

**Association of Directors of
Environment, Economy, Planning &
Transport**
President: Miles Butler



**RENEGOTIATION OF SECTION 106
OBLIGATIONS CONSULTATION**

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Contact: Huw Jones
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Date: 5th October 2012

Dear William,

**ADEPT RESPONSE TO THE RENEGOTIATION OF SECTION 106 OBLIGATIONS
CONSULTATION**

The Association of Directors of Environment, Economy, Planning & Transport (ADEPT) represents local authority Strategic Directors who manage some of the most pressing issues facing the UK today. The expertise of ADEPT members and their vision is fundamental in the handling of issues that affect all our lives. Operating at the strategic tier of local government they are responsible for crucial transport, waste management, environment, planning, energy and economic development issues. ADEPT membership is drawn from all four corners of the United Kingdom.

ADEPT welcomes the opportunity to comment on the Government's proposals to enable the right of appeal to the Planning Inspectorate on planning obligations agreed before 6th April 2010 if the local authority is not willing to renegotiate. The Government's rationale for April 2010 relates to the new statutory tests for planning obligations and the different market conditions prior to then this date.

ADEPT agrees that it is not in the national interest that important development stall. Its members have been working to overcome the real barriers to new building by contributing land and assets, developing partnership and looking at innovative forms of funding. Indeed, ADEPT members are helping to forge the way on innovative funding approaches and ADEPT will be producing a report shortly outlining various findings and recommendations.

ADEPT agrees with the Government proposals that there should be a mechanism to revisit levels of affordable housing if they are making the release of development and delivery of infrastructure unviable.

However, ADEPT has significant concerns at the proposals if they would lead to renegotiating away contributions to infrastructure (such as highway improvements and

additional school capacity) that benefit local residents and businesses. Such a move could prove hugely unpopular and counter-productive. These Section 106 funds already more often than not fall short of the actual infrastructure costs. This results in the need for upper tier local authorities to subsidise development-related costs. This is not a sustainable path to take, especially for County Councils' in two-tier areas. These authorities' only receive a small proportion of any New Homes Bonus and Business Rate increase and therefore the scope to subsidise infrastructure costs through these routes is limited.

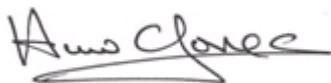
Moreover, ADEPT fears that the added and unintended consequence of creating greater uncertainty on infrastructure provision and timing is likely to make prospective investors or occupiers of any development more wary and again could be counter-productive. This could lead to distrust in the planning system and increase future public opposition to new development.

ADEPT proposes that much bigger issues need to be addressed to stimulate housing. These include lack of liquidity in the finance market and limited availability of mortgages stagnating demand. It also includes the lack of any real competition to the major house-builders for the provision of volume housing. This is an agenda that ADEPT would be keen to discuss and develop further with Government.

ADEPT believes that a better and more sustainable approach would be to support innovative 'Local Deal' approaches which give upper tier local authority infrastructure providers the confidence and tools to invest early in additional capacity to unlock growth with the assurance that various funds, including New Homes Bonus, as well as developer funds (whether Section 106 or CIL), will be available to repay the costs, and any borrowing, as revenues are generated. This type of approach would be more attractive to all interests and would make investment in development a more attractive proposition especially in the current economic climate.

Should you require any further information, please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Huw Jones', with a horizontal line underneath the name.

Huw Jones
Chair, ADEPT Growth & Regeneration Board

cc. ADEPT Growth & Regeneration Board, County Councils Network, Local Government Group, Planning Officers' Society