

The Rt Hon Sajid Javid MP
Housing, Communities and Local Government Secretary
Department for Housing, Communities and Local Government
Fry Building
2 Marsham Street
London
SW1P 4DF

9 March 2018

RE: Planning loophole

Residents in my area are incensed because they see large sums of money that were promised for their communities (under s106 of the Growth and Infrastructure Act 2013) being handed back to developers following the introduction of our Community Infrastructure Levy (CIL) and Local Plan. These funds are desperately needed to provide fundamental facilities for the extra people that will be occupying the new housing built by the developers.

The extra burdens on a community arising from new housing are very carefully calculated in terms of primary school buildings, for example. We ask developers to contribute to those costs – according to a strict formula. It does not cover funding services which is another issue, because that is funded by general taxation, of which less and less flows through from the Government back to councils.

However, the developers seek to avoid or minimise their contributions to the community's needs, arguing that any payment erodes their profit. They often have the option of more profitable developments in other parts of the country, creating a race to the bottom for our communities. Councillors agree to reduced contributions based on viability assessments, which they are not allowed to see. It is clear why members of the public find this difficult to understand.

For example, the introduction of the Central Lincolnshire Local Plan and CIL has seen a reduction in the requirement for the proportion of affordable housing provided by developers from 35% to 25%, to leave enough profit for the developers after they have paid the CIL. However, the CIL can only be charged on new applications. Now we have developers returning to the council to vary their planning permissions and reduce the costs (under s73 of the Town and Country Planning Act). These

variations must be assessed against the plan that is in force at the time (with reduced affordable housing requirement), but CIL is only applicable to new applications not to variations. Thus our communities lose out twice.

This leaves a loop hole where developers contribute less affordable housing and make still less contribution towards community infrastructure. This loop hole needs to be closed so developers pay wholly on one system or the other.

Further to this, Councils need to be able to refuse applications on the basis they are unsustainable, if a) the contributions are insufficient to meet the needs of the communities and b) it is not evident how those additional needs are going to be met.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'M Overton', with a horizontal line underneath.

Cllr Marianne Overton MBE
Leader, Independent Group, LGA