

## **New Homes Bonus Consultation response**

**Question 1** What are your views on moving from 6 years of payments under the Bonus to 4 years, with an interim period for 5 year payments?

Under these proposals the Council would lose a considerable amount of money which is an integral part of the Council's budget and is used for the benefit of the community. Any loss of these funds could have a significant detrimental impact on the Council's ability to provide important services.

**Question 2** Should the number of years of payments under the Bonus be reduced further to 3 or 2 years?

No. Under these proposals the Council would lose a considerable amount of money which is an integral part of the Council's budget and is used for the benefit of the community. Any loss of these funds could have a significant detrimental impact on the Council's ability to provide important services. Reducing further the number of years in the scheme would have a much bigger impact on the range and quality of services the Council could provide.

**Question 3** Should the Government continue to use this approach? If not, what alternatives would work better?

This seems to be the simplest and fairest way to allocate the bonus.

**Question 4** Do you agree that local authorities should lose their Bonus allocation in the years during which their Local Plan has not been submitted? If not, what alternative arrangement should be in place?

The worked example is unclear. If the Council failed to submit a Local Plan in 2017/18 the impact would be in 2018/19 not as shown in the example. DCLG have set a target date of Local Plan submission by 31 March 2017. No penalties should arise before that date. We understand that a Local Plan is important and the Council is committed to producing a new Local Plan. However, the Council has taken a positive attitude to addressing the requirements of the NPPF and has been positively engaging with developers to bring forward potential schemes, considering them positively and in many cases approving them. To penalise this authority who has taken this positive stance to the delivery of new housing by approving acceptable schemes (totalling some 3800 since 2012) outside existing development limits is unfair.

**Question 5** Is there merit in a mechanism for abatement which reflects the date of the adopted plan?

No. While the Council agrees that it is right, and important, to keep Local Plans up to date setting an arbitrary date of 5 years is inappropriate. It

would be bureaucratic and a potential waste of public money. Local Plans (as required by the NPPF) have to have at least a 15 year horizon. Plans and policies need to be reviewed to ensure they are up to date but policies become out of date at differing times not to some arbitrary limit.

**Question 6** Do you agree to this mechanism for reflecting homes only allowed on appeal in Bonus payments?

No. New Homes Bonus helps communities adjust to new development. This is why this council has used NHB receipts in part to create a strategic investment fund and provide ward members with budgets to be spent for the benefit of their wards. Impacts on communities are felt whether new developments are permitted by the council or on appeal. The substantial financial consequences of a large strategic site being allowed on appeal resulting from in year reduction of allocations payments would put decision makers in local planning authorities in an untenable position. Government policy would be putting them undue pressure to approve applications for financial reasons, but this pressure is not a legitimate material consideration. If reduction of allocations where residential development is allowed on appeal were to be introduced, it should be over and above a certain number as proposed for deadweight in questions 9 and 10. This would be on the assumption that there will always be some cases won at appeal regardless of the Local Plan or Bonus. This is because in weighing the planning balance in a quasi judicial decision, it will always be reasonable for different decision makers to reach alternative conclusions. They should not be coerced into allowing development that they genuinely consider to be harmful to planning interests. Should the appeal be for a significant number of homes, applying the penalty immediately would be over penalising as, in reality, housing delivery for the site will occur over a much longer period of time. There should be no retrospective element to this proposal and it should only apply to local authority decisions made after the date of the consultation results announcement. Any change should ensure the in-year minimum is zero i.e. an authority cannot be in a position of negative subsidy.

**Question 7** Do you agree that New Homes Bonus payments should be reduced by 50%, or 100%, where homes are allowed on appeal? If not, what other adjustment would you propose, and why?

No. If this were to be introduced it should be over and above a certain number as proposed for deadweight in questions 9 and 10. The percentage of NHB lost should be no more than 50%

**Question 8** Do you agree that reductions should be based on the national average Band D council tax? If this were to change (see question 3) should the new model also be adopted for this purpose?

Yes

**Question 9** Do you agree that setting a national baseline offers the best incentive effect for the Bonus?

No. The best incentive is to continue to award Bonus on all new homes. A national baseline would be an arbitrary decision and would not be based on evidence. If this idea of deadweight were to be introduced it should be aligned to the 'windfall allowance' that is tested as part of the Local Plan process.

**Question 10** Do you agree that the right level for the baseline is 0.25%?

No. The best incentive is to continue to award Bonus on all new homes. A national baseline would be an arbitrary decision and would not be based on evidence. If this idea of deadweight were to be introduced it should be aligned to the 'windfall allowance' that is tested as part of the Local Plan process. Under this proposal the deadweight for Uttlesford would be approximately 90 units whereas the tested 'windfall allowance' is only 50.

**Question 11** Do you agree that adjustments to the baseline should be used to reflect significant and unexpected housing growth? If not, what other mechanism could be used to ensure that the costs of the Bonus stay within the funding envelope and ensure that we have the necessary resources for adult social care?

If there is a finite pot of money the average council tax multiplier should be reduced. Increasing the baseline would be arbitrary.

**Question 12** Do you agree that the same adjustments as elsewhere should apply in areas covered by National Parks, the Broads Authority and development corporations?

Yes. All bodies should be treated the same.

**Question 13** Do you agree that county councils should not be exempted from adjustments to the Bonus payments?

Yes. County councils are tied to and therefore part of the process as they are directly responsible for highways, education and flood prevention

**Question 14** What are your views on whether there is merit in considering protection for those who may face an adverse impact from these proposals?

There is merit in considering protection however in the event of a smaller total funding envelope it is likely that most authorities will face an adverse impact. The calculation should be based on revised allocation as a percentage of expected, with protection for those incurring the biggest percentage decrease.