

## Paul Statham

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**From:** Paul Statham  
**Sent:** 29 June 2015 14:35  
**To:** planning-policy  
**Subject:** FW: representation from Code students

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**From:** Andy Ward [<mailto:award@rg-p.co.uk>]  
**Sent:** 19 March 2015 21:50  
**To:** Jamie Lewis  
**Cc:** James Badley; 'Rick Moore'  
**Subject:** FW: LCC CIL and student accomm

Hi Jamie

Apologies for the delay in getting this revised CIL text to you.

I've updated the previous CIL comparison table below; I've added Hull, Newcastle and Southampton, which are comparable locations to Leicester and are proposing or have adopted CIL. London authorities are not included because the economic context there is entirely different: such authorities are setting CIL charges for all uses that are significantly above the average outside London.

The observations below aren't meant to be an exhaustive critique or formal recommendations for how to respond to LCC.

To come up with a draft charging schedule the Council had to carry out a viability assessment. As part of this they looked at example charging rates (draft and adopted) by other LPA's. They only used one example for student accommodation, from Birmingham. At the time (Jan 2013) Birmingham was proposing a charge of £115sqm which, as the updated table shows, they have subsequently dropped to £69sqm. This demonstrates LCC should have refreshed the viability study since Jan 2013 but hasn't. There are other economic factors that will have changed besides Birmingham revised down its draft charge and, as the table shows, there are more comparable locations to look at. The charge proposed by Birmingham (still quite high) will also inevitably reflect the much larger student population of 55,000 students at Birmingham's four Universities and other factors such as higher student rents that would support a higher charge.

A review of their draft charging schedule would also seem warranted since the Government recently created greater flexibility for LPA's in charging differential rates for different uses in different parts of their area. In this regard, LCC's charging schedule seems a little one dimensional. It would also seem that the Council is undercharging for residential development outside the SRA in comparison with other LPA's. Indeed, at £25sqm for dwellings outside the SRA it seems they'd be charging less than what the viability assessment says they've been getting from S.106's on average.

There is also no projection for how much money they would expect to get from student accommodation at £100sqm. This goes to the heart of the CIL process. LPA's are not meant to be levying a charge that would net little or no income. The whole point of CIL is to help fund infrastructure requirements from expected development over the life of the local plan. Other LPA's have declared that they won't levy a charge for uses they expect to get little income from.

A charge of £100sqm would almost certainly significantly reduce if not completely cut off the supply of new student accommodation in Leicester. As demand is expected to grow for many years to come (even if only slightly), this will result in more homes being lost to conversion which would be a sad reversal of one of the benefits of all the new accommodation that has been delivered over the last 15 years. The viability assessment acknowledged that it is dangerous to levy a charge that is out of step with neighbouring LPAs. As far as we know, none of the adjacent LPAs

are looking to introduce a levy on student accommodation, which creates the immediate threat of development being pushed to sites just outside the city boundary.

But, the amount and quality of student accommodation also has an effect on the desirability of the universities it serves. Cutting off the supply in Leicester will indirectly make universities elsewhere more desirable when, as the table shows, comparable town and cities have little or no charge and can therefore be expected to continue to grow their student accommodation sector.

There is also the fact that purpose-built student accommodation in Leicester has been a key driver of regeneration in and adjacent to the City Centre over the last 15 years. Many sites have been redeveloped that would have been uneconomic to do so for regular housing, many construction jobs have been generated over a sustained period, and £10m's have been pumped into the local economy, not least through the many small businesses (include new shops for example) that have benefit from this growth.

It is appreciated a charge of zero would be at odds with the current situation, whereby student accommodation in Leicester has been normally paid contributions towards green space infrastructure. In view of this, a charge of £10sqm would be comparable with what developments have been paying and would therefore not be expected to reduce supply.

I trust this is of help.

Kind Regards  
Andy

LPA	CIL Status	Student Charge per sqm	Link
Birmingham	draft	£69 (£0 in SUE)	<a href="#">Birmingham CIL</a>
Bradford	No CIL	n/a	
Cardiff	draft	£0	<a href="#">Cardiff CIL</a>
Hull	draft	£0	
Leeds	adopted	£0	<a href="#">Leeds CIL</a>
Leicester	draft	£100	<a href="#">Leicester CIL</a>
Liverpool	No CIL	n/a	
Manchester	No CIL	n/a	
Newcastle	draft	Zone 1 (city centre): £16 Zone 2: £16 elsewhere: £0	<a href="#">Newcastle link</a>
Nottingham	No CIL	n/a	
Sheffield	draft	£30	<a href="#">Sheffield link</a>
Southampton	adopted	£0	



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