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To: localplan@york.gov.uk
Subject: DIO Response to the Consultation on the Draft CIL Charging Schedule
Attachments: 2025-08-05 DIO York CIL Consultation response.pdf

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Dear sir / madam,

Please find attached DIO's response to the City of York Community Infrastructure Levy (CIL) Consultation.

I would be grateful if you could confirm receipt.

Please note that subject to DIO's representations on the consultation being taken into account by the Planning Inspector we will not be attending the Examination in Public on 2 September.

Kind regards,

Rosie Walsh
Graduate Planner

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Response to Draft CIL Charging Schedule modifications consultation

1. DIO Consultation Response:

- 1.1 Avison Young is instructed by the Defence Infrastructure Organisation (DIO) to respond to the Draft Community Infrastructure Levy (CIL) modifications consultation. This follows DIO responding to the proposed draft charging schedule in January 2024 (Ref: 141), on its proposed revisions to its CIL Draft Charging Schedule (DCS) for York.
- 1.2 To prepare for the submission of the DCS for examination, a fresh review of sales values and build costs has been produced, which has resulted in further modifications being proposed to the Charging Schedule. We understand that the PorterPE "City of York CIL Viability Study Addendum" published in June 2025 has informed the latest iterations to the CIL DCS.
- 1.3 DIO still has concerns about the justification behind the setting of different rates for certain residential developments. In relation to whether CIL differential rates can be set, the NPPG states the following:

"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. Differential rates should not be used as a means to deliver policy objectives."

Differential rates may be appropriate in relation to

- *geographical zones within the charging authority's boundary;*
- *types of development; and/or*
- *scales of development.*

A charging authority that plans to set differential rates should seek to avoid undue complexity."

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

- 1.4 We note that the modifications proposed that four strategic sites should have a CIL Charge of £100 per sqm which are:
 - ST1 – British Sugar/Manor School – 1,200 homes;
 - ST5 – York Central – 2,500 homes;
 - ST16 – Terry's Extensions Sites – 22 and 39 homes; and,
 - ST36 – Imphal Barracks – 769 homes.

- 1.5 However, the "Addendum" document includes a table showing the "*Viability of residential developments in CYC and their Epsm CIL liable floorspace headroom*" (Table A3). Whilst this table includes various typologies of sites, it only includes 2 of the strategic allocations, which are "*SS14 Terry's Extensions Sites (ST16)*", and "*SS20 Imphal Barracks (ST36)*". No other strategic allocations are included in this table, even though the Council is seeking a £100 charge per sqm for the above 4 strategic sites and zero CIL charge on the remaining allocated strategic sites.
- 1.6 In Table A3, the typology with the highest number of homes is 140 homes, on a brownfield and greenfield scenario, however, whilst Imphal Barracks and Terry's Extension site are included in the table, there is no typology or specific update relating to the other strategic sites, as the allocated capacities of these 8 sites are all above 140 units, as follows:
- ST4 – Land Adjacent to Hull Road – 263 homes;
 - ST7 – Land East of Metcalfe Lane – 845 homes;
 - ST8 – Land North of Monks Cross – 968 homes;
 - ST9 – Land North of Haxby – 735 homes;
 - ST14 – Land West of Wiggington Road – 1,438 homes;
 - ST15 – Land West of Elvington Lane – 3,339 homes;
 - ST31 – Land at Tadcaster Road – 158 homes; and,
 - ST33 – Station Road, Wheldrake – 150 homes.
- 1.7 It is therefore unclear why the other strategic sites are not included in this table, so that a comparison can be made with sites the Council consider should have a "zero CIL charge" and the 4 sites that the Council is proposing a charge of £100 per sqm. If the 8 strategic sites listed above are "viable", we would expect all these sites to have some level of 'CIL headroom' or 'viability buffer', but this information is absent from the Addendum document.
- 1.8 We therefore conclude that there is therefore a lack of justification in the Addendum document underpinning the Council's decision not to levy CIL against 8 strategic sites that are proposed for development in the Plan with a £0 CIL charge. Whilst site specific abnormal costs may render a CIL charge impracticable, there needs to be clear evidence that a greenfield site in York should have a lower CIL charge than sites in the urban area, particularly brownfield sites such as Imphal Barracks. It is important for the CIL charge to be justified in this respect and equitable across all proposed allocations. On face value brownfield sites are more likely to require CIL exemption than greenfield sites. In the absence of this information DIO considers that a zero CIL charge on all strategic sites would be a fully justified and equitable way of dealing with all Strategic sites in the DCS.
- 1.9 In addition, the NPPG sets out three scenarios by which differential rates may be appropriate, none of the three scenarios apply to the York strategic sites for we note the following:
- Geographical zones: The 4 sites proposed with a £100 sqm CIL charge are brownfield within the urban area. South and west of the York City Centre. The other strategic sites with a proposed zero CIL charge are on a mixture of within the urban area and around York on greenfield sites. For the reasons set out above, on face value brownfield sites are more likely to require CIL exemption than greenfield sites.

- Development type: A differential rate cannot apply to the strategic sites in relation to type of development as they all relate to housing use.
- Scales of development: this does not apply as for the range proposed (i.e. 22 at Terry's Extension to 2,500 at York Central) as all the other strategic sites with a proposed zero charge are within this range.

1.10 The other key consideration is that differences in rates need to be justified in relation to the viability of the development. In relation to Imphal Barracks DIO observed in the January 2024 consultation response (Ref 141) that:

"The appraisal [for Imphal Barracks] is broadly in line with our expectations, however:

- 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;*
- 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.*
- 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;*
- 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 CIL Charge and a zero CIL charge for Imphal Barracks should be considered.

1.12 Given the above points DIO objects to the proposed DCS as currently drafted.

CYC approach to demolition and CIL charge reduction

1.13 DIO also requested, in its January 2024 consultation response, that CYC confirm that their approach to demolition will be in line with the CIL guidance. The 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: 25-103-2019090; 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 as there are a significant number of buildings on site that would need to be demolished to

enable development to come forward. In our view they would be capable of being able to meet this NPPG definition.

- 1.15 Whilst the precise number of homes to be demolished will be established through the development management procedures, DIO is keen to have reassurance from CYC that the total floorspace of demolished buildings will be taken into account and where appropriate deducted from the total new floorspace when any CIL calculations are being run at planning application stage.
- 1.16 DIO have set out its concerns and objections to the CIL DCS and, subject to these points being taken into account by the Inspector, do not consider it necessary to attend the examination hearing on Tuesday 2nd September 2025.

Avison Young

5 August 2025