



Addendum Objection — Structural Enforceability Failures, Valuation Vulnerabilities, and Cascade Clause Exploitation within the Proposed 8% Discount Market Sale (DMS) Tenure

Date: 2 July 2026

TO: Gillian Pinna-Morrell (Principal Planning Officer), Lichfield District Council

Dear Ms. Pinna-Morrell,

We write on behalf of the Burntwood Action Group (BAG) Strategic Policy Team to submit this formal Supplementary Planning Representation regarding application 25/01485/OUTM. This document serves as a direct technical addendum to our primary objection dated 2 July 2026 concerning inconsistencies in housing strategy delivery.

While our previous submission highlighted the irrationality of allocating greenfield land to a tenure with a verified "lack of demand", this representation addresses the specific structural loopholes inherent in the negotiated **8% Discount Market Sale (DMS)** framework agreed between the council and Bloor Homes.

BAG submits that the inclusion of this 8% DMS allocation is structurally unenforceable, fails to meet *identified local needs* under the National Planning Policy Framework (NPPF), and operates as an administrative illusion that will ultimately benefit out-of-area property investors rather than local Burntwood families.

We request that the case officer robustly evaluate the application against three critical, real-world operational failures:

1. Artificial Open Market Value (OMV) Inflation

The Senior Policy and Strategy Officer's report notes that the remaining DMS units will be fixed at a "minimum 20% discount." However, the framework contains zero safeguards against baseline price manipulation by the developer:

- **The New-Build Premium Distortion:** New-build housing routinely commands an artificial premium of 15% to 20% over identical existing properties on the local secondary market. By applying a 20% discount to an inflated baseline, the final "affordable" price is frequently nothing more than standard market value.
- **District-Wide Comparables:** Developers routinely exploit broad geographic parameters, using premium house prices from affluent sectors of Lichfield City to establish an artificially high Open Market Value (OMV) for edge-of-settlement sites in Burntwood.

- **The Result:** The 20% discount becomes entirely cosmetic. The entry price remains structurally disconnected from the financial reality of the 647 households currently on the local housing register.

2. Mortgage Market Illiquidity and Lender Exclusion

The council's housing officer explicitly notes that recent DMS completions in early 2026 took *"longer than expected to sell."* This is not merely a lack of interest; it is a symptom of structural mortgage market exclusion:

- **High Street Lender Hesitancy:** Major mortgage lenders heavily restrict or entirely refuse lending on DMS properties due to the restrictive resale covenants locked into Section 106 agreements.
- **The Income Cap Trap:** Local first-time buyers on normal Burntwood wages are caught in an impossible squeeze—their incomes are low enough to meet the council's eligibility caps, but consequently too low to secure a mortgage on a property where the baseline open market value has been inflated by new-build premiums.

3. Exploitation of the Section 106 "Cascade Clause" Loophole

The most fatal vulnerability of this 8% compromise is the standard Section 106 "Cascade Clause." The housing officer's report inadvertently exposes how this loophole will play out on Coulter Lane, confirming that on a recent comparable scheme:

"...only a third of these units being sold to those meeting the local connection criteria..."

This means a staggering **two-thirds (66%) of these properties failed to find an eligible local buyer**. Under standard planning mechanisms, when a developer fails to secure an eligible local buyer within a 12-to-16-week marketing window, the "Cascade Clause" dictates that the local connection criteria are systematically relaxed or completely dissolved.

Consequently, the developer is legally permitted to unload these properties at the discounted rate to cash buyers and property investors from outside the district. The tenure completely fails its statutory purpose under the NPPF to deliver housing for local people with a verified connection to the area.

Conclusion

It is a matter of official council record that the Discount Market Sale model is a documented failure within this district, failing local connection criteria two-thirds of the time.

For Lichfield District Council to permit the permanent destruction of Burntwood's agricultural green buffer to accommodate an 8% housing allocation that is vulnerable to price inflation, restricted by lenders, and legally designed to cascade away from local residents is entirely irrational.

This negotiated tenure split does not serve the community; it serves as a corporate checkbox exercise to grease the wheels of a non-compliant application.

We formally request that this Supplementary Representation be uploaded to the public portal and its technical objections explicitly addressed within the final Officer's Report to the Planning Committee.

Yours sincerely,

The Burntwood Action Group (BAG) Strategic Policy Team