

15 July 2016

Delivered by email

Local Plans Team
Sefton Council
Madgdalen House
30 Trinity Road
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Dear Sirs

SEFTON COMMUNITY INFRASTRUCTURE LEVY PRELIMINARY DRAFT CHARGING SCHEDULE & COMMUTED SUM PAYMENT IN LIEU OF AFFORDABLE HOUSING ON SITE

Following review of the Community Infrastructure Levy Draft Charging Schedule and supporting evidence, we have been instructed by our, BDW Trading Limited, to provide comments as requested by the Local Plans team in a letter dated 10 June 2016.

The comments attached to this letter make reference to the Community Infrastructure Levy – Economic Viability Study February 2016 (CILEVS) and the Local Plan & Community Infrastructure Levy Economic Viability Study December 2014 (LPEVS).

We have also reviewed the Sefton Council commuted sum payment in lieu of affordable housing on site Practice Note May 2016 and comment as follows:

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“The applicant is required to identify which homes in their scheme would be the affordable units to comply with the Council’s affordable housing policy, if they were to be provided on-site.”

A scheme designed for 100% open market sale is unlikely to include a policy compliant mix of affordable house types, especially in higher value locations. Larger units are likely to contain a lower proportion of bed spaces when compared to smaller units, meaning that a scheme of larger housing units will be disproportionately impacted.

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“The evidence we will accept is a letter from three Registered Providers that are active in Merseyside, preferably Sefton. The Council will use the average RP transfer rate to calculate the cost to developer.”

The current level of demand from Registered Providers is low, and it may not be possible to obtain interest or purchase offers from three Registered Providers.

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The approach adopted inflates the “*cost to developer*” by 43% to reach the “*FINAL Financial Contribution*”. The approach appears to double count an element of the “*cost to developer*”, producing an inequitable result.

By providing the off-site contribution at the “*cost to developer*”, the developer is providing an affordable housing payment which is equivalent to 30% of the total scheme and is, therefore, policy compliant and in no need of inflation. Off site affordable bed spaces will not form part of a scheme and should not be included within any bed space calculation.

We have strong concerns in respect of the proposed approach and would welcome further dialogue in this regard.

Yours faithfully

A black rectangular redaction box covering the signature of Steve Smith.

Steve Smith

Associate Director, Economics

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