

City of York
Community Infrastructure Levy
Examination

Statement of Common Ground between
City of York Council
And
Hungate (York) Regeneration Ltd

02 Sept 2025

Background

1. Hungate is a Strategic Site (ST32) in the City of York Local Plan (2017-33). It was a large brownfield site (4.6ha) in the city centre, of which 1.1ha is allocated within the Local Plan for remaining phases (Phase 5+).
2. Outline planning permission was originally granted for the Hungate site in July 2006 (application ref: 02/03741/OUT) and renewed in December 2012 (application ref: 12/02282/OUTM) for the development of the site for 720 residential units together with shops, offices, leisure uses and community facilities. Blocks A, B and C (Phase 1) were developed under this original planning permission which is now complete and occupied.
3. Block E was developed under a separate, detailed planning application granted in 2014 (application ref: 13/03015/FULM) and is now complete and occupied.
4. Following this, a new hybrid planning permission was granted for the remaining phases of development (including Blocks D, F, G and H) in 2017 (application ref: 15/01709/OUTM approved 25.04.2017). This included an updated masterplan which provided detailed proposals for the development of Blocks D and F, and outline parameters for Blocks G and H for 1,025 dwellings across the whole site.
5. Block F was developed out under this permission and is now complete and occupied. Reserved matters have been approved for Block G (ref 17/03032/REMM approved 19.02.2018), and a new standalone application approved in respect of Block D (Ref 18/02946/FULM approved 23.10.2019), both of which have been implemented on site but remain undeveloped.
6. The opportunity to submit reserved matters in respect of the outline permission for Block H expired on 25 April 2021. A standalone detailed application was submitted for Block H in February 2021 (ref: 21/00280/FULM). The Council's Planning Committee resolved to grant planning permission at committee in January 2025 and is awaiting conclusion of the accompanying legal agreement. Consequently, Block H does not currently have planning permission. This is one of three plots yet to be constructed alongside remaining site wide public realm works, such as the construction of St Johns Square.
7. Hungate is a development containing flats and apartments. Each of the three plots yet to be constructed is envisaged to be at least seven storeys.

Areas of Agreement

Hungate site

8. The City of York Local Plan (2025) allocates Hungate as Strategic Site ST32 referenced in policies: SS3: York City Centre, SS16: Hungate and H1: Housing

Allocations. ST32 specifically reflects the remaining capacity at the site to be delivered during the outstanding phases of development (1.1 ha / Phase 5+ for approximately 570 dwellings).

9. The latest viability position specifically on the Hungate site was agreed with CYC in 2015 as part of the independent viability assessment undertaken for planning application 15/01709/OUTM. This established that there should be a reduced requirement for affordable housing for the remaining phases at 17% based on a 60:40 split between social rent and Discount Sale;
10. The officer report for standalone application 18/02946/FULM concludes: *"4.49 In considering the 2015 hybrid application, a viability appraisal was undertaken by the District Valuation Service (DVS) covering the remaining phases. The appraisal report concluded that 16-18% affordable housing was appropriate and further to detailed discussion and negotiation, 17% was agreed by the applicant and the Council as a way forward. The approval lasts until April 2020 after which there will need to be a re-appraisal or acceptance of 20% affordable housing. Taking this approval into account and in the absence of a new viability appraisal the applicants and officers have agreed to 17% affordable housing for the 186 units as approved with 20% affordable for the additional 10 apartments".* This was recommended that this be secured via a section 106 agreement.
11. The reduced affordable housing baseline of 17% was applied to the latest application (ref: 21/00280/FULM) on the basis that this provides the agreed benchmark for determining applications across the Hungate site. This resulted in 9.8% of the build to rent apartments being secured as affordable units.
12. 3.5ha of the original site is completed and occupied. If further changes are required to the approved schemes (Blocks D & G) or Block H site yet to be built, that may require new planning applications.
13. Applications for each of the remaining three plots were submitted prior to the introduction of the Building Safety Act in 2022. Each of the three plots yet to be constructed are at least 18m high or be at least seven storeys, so would be classified as a Higher Risk Building for the purposes of the Building Safety Act 2022.

Viability

14. The Council's CIL Viability Study (2022) [CSD7]:
 - Recognises at paragraph 2.31 that the PPG on CIL is clear that if viability is difficult within some areas or types of sites, then these should be set rates that are very low or zero. This is noted in the following paragraph in the PPG (para 22): *"If the evidence shows that the area includes a zone, which could be a strategic site, which has low, very low or zero viability, the charging authority should consider setting a low or zero levy rate in that area. The same principle should apply where the evidence shows similarly low viability for particular types and/or scales of development."*

- acknowledges that a separate CIL rate for ‘Strategic Sites’ may likely be considered, owing to the scale of the build, which incurs additional site and infrastructure opening costs (para 4.5).
 - Did not undertake assessments of Strategic Sites with extant planning permission (para 4.5);
 - Used BCIS median build cost values for the midpoint between 1-2 storey and 3-5 storey for the flats and apartments typology (Table 4.9);
 - Used Homes England high-level ready reckoner for demolition and land remediation costs on a per net hectare basis as an allowance on all Brownfield site typologies; this is was £400,000 per net ha for brownfield sites (para 4.45/ Table 4.10).
15. Applying the Homes England high-level ready reckoner to the 1.1ha Hungate site, a rate of approximately £440k would be applied to the 3 remaining developments at the Hungate site.
 16. The Council’s Viability Study Addendum 2023[CSD6] and 2025 [CSD5] use updated build costs for York from the Build Cost Information Service (BCIS) to inform and update the assessment from 2022. The 2025 addendum:
 - Uses BCIS median build cost values for the midpoint between 1-2 storey and 3-5 storey for the flats and apartments typology, this identifies a 1Q 2025 figure of £1,631 /psm GIA [CSD5, Appendix 2 Table A2]
 - The BCIS median build cost value for apartments that are ‘6 storeys or above’, Q1 2025 figure is £1,973 psm GIA [CSD5 Appendix 2].
 17. Should site specific assessment of the Hungate site be required where this is designed to be 6 storeys and above, the BCIS median build cost value for apartments that are ‘6 storeys or above’ could be used.
 18. The Building Safety Act 2022 has been brought into law.
 19. The UK Government has determined that the Building Safety Levy will come into effect on applications for building control approval submitted after 1 October 2026 where they are at least 18m high or 7 storeys plus. The Levy will be applied to all residential developments including houses, flats, student accommodation, and build-to-rent schemes. The proposed rates for York are £15.81/sqm GIA for Previously Developed Land and £31.61/sqm GIA for Non-Previously Developed Land¹.

Areas of Disagreement

20. The Council and Hungate Development Ltd do not agree on the following matters:

	Hungate Development Ltd	City of York Council
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¹ [Building Safety Levy: Guidance - Section 2: Levy rates and calculations - Guidance - GOV.UK](#); published 10 July 2025

<p>Hungate development costs and viability</p> <p>Site specific viability testing</p> <p>Hungate does not fit a typology tested.</p>	<p>Individual opening costs for Hungate are already known. Site wide costs have included demolition, contamination, utilities, infrastructure and particularly archaeology, as a result of its location within the historic city walls. Current viability approach ignores the totality of expense in bringing forward the site; Sitewide costs should be considered as part of viability considerations.</p> <p>It is known that viability to bring forward the remaining plots is very challenging, based on previous and current costs, as demonstrated through the application process and the 2015 financial viability statement. Notwithstanding this, it is considered that the general viability of the Hungate site has become significantly more difficult since 2015, due to the regulatory and site-specific requirements.</p>	<p>To our knowledge, site wide viability continues to be based on 2015 viability assessment; No further development costs or viability assessment has been offered. No viability assessment has been submitted for the current application (Block H) for build to rent apartments.</p> <p>In line with proportionality, the focus of the CIL Viability Study is on capturing CIL from sites that are yet to secure planning permission.</p> <p>Should the extant planning permission be amended under Section 73, then it would also be possible for the Council to apply for discretionary relief under Regulation 55 for exceptional circumstances in a separate statement. The Council does not intend to introduce exceptional circumstances relief at this time. Should changes to the permission at ST32 result in a different scheme, this should be viability assessed at that time or through subsequent reviews of CIL.</p>
<p>Inclusion in the CIL charging schedule for residential</p>	<p>Hungate would currently incur a CIL charge of £150 per sqm based on the CIL Viability Charging Schedule July 2025.</p> <p>As a Strategic Site, where costs are known to be high and where viability is known to be challenged, the Hungate Site (ST32) should have a zero CIL charge for residential development, including Build to Rent (BtR).</p>	<p>Hungate would currently incur a CIL charge of £150 per sqm based on the CIL Viability Charging Schedule July 2025.</p> <p>The viability assessment does not test sites with planning permission. In line with proportionality, the focus of the CIL Viability Study is on capturing CIL from sites that are yet to secure planning permission.</p>

		<p>Should the extant planning permission be amended under Section 73, then it would also be possible for the Council to apply for discretionary relief under Regulation 55 for exceptional circumstances in a separate statement. The Council does not intend to introduce exceptional circumstances relief at this time. Should changes to the permission at ST32 result in a different scheme, this should be viability assessed at that time or through subsequent reviews of CIL.</p>
<p>Regulatory changes are not considered in viability testing</p> <p>Council's viability assessment ignores the typology of buildings under the Building Safety Act 2022.</p>	<p>Hungate development is impacted by the Building Safety Act² given that each of the three plots yet to be constructed is envisaged to be at least 18m metres in height or have at least seven storeys, meaning it need to comply with the additional requirement of the Building Safety Act and High Risk Buildings gateway processes, and that has clearly been ignored. These impacts of the Building Safety Act can be categories into physical requirements of the building regulations or associated enhancements arising from the Building Safety Act (such as introductions of second staircases and evacuation lifts) and the notional uplifts for the incorporation of the consultancy, contractor and Building Safety Regulation fees and costs. The Building Safety Act Cost Model</p>	<p>We accept that the Building Safety Act includes residential buildings in England that are at least 18 meters tall or have at least seven stories and contain at least two residential units as "higher-risk buildings".</p> <p>Notwithstanding this, the existing viability evidence builds in contingency of 4% and a significant buffer to the headroom to ensure the CIL is viable. The additional levy costs should be able to be accounted for within these in-built assumptions.</p> <p>In the Government's June 2025 Spending Review they committed to £39b to help fund affordable homes thereby relieving viability pressures on development and to increase the supply of affordable housing. Additionally, the York and North Yorkshire Combined Authority has a Brownfield Housing Fund programme which seeks to</p>

² [Building Safety Act 2022 https://www.legislation.gov.uk/ukpga/2022/30/contents](https://www.legislation.gov.uk/ukpga/2022/30/contents)

	(2024) research from AECOM (see Annex 3) has evidenced that the notional uplifts for the incorporation of the consultancy, contractor and Building Safety Regulation fees and costs is between 1.25%-2% of construction costs	support and accelerate the delivery of affordable homes across the region. Started in 2023, the programme periodically welcomes applications for funding grants to enable delivery. Both of these schemes may present future opportunities to ensure viability.
Inclusion in the CIL Charging schedule for purpose built student accommodation (PBSA)	As a Strategic Site, where costs are known to be high and where viability is known to be challenged, the Hungate Site (ST32) should have a zero CIL charge for PBSA.	<p>The delivery of PBSA has been appropriately tested through the CIL Viability Assessment and Addendums [EiP refs CSD5, CSD6a, CSD6b & CSD7].</p> <p>The latest evidence [July 2025, CSD6B] sets out assumptions based upon revised rental information. This demonstrated strengthening headroom for PBSA as follows:</p> <p><i>25. The updated viability results show strong development viability in the off campus PBSA sector in the City of York, with a substantial maximum financial headroom for supporting wider infrastructure through CIL. In the current market covering the 2024/25 academic year, this headroom is significantly higher across all the tested sites than when they were previously tested in Nov'23.</i></p> <p><i>26. Consequently, off campus PBSA developments should easily afford the currently proposed DCS CIL rate of £150 psm</i></p> <p>Current planning permissions on ST32 do not relate to the delivery of PBSA. Should changes to the permission at ST32 result in a different</p>

		<p>scheme, this should be viability assessed at that time or through subsequent reviews of CIL.</p> <p>In line with the regulatory advice, it may be possible for the Council to apply discretionary relief under Regulation 55 for exceptional circumstances in a separate statement subject to the viability assessment of a proposed scheme.</p>
Modifications for clarity	Hungate should be included in the category ' <i>Residential dwellings within the City of York Local Plan strategic sites</i> ' rated as £0 per sqm	Based upon viability and placement of other brownfield urban allocations within York, the schedule <i>could</i> be clarified to include Hungate (ST32 - remaining phases) in ' <i>Residential dwellings within the City of York Local Plan strategic sites</i> ' rated at £100 per sqm.

Endorsement

City of York Council

Name: Alison Cooke
Position: Head of Strategic Planning Policy
Date: 01 Sept 2025
Signature:

Alison Cooke

Hungate (York) Regeneration Ltd (HYRL)

Name: Alex Bull
Position: Development Manager
Date: 02 Sept 2025
Signature:

Alex Bull

