV) are based on the principle of existing use value plus an amount to incentivise the owner to sell the land. For large scale greenfield land DSP apply a ten times uplift factor, assuming agricultural land is valued at £25,000 per hectare (£250,000 per hectare). For smaller scale greenfield sites (for up to 100 dwellings), DSP assume a BLV of £500,000 per hectare. For previously developed land, DSP describe the key area for judging viability prospects as being around £1.25 million per hectare.
21. The draft Charging Schedule is supported by detailed evidence of community infrastructure needs. On this basis, the evidence which has been used to inform the Charging Schedule is robust, proportionate and appropriate.

Are the proposed rates informed by and consistent with the evidence on viability across the charging authority's area?

Residential development

22. Based on value patterns in Uttlesford, DSP conclude that a relatively simple Charging Schedule is appropriate and that area-based differentials are not warranted.
23. As a "health check", DSP review the trial CIL rates as a percentage of GDV. Based on their experience they consider that CIL rates should not exceed about 5% of GDV. Figure 14 in the final VA report (page 68) shows CIL trial rates ranging from £0 to £500 applied to value levels ranging from £4,000 to £6,000. Across the most relevant value levels, the tested CIL level stay within about 5% of GDV at up to £250 - £300. DSP note that the amount of affordable housing provided in a development is typically a much more significant viability factor than the CIL.
24. In accordance with national guidance, DSP take into account the need for a viability buffer. DSP assume that a minimum 30% buffer should be used. In most cases their recommended CIL rates include a much higher buffer, as their starting point is a halving-back from the maximum theoretical charging rate.
25. In relation to greenfield sites, the VA tests a range of development types at varying value levels. The conclusion is that for non-strategic sites the appropriate CIL level is £200, representing about 4.4% of GDV. For PDL, a range of development types from smaller-scale housing schemes to medium-scale mixed houses/flats schemes are tested. The testing shows that viability is more challenging on PDL land, particularly for flatted schemes. Across a range of typical PDL schemes, the testing points to a suitable charging rate of about £75 for housing and mixed developments representing

around 1.5% - 2.5% of GDV. For flatted development on PDL, the VA concludes that there is no clear scope for imposing a CIL charge.

26. For strategic sites, the more viable sites are Saffron Walden, Stansted Mountfitchet and possibly Elsenham. These sites have some capacity to bear a CIL charge. DSP note that the results are highly sensitive to minor changes in assumptions and that the surplus indications can fall away quickly with lower value assumptions or cost increases. DSP consider that it is unlikely to be appropriate to introduce a CIL that adds a significant fixed cost to strategic scale development and that it would be best to continue using s106 to directly provide specific infrastructure requirements on strategic sites.

Commercial rate

27. DSP note that the viability range for commercial development is limited and the scope for charging a CIL reduces quickly when moving away from lower yield % assumptions. This is consistent with their wide experience of other CIL assessments.
28. The VA shows positive viability for supermarkets/foodstores and retail warehousing. Taking into account the need for a buffer, the recommendation is for a charge of £100. This recommendation is accepted by the Council and the draft Charging Schedule contains an explanation of what "Large Format Retail" includes. The evidence is that town centre comparison and local convenience stores are unable to support a charge and the nil rate recommended is proposed by the Council.
29. For in-town offices, nursing/care homes and hotels, the evidence is that these types of use have no CIL potential. The VA states that industrial/warehousing developments appear to fall short of viability based on investment yields towards the mid to upper end of the sensitivity ranges tested. DSP explain that using current yields and typical rental levels, business/employment uses "are considered not to directly support viability for CIL charging across all these uses".⁸
30. However, DSP say that most new relevant viable developments are likely to come forward on greenfield land. They consider that on such land "there is an approach that UDC could apply across a range of development uses within this wide spectrum".⁹ The approach suggested is a nominal charge that would amount to a very small proportion of development value or overall cost. The recommendation from DSP is a charge of £25 for all business/employment developments on greenfield land. The Council accepted this recommendation and the draft Charging Schedule provides a definition of employment and business uses that would be subject to the £25 charge.

⁸ Ibid paragraph 3.8.6.

⁹ Ibid Paragraph 3.8.12.

31. A wide range of other uses are considered in the VA including day nurseries, leisure centres, storage premises and surgeries. DSP consider that none of the other uses looked at can support a CIL charge above a nominal level and recommend a nil charge of all other uses.

Has evidence been provided that shows the proposed rate or rates would not undermine the deliverability of the plan (see National Planning Policy Framework paragraph 34¹⁰).

32. For residential development, there are several representations from the development industry challenging the rate proposed. In essence, these representations argue that the DSP cost assumptions are under-estimates in present circumstances, that the benchmark values are too low and that the sales values assumptions are too high. The contention is that the viability of residential development is more challenging than DSP claim. The most significant assumptions challenged include sales values, build costs, external costs, profit levels, finance cost and the additional costs arising from regulations. There is also a claim that the VA lacks transparency.
33. In relation to sales values, CBRE note that the DSP use data from the Land Registry UK House Price Index is indexed to March 2025. CBRE argue that if it is indexed to September 2025, a 1.1% fall of house prices would be evident over the six-month period. CBRE refer to what they call contemporary transaction data for Uttlesford that shows a weighting towards the very low end of the range tested by DSP. The representation from Bidwells says that the latest Land Registry House Price Index figure shows that residential values have decreased by approximately 5% since DSP carried out their analysis. It is not clear if this data relates to Uttlesford or to a wider area and what time period it refers to.
34. There is a challenge to the Social Rent transfer values in the VA. Using the net rents for Uttlesford published on the 2024 Register of Social Housing Statistical Data Return, CBRE calculates that the lower transfer values average 27% compared to the 40% in the lower band of DSP's transfer values.
35. In relation to build costs, CBRE note that DSP cite a figure of £1,531 per sq.m for "Estate Housing Generally" whereas the October 2025 BCIS median figure for Uttlesford is £1,815 per sq.m. Bidwells say that here has been a 5% increase in build costs since DSP's analysis was undertaken. Another point made against the VA approach is that the use of "Mixed Developments – Generally" lacks visibility over the mix of houses and flats in the sample dataset. The VA plot external works cost of 10%-15% on BCIS build cost is not challenged, but the additional allowance of £500,000 per hectare for site preparation/site-wide works is a matter of dispute. On the basis of their experience, Bidwells claim that the allowance should be £700,000 - £1.05 million assuming a residential density of 35 dwellings per hectare.

¹⁰ See footnote 2.

36. CBRE regard the additional 5% used by DSP to meet the Net Zero Operational Carbon Development policy in the Local Plan as inadequate. CBRE contend that current costs of delivering both Part L of the Building Regulations and the Future Homes Standard amount to £9,680 for apartments and £11,718 for houses, compared to the £4,726 and £7,706 allowed for in the VA. CBRE base their figures on the DLUHC 2023 Future Homes and Building Standards consultation. The costs have been indexed using the BCIS All-in TPI.
37. The cost of finance put at 6.5% by DSP is challenged on the grounds that securing development finance is becoming more expensive, particularly for SME developers. CBRE consider that 7.5% is the absolute minimum that should be applied.
38. The proposed profit level for open market tenures used by DSP is 17.5%-18% of GDV. Representations argue that the current market is demonstrating high risk indicators and that a realistic profit allowance is 20% of GDV for market housing.
39. The benchmark values used by DSP are disputed. For bulk greenfield sites the VA uses an existing use value (EUV) of £25,000 per gross hectare (c.£10,000 per acre). An uplift factor of 10 times EUV is applied. Bidwells challenge the EUV used by DSP by referencing the Spring 2025 English Estates & Farmland Market Review published by Strutt and Parker. This study reports that in 2024 over 70% of arable land sold for more than £10,000 per acre and that over 50% of pasture land sold for at least £8,000 per acre. CBRE notes that the RICS/RAU Farmland Market Report (March 2025) gives a weighted average farmland price for the East of England of £13,686 per acre for transactions below 50 acres. CBRE also note that using a 10 times uplift is at the lower end of the range recommended by Homes England in their 2010 Area Wide Viability Model. Bidwells argue that an assumption at the lower end of the range cannot be relied upon. There is a representation that contrasts the 10 times uplift in the VA with the uplift applied in nearby authorities such as Brentwood (18 times), Chelmsford (20 times) and Thurrock (18 times).
40. Bidwells claim that the sensitivity testing done by DSP is flawed because it is based on a single variable - changing sales values. The contention is that a multi-variable analysis should be undertaken showing what the effect would be if sales values are falling while build costs are rising and vice-versa.
41. There are complaints that there is a lack of transparency in the VA. It is argued that the sample appraisals for the site typologies tested are heavily consolidated and cannot be fully interrogated. Cashflows are not provided and it is not clear which assumptions have been fully implemented. I do not consider that the level of detail sought is appropriate for a CIL viability assessment. The government guidance is that a CIL viability assessment should be proportionate, simple, transparent and available to the public.¹¹ In my view, the DSP assessment meets these requirements. The VA is a high-

¹¹ See PPG Reference ID: 25-019-20190901.

level assessment that follows the practice frequently seen in CIL work. Adequate information is provided to allow reasonable judgements to be made regarding the proposed charging rates.

42. The Council's response to the challenges to the proposed residential rates is framed in general terms. The Council notes that differences of opinion between professionals exist but it does not seek to address individual challenges to the assumptions made. The Council argues that it is inappropriate to adopt worst-case type assumptions. In relation to benchmark land values and the 10 times uplift point, the Council consider that an uplift factor of ten times EUV should be enough to persuade a reasonable land owner to release land for development when there is no other alternative available that would lead to an increase in value.
43. While I agree with the Council that, in general, it would not be appropriate to use worst-case assumptions, the Council response to the representations is couched in general terms and does not clearly demonstrate that worst case assumptions have been used. I consider that much of the evidence on build costs and sales values from the development industry is soundly based on recognised sources. I appreciate that those making representations have an advantage in that they are able to reference evidence that is more up-to-date than the evidence in the VA. Having said that, I do not consider that the Council has shown, in its response to the representations, that the arguments made against the proposed Charging Schedule should be rejected.
44. Based on the challenges made to the assumptions in the VA, I consider that in general terms the residential assumptions in the VA are at the optimistic end of the spectrum. I also consider that the benchmark land value assumed for greenfield land may be unrealistically low. The consequences are that the proposed rates could endanger the delivery of non-strategic housing proposals in the LP, particular in the light of the evidence that recently house prices in the area have fallen while costs are rising.
45. I note that DSP recommend a range of £75 – £100 for residential development on PDL land. The Council's proposals adopt the top of the range (£100 on brownfield sites). I also note that DSP felt that, across a range of typical PDL schemes of houses and mixed dwellings the evidence pointed to a charging level of £75.¹² In the light of the robust challenges to the proposed rate and the current economic situation, I consider that a cautious approach is needed. On this basis, I consider that both the proposed rates for both greenfield and brownfield sites should be reduced by 25%. (**EM1** & **EM2**) This would bring the PDL rate into line with the view taken by DSP and reduce the greenfield rate to £150.
46. In relation to strategic development sites, the VA concludes that, in theory, the more viable strategic housing allocations would theoretically have some capacity to pay a CIL. DSP point out that the viability results are highly sensitive to minor changes in the assumptions and conclude that it would be

¹² Ibid Final Report paragraph 3.3.35.

best to continue to use s106 agreements to provide the infrastructure required on strategic sites. This approach is not unusual and there are no convincing objections to it.

47. The DSP view that flatted development faces challenging viability prospects unless such development has strong sales values and/or is built on low value land. The nil charge recommended is justified by the available evidence. The same applies to age friendly flatted development.
48. For large formal retail (supermarkets and retail warehouses) the VA shows positive viability. No convincing evidence has been advanced against the proposed rate of £100 per sq.m for these uses. Smaller retail units do not show scope for a CIL charge. The same applies to in-town offices, nursing/care homes and hotels.
49. Turning to employment and business uses on greenfield sites, the assumptions made by DSP are challenged on several grounds including the site coverage, yields, benchmark land value and incentives/void periods. The challenges are less clearly evidenced than is the case with residential development. This is not necessarily a significant problem as the main dispute, in my view, relates to the Council's justification for the proposed charge of £25 on greenfield land for business/employment development.
50. Although the evidence shows positive viability for specific high-value uses, DSP state that "At this time most of the local (meaning Uttlesford) indicators on current yields and typical levels of rental information are considered not to directly support viability for CIL charging across all these uses".¹³ DSP argue that there are other factors to bear in mind. They note that UDC has reported that there is interest and activity involving a range of business/employment uses, including in relation to emerging Local Plan allocations. DSP argue that this strongly indicates a prospect of viable development and that the Council could consider an approach of applying a nominal rate that would not in itself cause an otherwise viable scheme to become unviable. The recommendation in the VA is for a rate of not more than £25 for all business/employment developments on greenfield land.¹⁴
51. Unsurprisingly, there are robust objections to this recommendation on the grounds that it conflicts with the viability testing undertaken and falls outside adopted professional/planning guidance and the CIL Regulations.
52. The approach recommended by DSP, and accepted by the Council, is unconventional. There are two difficulties with the approach. First, no evidence has been provided regarding the interest and activity reported by the Council. The assertion is based on "UDC reports"¹⁵ but no detail is provided to support this point. Second, and much more significantly, the CIL legislation and guidance requires that CIL rates are informed by and consistent with the viability evidence. In Uttlesford, the evidence provided

¹³ Ibid Paragraph 3.8.6

¹⁴ Ibid Paragraph 3.8.15.

¹⁵ Ibid Paragraph 3.8.7.

by DSP does not support a CIL charge for business and employment development. I recommend that there should be a nil rate for Employment and Business uses on greenfield sites. (**EM3**)

53. I appreciate that in other areas a nominal CIL rate has been found to be acceptable. This is usually related to forms of development that are relatively insignificant in terms of the CIL revenue they are expected to provide and which have not been dealt with in any detail in the viability assessments undertaken. These considerations do not apply to the situation in Uttlesford, where there is specific viability evidence relating to business/employment development.
54. There are a number of representations that relate to how the Council should administer the CIL regime. This is a matter for the Council. There are also representations arguing that the charges should be much higher. This examination is concerned with whether the proposed rates would undermine the viability of development in Uttlesford. My concern is whether the proposed rates are too high not whether they are too low. I cannot recommend that the rates be increased.
55. In setting the CIL charging rate, the Council has had regard to detailed evidence on infrastructure planning and the economic viability evidence of the development market in Uttlesford District. The Council has tried to be realistic in terms of achieving a reasonable level of income to address an acknowledged gap in infrastructure funding, while ensuring that a range of development remains viable across the Uttlesford District area.
56. I consider the viability assessment to be robust and conclude that, if modified in accordance with the recommendations, the rates proposed would not threaten delivery of the recently adopted LP.

Overall Conclusion

57. I conclude that the draft Uttlesford District Council Community Infrastructure Levy Charging Schedule, subject to the making of the modifications set out in **EM1 – EM3**, satisfies the drafting requirements and I therefore recommend that the draft Charging Schedule be approved.

Keith Holland

Examiner

Attachments:

Appendix – Modifications that the examiner specifies so that the Charging Schedule may be approved.

Appendix

Examiner Modifications (**EM**) recommended in order that the Charging Schedule may be approved.

| Examiner Modification (EM) | Page no./ other reference | Modification |
|-----------------------------------|----------------------------------|---|
| EM1 | Paragraph 45 | Residential development on greenfield sites £150 |
| EM2 | Paragraph 45 | Residential development on brownfield sites £75 |
| EM3 | Paragraph 52 | Employment and business uses on greenfield sites £0 |