

# Ability to pool developer contributions confirmed by MHCLG

**Proposed changes to the system of developer contributions, including allowing the pooling of section 106 payments and requiring councils to publish details of where planning obligations are spent, were confirmed by the Government on 4<sup>th</sup> June 2019.**

According to a statement from the Ministry of Housing, Communities and Local Government (MHCLG), regulations laid before parliament will remove a restriction that previously prevented more than five section 106 obligations being used to fund a single infrastructure project.

In a [summary of responses](#) to a consultation on the changes, the government said the restriction could "have distortionary effects, generate uncertainty and delay, and lead to otherwise acceptable planning applications being refused planning permission". The change would "enable more flexible and faster infrastructure and housing delivery," it said.

The consultation response document also said that local authorities will be required to produce infrastructure funding statements from 31 December 2020, setting out what developers' contributions have been secured and how they have been spent, replacing existing replacing Regulation 123 lists.

It said the statements "will increase transparency to ensure that it is clear how local authorities have spent funds secured through section 106 planning obligations and the levy".

Other changes to be introduced include more flexibility for local authorities consulting on Community Infrastructure Levy (CIL) charging schedules and allowances for councils to seek section 106 contributions towards the monitoring and reporting of planning obligations, the government said.

The government added that regulations creating an exemption from CIL for Starter Homes would be introduced later this year.

Housing Minister Kit Malthouse said "confusing and unnecessarily over-complicated rules" were being simplified "so that communities know exactly how much developers are paying for infrastructure in their area". "Communities deserve to know whether their council is fighting their corner with developers – getting more cash to local services so they can cope with the new homes built."

"The reforms not only ensure developers and councils don't shirk their responsibilities, allowing residents to hold them to account - but also free up councillors to fund bigger and more complicated projects over the line."

Changes to the system of developer contributions were first proposed in March 2018 and [subject to a technical consultation](#) in December last year.

The government initially said it would [consider setting "non-negotiable" developer contributions](#) nationally but this proposal was dropped before the second consultation round.

Jason Lowes, partner in the planning team at Rapleys, said: "The proposed reforms may help to communicate far more powerfully the benefits of development to local communities.

"At the same time, developers themselves will welcome greater clarity over how their contributions are spent which, up to now, has been a source of concern for many."