



**Nathaniel Lichfield
& Partners**

Planning, Design, Economics.

Warwick District Council
PO Box 2178
Riverside House
Milverton Hill
Royal Leamington Spa
Warwickshire
CV32 5QH

14 Regent's Wharf
All Saints Street
London N1 9RL

020 7837 4477
london@nlpplanning.com

nlpplanning.com

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Your ref

Dear Sirs

Community Infrastructure Levy: Preliminary Draft Charging Scheme June 2013

We have reviewed the above document in relation to the proposed CIL Levy for hotel development in the District.

We object to the proposed figure of £100 per square metre. The 'evidence' used to arrive at this figure appears to be based on one project (The Waterways, in Stratford). Using one example is inadequate as a basis to assess CIL.

There are further reasons to question whether this is an adequate "benchmark".

- 1** The Waterways hotel has been developed adjacent to a canal, but in the midst of a relatively low quality environment, dominated by single-storey industrial and retail units. Whilst the hotel is relatively 'attractive', the materials, detailing and uniformity are relatively simple. An hotel in the towns of Warwick or Leamington may need to be of substantially higher quality, especially if the site is within a Conservation Area or the setting of listed buildings. This will add to the costs, potentially both the base construction and external works percentage. These would increase in comparison with those set out in the para. 4.40.1 of BNP Paribas Real Estate Report Viability Study, June 2013.
- 2** Scale, the single example quoted has 130 rooms. Constructing a building of this size will benefit from 'economies of scale'. However, many sites in Warwick and Leamington are relatively small and may not be able to accommodate a development with that number of rooms. Accordingly, the costs, per room, can increase and therefore, affect viability.
- 3** The worked example makes an assumption that some floorspace is existing. The refurbishment cost is given as £50 per square foot. It is unclear what scope of refurbishment is assumed and whether this would be adequate if a listed building is the subject of the refurbishment. Given the substantial number of listed buildings in Warwick the extraordinary costs of such projects should be considered.



- 4 Allied to point 3 is the issue of 'enabling development'. An hotel development may be necessary to generate funds for the refurbishment/maintenance of 'heritage assets'. The CIL as currently proposed may undermine a project's viability and, if it fails to materialise, the funds will not become available to spend on maintaining a heritage asset(s).

Overall, we consider that a more detailed analysis is required before setting any CIL charge for hotels. We would welcome the opportunity to discuss the situation associated with hotel development with you in further detail.

Yours faithfully



Nicholas Thompson

Director