



## **Caerphilly County Borough Council and Merthyr Tydfil County Borough Council**

### **Draft Community Infrastructure Levy (CIL) Joint Examination**

### **Hearing Session Statement – S106 Information**

### **Examination January 2014**

**Joint submission**

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ES4

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## Hearing Session Statement - S106 information

### 1. Introduction

This Hearing Session Statement has been prepared by Merthyr Tydfil County Borough Council (MTCBC) in order to help facilitate appropriate discussion at the Joint Examination of the Draft Community Infrastructure Levy for Merthyr Tydfil and Caerphilly. The Statement sets out what planning obligations have been secured through Section 106 agreements since 2010 and compares these agreements to what would be secured under a CIL regime.

### 2. S106 Agreements

Whilst there is not an extensive evidence base to assess in regard to recent S106 agreements, the following table indicates what has been secured through Section 106 agreements since 2010.

**Table 1**

<u>Cwmglo Road, Heolgerrig, Merthyr Tydfil</u> <ul style="list-style-type: none"><li>• 53 dwellings, 4900sqm (approx)</li><li>• £120,000 – affordable housing contribution</li><li>• £20,000 – leisure contribution</li><li>• £10,000 – highway contribution</li><li>• <b>TOTAL S106 value: £150,000 (£31 per sqm)</b></li></ul>
<u>Trevor Close, Pant</u> <ul style="list-style-type: none"><li>• 28 dwellings, 2240sqm</li><li>• £45,000 affordable housing contribution</li><li>• £15,000 leisure contribution</li><li>• <b>TOTAL S106 value: £60,000 (£27 per sqm)</b></li></ul>
<u>Former Mardy Hospital Site, Merthyr Tydfil</u> <ul style="list-style-type: none"><li>• 65 dwellings, 5850sqm</li><li>• £100,000 affordable housing contribution</li><li>• £35,000 leisure contribution</li><li>• £53,000 education contribution</li><li>• <b>TOTAL S106 value: £188,000 (£32 per sqm)</b></li></ul>
<u>Manor View, Trelewis</u> <ul style="list-style-type: none"><li>• 280 dwellings, 25,200sqm</li><li>• 5% on site affordable housing</li><li>• £250,000 education provision</li><li>• £50,000 LEAP financial contribution</li></ul>

<ul style="list-style-type: none"> <li>• £85,000 off site leisure contribution</li> <li>• £10,000 on site LAP</li> <li>• £10,000 on site LLAP</li> <li>• £30,000 POS maintenance contribution</li> <li>• £7,000 S106 monitoring fee</li> <li>• <b>TOTAL S106 value: £442,000 (£18 per sqm) (plus on site affordable housing)</b></li> </ul>
<p><u>Former Ysgol Santes Tudful, Penyard, Merthyr Tydfil</u></p> <ul style="list-style-type: none"> <li>• 8 dwellings, 960sqm</li> <li>• £26,000 affordable housing contribution</li> <li>• <b>TOTAL S106 value: £26,000 (£27 per sqm)</b></li> </ul>
<p><u>Expansion of Cyfarthfa Retail Park, Merthyr Tydfil</u></p> <ul style="list-style-type: none"> <li>• Expansion of existing retail park, increase of approx 4000sqm</li> <li>• £3000 - Vehicle Message Signs</li> <li>• £1800 – Heritage Interpretation boards</li> <li>• £1715 – S106 monitoring fee</li> <li>• <b>TOTAL S106 value: £6,515</b></li> </ul>

As can be seen from Table 1, S106 agreements have generally secured obligations that, when broken down to a square metre basis, are higher (between 8-30%) than the rate of CIL that is being proposed. However, only one of the above developments has secured policy compliant, on site affordable housing and this site has a lower per sqm value for the S106 agreement when excluding the affordable housing.

It is also worth noting that all the remaining sites were purchased prior to the economic crash at inflated land prices. It is considered that if current, more appropriate land values were used on these sites then they would also be able to cope with policy compliant affordable housing.

Once CIL is adopted, and gives certainty and clarity as to what is expected from a developer, the Council considers that land values should reflect a development that is policy compliant in terms of both CIL and affordable housing contributions.

### 3. Equivalent sites under CIL

**Table 2**

<p><u>Cwmglo Road, Heolgerrig, Merthyr Tydfil</u></p> <ul style="list-style-type: none"> <li>• 53 dwellings, 4900sqm (approx) - £25sqm</li> <li>• <b>CIL contribution - £122,500</b></li> <li>• 10% affordable housing on site would be sought</li> </ul>
<p><u>Trevor Close, Pant</u></p> <ul style="list-style-type: none"> <li>• 28 dwellings, 2240sqm - £25sqm</li> <li>• <b>CIL contribution - £56,000</b></li> </ul>

<ul style="list-style-type: none"> <li>• 10% affordable housing on site would be sought</li> </ul>
<u>Former Mardy Hospital Site, Merthyr Tydfil</u> <ul style="list-style-type: none"> <li>• 65 dwellings, 5850sqm - £25sqm</li> <li>• <b>CIL contribution - £146,250</b></li> <li>• 10% affordable housing on site would be sought</li> </ul>
<u>Manor View, Trelewis</u> <ul style="list-style-type: none"> <li>• 280 dwellings, 25,200sqm - £25sqm</li> <li>• <b>CIL contribution - £630,000</b></li> <li>• 5% affordable housing would also be sought</li> </ul>
<u>Former Ysgol Santes Tudful, Penyard, Merthyr Tydfil</u> <ul style="list-style-type: none"> <li>• 8 dwellings, 960sqm - £25sqm</li> <li>• <b>CIL contribution - £24,000</b></li> <li>• Financial contribution towards affordable housing would also be sought</li> </ul>
<u>Expansion of Cyfarthfa Retail Park, Merthyr Tydfil</u> <ul style="list-style-type: none"> <li>• Expansion of existing retail park, increase of approx 4000sqm</li> <li>• <b>CIL contribution £400,000</b></li> </ul>

As can be seen from Table 2, the amounts secured through CIL would generally be lower than the total value of previous S106 agreements. However, affordable housing would need to be considered in addition to the CIL charge, and this is where purchasing land at an appropriate price becomes important.

With regard to other S106 contributions affecting viability once CIL is adopted, it is the intention of MTCBC to include as much infrastructure in the Regulation 123 list as possible to give developers certainty in regard to contributions. The most regular types of obligations such as education and leisure contributions will be covered by the CIL contribution. The only known case where there will be additional cost is on 6 remaining housing allocations where on site play provision is required in line with LDP Policy.