



Head of Town Planning  
Merthyr Tydfil County Borough Council  
Unit 5  
Triangle Business Park  
Pentrebach  
Merthyr Tydfil  
CF48 4TQ

2<sup>nd</sup> September 2013

Dear Sirs,

**Consultation on the Draft Community Infrastructure Levy (CIL) Proposed Charging Schedule**

I am writing on behalf of Hendre Limited (which includes both Hafod Housing Association Limited and Hafod Care Association Limited) in respect of the Draft Community Infrastructure Levy (CIL), proposed Charging Schedule.

As Registered Social Landlords (RSL's) operating within Merthyr Tydfil County Borough Council we welcome the opportunity to present our observations in respect of the CIL and in particular the proposed Charging Schedule.

As the primary function of the Hendre group members is to assist those in housing need by providing Affordable Housing (and are also Charitable organisations) we accept that we will not be directly affected by the proposed charging mechanism contained within the CIL as we receive the concession that the CIL is not levied for the types of development we regularly undertake. We can also appreciate the certainty that a Charging Schedule could provide for developers in identifying "up-front" non-negotiable contributions that are required (or not required) to be made for a scheme in a prescribed area of the Authority.

Given the reduction in the Social Housing Grant (SHG) capital programme within Wales over recent years, every opportunity should be made to encourage the delivery of Affordable Housing through other mechanisms, including the planning system.

**John Wreford** csw, RSW Chairman / Cadeirydd

**Ian Williams** FCIH, MRICS Group Chief Executive & Company Secretary / Y Grŵp Prif Wiethredwr ag Ysgrifennydd Cwmni

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However, it is felt that by leaving the requirement for Affordable Housing as a non-mandatory element of the CIL that is therefore open to negotiation, it will be very difficult to predict and programme for the amount of Affordable Housing that will be provided outside the main Social Housing Grant Programme.

The measure of viability of a development site is a very subjective exercise, with the delivery of Affordable Housing being the only element that is dependent upon the case that a developer may choose to make in support of their argument either for or against providing Affordable Housing for a given site.

We appreciate the balance needed in generating revenue whilst providing economic viability and the CIL residential rates provided within the Proposed Draft Charging Schedule appear realistic when read in accordance with the "Study into the economic viability of charging community infrastructure levy in Caerphilly, Merthyr & Rhondda Cynon Taf County Borough Councils" prepared by District Valuer Services, however the greatest test of this will take place when cases are made by developers for the reduction of Affordable Housing provision on sites due to viability issues.

We would also wish to raise the mechanism for recovery to be employed by the Authority on larger strategic sites if the parameters on which the original viability were based were to change significantly, between any agreement to decrease or forego any Affordable Housing, and the completion of the development. For example, where expected abnormal costs do not materialise or the market increases over a review period to such an extent that it would have enabled the provision of Affordable Housing to have been increased.

Should you wish to discuss any elements of the representation made above in greater detail please do not hesitate to contact me.

Yours faithfully  
On Behalf Of Hendre Limited



Matthew Davies  
Director of Development Services