

Lambeth CIL Examiner
 c/o Lambeth CIL Team
 PO Box 734
 Winchester
 SO23 5DG

Sent via email

23rd April 2021

Dear Sir,

Lambeth CIL Draft Charging Schedule

Thank you for the opportunity to comment on the updated Viability assessments which the Council has commissioned to support their Modified Draft Charging Schedule.

As you note our original representations were to the London Borough of Lambeth: Local Plan and Community Infrastructure Levy Viability Review, dated July 2018. We will refer to this as the ‘2018 Study’. That is available at this link:

<https://modern.gov.lambeth.gov.uk/documents/s98817/Appendix%20J%20-%20Viability%20Study.pdf>

The updated version to which you have kindly referred us to we will refer to as the ‘2019 Study’. That is linked here.

https://www.lambeth.gov.uk/sites/default/files/pl_Lambeth_DRLLP_and_CIL_Review_Viability_Study_2019.pdf

Our previous representations, amongst other points, referred to the summary of Benchmark Land Values (BLVs) in Table 4.40.1 (page 35) and the Appraisal outputs set out in Tables 6.34.1 onwards and Figures 6.36.1 onwards (pages 53 to 70).

For ease of reference a screenshot of Table 4.40.1 is shown below:

Table 4.40.1: Benchmark land values adopted (£ millions per gross hectare) including premium

Uses	Zone A	Zone B	Zone C
Offices	£75.00	£35.00	£25.00
Existing residential	£55.00	£29.00	£10.00
Public houses	£6.50	£18.00	£30.00
Industrial	£2.75	£5.00	£7.50

We have subsequently reviewed the 2019 Study. That version includes a Table of Benchmark Land Values at Table 4.39.1 which is identical to that in the 2018 Study, for ease of reference see below:

Table 4.39.1: Benchmark land values adopted (£ millions per gross hectare) including premium

Uses	Zone A	Zone B	Zone C
Offices	£75.00	£35.00	£25.00
Existing residential	£55.00	£29.00	£10.00
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The 2019 Study also includes what appear to be a set of identical tables and figures from pages 52 to 69.

Therefore for these purposes our comments in bullet points 3 to 6 on the 2018 Study remain equally valid for the updated study and we would therefore be grateful you could consider them as part of your current deliberations.

We note that in its response to Berkeley Group response on the PDCS the Council's response (see examination document LCO 02) states on Page 23 that:

"The Council has instructed its viability consultant BNPP to review the viability evidence and ensure this is sufficiently robust to support the proposed CIL rates in Zone A for residential, hotel and office types of development."

However, the updated report does not provide any additional evidence for this, and we would also point out that our response also referred to Zone B.

Bullet point 6 was referring to the lack of cross reference between the BLVs in Table 4.40.1 (now table 4.39.1) and those used in the Appraisal Tables. So, as an example, Table 6.34.1 for CIL Zone B has BLVs of:

- BLV 1: £40 million
- BLV 2: £29 million
- BLV 3: £30 million
- BLV 4: £5 million

Two of these are different from the tables (Table 4.40.1 and 4.39.1) which are supposed to be the source data and there is no explanation for this.

As we noted at the top of Page 5 in our original letter, Berkeley is primarily concerned with larger high density residential typologies. In practice there are a limited number of sites with capacity for such developments and such sites are either in existing higher value use or have major abnormal costs, significant policy requirements (particularly for industrial sites) and often all three. Our first five bullet points on page 5 set out in more detail some specific issues. Therefore such generic appraisals as included in the study do not provide appropriate evidence that the proposed CIL charges will allow for such sites to be delivered viably. We hope that this provides a clarification of our position and are grateful for the opportunity to respond.

Yours sincerely,



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