

15 July 2016
L 160715 Sefton - CIL Reps

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Dear Sir or Madam

**Representations on behalf of Catalyst Capital
Sefton Council's Preliminary Draft Charging Schedule for the Community Infrastructure Levy**

Introduction

We write on behalf of our client, Catalyst Capital, in relation to the above. The representation is made in respect of Sefton Council's Preliminary Draft Charging Schedule (PDCS) for the Community Infrastructure Levy (CIL). The representation specifically relates to the Former Phillips Factory and associated units on Balmoral Drive in Southport, of which Catalyst is the freehold landowner.

The Site

The site provides a total of 360,000 sq.ft of low grade/derelict accommodation comprising a mixture of predominantly industrial units. The long term leaseholder, Phillips, vacated the site in 1996. Since then parts of the site have been sub-let on a variety of short term leases. We understand that Phillips' lease is due to expire and they will then vacate the site 2019, upon which the site will remain vacant.

The Former Philips site on Balmoral Drive was originally promoted for residential uses by the previous owner Cerberus, who has since gone into administration. Our client, Catalyst, have recently purchased the site and has aspirations to return it to beneficial and viable use by redeveloping it for housing. Current proposals for the site comprise a 176 unit housing scheme. On 13 July a public consultation event was held to seek the opinions of local residents on the proposals. A planning application for the proposal is expected to be submitted following analysis of the feedback received during the consultation.

Preliminary Draft Charging Schedule for the Community Infrastructure Levy

The Council has prepared a PDCS for its CIL in the borough. The proposed charging rate for developing new homes in the northern part of the Borough where Southport is located is £40 per sqm.

The remainder of this letter comments only on the parts of the PDCS relevant to the Former Phillips Factory site on Balmoral Drive and is set out under the following headings.

1. The Development Plan
2. Housing Requirements and Delivery
3. Brownfield Sites
4. Affordable Housing
5. Other Section 106 Requirements
6. The NPPF





1. The Development Plan

The adopted Development Plan for Sefton comprises the saved policies of the 2006 Unitary Development Plan (UDP). In 2009, under the Planning & Compulsory Purchase Act 2004, most of the policies from the 2006 UDP were saved, however, the following were not:

- H1 - Housing Requirement
- R5 - Edge-of-Centre Retail Development: TAVR site, Strand Road, Bootle
- R8 - Upper Floors in Defined Centres and Shopping Parades
- T3 - Pedestrian Priority on Chapel Street, Southport

Sefton Council is currently in the process of preparing a new development plan, a Local Plan for Sefton, which will guide development in the Borough until 2030. The following points summarise current stage of the production of the emerging Local Plan:

1. The Submission Draft Local Plan (including a Policies Map showing site allocations) was submitted to the Secretary of State for independent examination on 3 August 2015 by a Planning Inspector.
2. A series of examination hearings took place between November 2015 and January 2016.
3. The Inspector has indicated that the Plan is sound subject to some modifications.
4. The Council approved the Inspectors recommendations and is currently consulting on those Proposed Modifications which ends on 3rd August 2016.
5. The Council's Local Plan timetable anticipates that it will be formally adopted in January 2017.

In light of the above it is clear that the emerging Local Plan for Sefton is at an advanced stage. The Inspector has found it largely to be sound and the Council's Cabinet approved his recommended amendments. It follows that weight can be attached to its policies, which includes the housing targets which in particular, as these were not saved under in 2009 as part of the UDP.

Draft Policy IN1 – 'Infrastructure and Developer Contributions' of the emerging Local Plan for Sefton includes a policy requirement for the Council to seek CIL payments where appropriate to enhance and provide infrastructure to support new development.

Local Plan Allocation – Former Philips Factory, Balmoral Drive (ref. MN2.3)

The site has an allocation for residential development with an indicative capacity of 158 units within the Sefton Local Plan. The site is allocated under Policy MN2 Housing, Employment, and Mixed Use Allocations. The site reference for the Former Philips Factory on Balmoral Drive is MN2.3.

2. Housing Requirements and Delivery

Draft Policy MN1 – 'Housing and Employment Requirements' of the emerging Local Plan for Sefton identifies an overall housing delivery target of 11,520 new homes for the plan period (until 2030). Sefton has historically under delivered on housing and the Housing Requirement Study undertaken by NLP for the evidence base of the Local Plan identified a current short fall of around 1,245 homes.

Draft Policy MN1 states that the delivery of the emerging Local Plan target, including the backlog, is expected to be achieved through:

1. The housing allocations
2. Sites with planning permission for housing development
3. Other sites identified in the Strategic Housing Land Availability Assessment (SHLAA)
4. Unanticipated or 'windfall' sites

Through the housing allocations alone Southport is expected to deliver approximately 1,821 dwellings. The 158 unit indicative capacity for the Former Philips site at Balmoral Drive makes up around 9% of that target. It



follows that delivery of the site is key to realising policy targets for Southport, especially if the delivery of SHLAA and windfall sites is lower than anticipated in that area.

3. Brownfield sites

The allocated sites include a mix of housing across Sefton comprising including Brownfield sites, other urban land, and sites in the Green Belt. The Former Philips site is a Brownfield site. As part of the planning application a number of site assessments are being carried out, such as a land contamination assessment, in order to determine the extent of the work that will be required in order for the development to be carried out.

Brownfield sites are the government's preference for delivering new homes. Paragraph 17 of the NPPF sets out the Core Principles one of which is to encourage the effective use of land by reusing land that has been previously developed (Brownfield land). However high development costs often stifle the delivery of Brownfield sites. The addition of CIL rates could further stifle Brownfield development and put pressure on the Government's Brownfield first policy ambition.

To ensure that the allocated Brownfield sites such as the Former Philips site are brought forward for development, we recommend that the Council considers individual site characteristics. It may be that it is more appropriate to set separate CIL rates for Greenfield and Brownfield sites which take into account potential additional development costs typically associated with regenerating Brownfield sites.

4. Affordable housing

There is a three way trade off with regard to CIL, Section 106 agreements (s106) and affordable housing provision. If the CIL rate is set too high then the requirement to also deliver necessary site specific infrastructure through s106 can cause viability tensions that often results in difficulties in providing affordable housing.

There is a need to provide additional affordable housing in Sefton. Southport has the greatest numeric need to provide affordable housing of all of the settlements in Sefton, at 203 new affordable homes per annum for the plan period. Policy HC1 – 'Affordable and Special Needs Housing' from the of the emerging Local Plan sets out that the Council is seeking 30% affordable housing provision on sites above 15 dwellings. This requirement applies to the Former Philips Factory on Balmoral Drive.

There is undoubtedly a significant need for affordable housing within the area, therefore it is imperative the CIL is set at a level whereby developers are unable to meet policy requirements for delivering affordable housing. This is especially the case on sites such as the Former Philips Factory where there could also be unanticipated abnormal development costs typically associated with Brownfield sites. Work is ongoing to determine the development costs and viability of the proposed redevelopment of the site.

5. Other Section 106 Requirements

In addition to affordable housing there are numerous other s106 requirements for housing developments. These include site specific improvements within the following categories as identified at draft Policy IN1 – 'Infrastructure and Developer Contributions' (paragraph 9,7) of the emerging Local Plan for Sefton.

- Transport improvements
- Additional school places
- Water supply and sewers
- Reduction of flood risk
- Public open space and other green infrastructure (including trees)
- Community facilities
- Improvement of heritage assets
- Habitat compensation or mitigation
- Cross boundary infrastructure

In combination, all of these requirements will inevitably place an additional cost burden on house building across Sefton. With CIL in addition, there is a real risk that house building activity will be stalled due to site viability concerns. This would be a significant concern when considered in the context of Sefton's significant and growing housing requirement, the existing backlog of around 1,245 homes coupled with the emerging Local Plan housing delivery target 11,520 new homes during the plan period. The Council should do everything it can to ensure that the additional pressure that CIL charging will put on housing delivery will not prevent it from clearing the back log and meeting these targets.

6. The NPPF

The National Planning Policy Framework (NPPF) places significant emphasis on economic growth to create jobs and prosperity and to deliver the new homes that the country needs. The overarching objective of the NPPF is to secure sustainable economic development.

Paragraph 19 of the NPPF states:

*'The Government is committed to ensuring that the planning system does everything it can to support sustainable economic growth. **Planning should operate to encourage and not act as an impediment to sustainable growth.** Therefore significant weight should be placed on the need to support economic growth through the planning system.'*

Paragraph 175 states:

*'Where practical, Community Infrastructure Levy charges should be worked up and tested alongside the Local Plan. The Community Infrastructure Levy should **support and incentivise new development...***

It is evident from the NPPF that CIL should not harm the viability of development. We would recommend that the liability proposed in respect of housing development should be reduced in order to maintain viability for development proposals, particularly on Brownfield sites such as the Former Phillips Factory site, and ensure that Sefton remains an attractive location for housing developers.

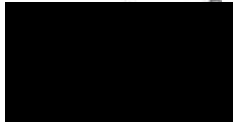
Conclusion

This letter has demonstrated why it is important that CIL charging does not harm the viability of development. In conclusion:

1. Given Sefton's housing needs for now until 2030, and the backlog created by historic under delivery against housing targets, it is imperative that CIL rates do not stifle the delivery of much needed new homes.
2. We have identified that Brownfield sites such as the Former Philips site, which may have abnormal development costs, are particularly vulnerable to being stifled by overly onerous CIL rates. We recommend that the Council considers separate charging for Brownfield and Greenfield sites so that it can support the Government in preferring new development on Brownfield land.
3. This representation has shown that in areas with high affordable housing needs, like Southport, the Council must carefully consider the proposed CIL rate to ensure it does not prevent affordable homes being delivered in areas where they are most needed.
4. The Council must strike the right balance in the trade off between development costs and the contributions required for infrastructure either through CIL or s106. Too many requirements cumulatively could stall development.

We trust that these representations will be taken into consideration as part of the Council's ongoing production of a CIL charging schedule. Should you have any questions please do not hesitate to contact either Trevor Adey or Jonathan Ainley at these offices.

Yours sincerely



Savills
Planning

cc. Giles Hall