



RTPI

mediation of space · making of place

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20 December 2010

Housing Supply Division - Incentives Team
Department for Communities and Local Government
Zone 1/A6, Bressenden Place, Eland House
London
SW1E 5DU

Email response sent to: newhomesbonus@communities.gsi.gov.uk

Dear Sir or Madam,

RESPONSE TO: New Home Bonus: Consultation

Thank you for the opportunity to respond to the above. The Royal Town Planning Institute (RTPI) is a membership organisation representing over 22,000 spatial planners. It exists to advance the science and art of spatial planning for the benefit of the public.

This response was drafted in consultation with the RTPI Planning for Housing Network, an open meeting was held at which the background to the consultation was explained and discussed. We have set out our response in the form of comments against the questions included within the consultation document.

Although the RTPI is in principle supportive of the New Homes Bonus scheme and the use of incentives to deliver sustainable housing, we urge you to give further consideration to the issues and suggestions that have been outlined within this response.

The RTPI is not convinced that the proposed financial incentives will result in significant numbers of new dwellings being constructed, as the sums of money that can be offered would be unlikely to be adequate to overcome the resistance of existing home owning communities, especially if they perceive the bonus to be promoting decisions with which they do not agree.

Satisfying aspirations for decent, affordable homes is a much bigger issue than incentivising construction of *new* houses. Local policies must take account of how future needs arise from economic and demographic processes, underwrite and maximise the contribution of the existing stock (where 90% of needs arising each

year are met), and provide for a tenure mix that reflects people's incomes and stages in life.

The RTPI along with the Planning for Housing Network would be happy to discuss this submission or offer further assistance in developing the New Homes Bonus scheme. If you require further assistance, or have any queries relating to the enclosed or require clarification of any points made, please contact the Planning Policy and Practice Team on 020 7929 9466 or email england.policy@rtpi.org.uk.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Matt Thomson', with a long horizontal flourish extending to the right.

Matt Thomson
Head of Policy and Practice
Enc.

Consultation question 1

Do you agree with our proposal to link the level of grant for each additional dwelling to the national average of the council tax band?

The RTP1 supports this approach in principle; we believe this is a fair and efficient approach which avoids penalising individual local authorities. However, we raise the following points for your consideration:

- It may be more equitable to use a flat-rate (average band D?) to eliminate any incentives to support large properties in high-rated areas and/ or to tie up a disproportionate amount of grant in expensive areas
- It may be more appropriate to collar and cap the properties on which grants will be paid e.g. not on properties falling into the lowest or highest council tax bands
- It is noted that the unit of grant will not be influenced by either local planning commitments or any assessment of need, these factors should be considered when allocating funding
- The definition of affordable housing in Planning Policy Statement 3 (PPS3) is not helpful in narrowing down the type of affordable housing that can be prioritised – this may result in a low, averaged additional rate for affordable units that are perhaps too low to overcome presumptions against some communities
- 'Full-time' homes only should be counted to avoid any unevenly distributed incentives to construct small, short-term homes for students

Consultation question 2

The Government Proposes an affordable homes enhancement of £350 for each of the six years – what do you think the enhancement should be?

We believe that a clearer definition of affordable housing needs to be provided within PPS3. Clarity is also needed on how affordable housing will be measured; many properties will be tenure neutral until they are built and sold. Council tax for properties will also be normally determined once they have been built.

Consultation question 3

Do you agree with proposals to use PPS3 and also include pitches on Gypsies and Travellers sites owned and managed by Local Authorities or registered social land lords to define affordable homes?

This requires further consideration. The provision of pitches on Gypsies and Traveller sites will often have a larger impact on a neighbourhood than other types of housing, especially as the numbers of people living on a single pitch may be greater than in a single permanent dwelling, and therefore may require a higher enhancement sum. Similarly provision of homes for gypsies and travellers tends to be complex and politically sensitive, local authorities may therefore need more incentives and or guidance to enable necessary provision.

Consultation question 4

Do you agree with the proposals to reward local authorities for bringing empty properties back into use through the New Homes Bonus?

Are there any practical constraints?

Although the RTPI in principle agrees with bringing empty properties back in to use, the following points should be clarified or given consideration with regard to the bonus,

- Since simply bringing a vacant dwelling back into use does not require planning permission, how would this be monitored?
- Will there be any mechanisms in place to assess whether bringing a property back into use as a dwelling is the most viable use for the property/site?
- How will unpopular or low demand housing types be dealt with?
- Will the bonus cover the whole cost of bringing back empty properties into use, without putting an additional financial onus on local authorities ?
- How will cross boundary relationships be tackled?
- How will bringing back empty properties in to use feed into the wider regeneration objectives for an area – will there be a separate scheme for regeneration?
- Should specialist types of housing (e.g. student housing) be treated differently?

Lastly, we believe net provisions should be used when making bonuses.

Consultation question 5

Outside London: do you agree with the proposals to split the payment of the New Homes Bonus between tiers: 80 per cent to the lower tier and 20 per cent to the upper tier, as a starting point for local negotiations?

If not, what would be the most appropriate split and why?

Although the RTPI does not oppose the 80/20 split as such, we believe that the New Homes Bonus should be used to incentivise new homes only and not to provide infrastructure. If new infrastructure provision arises directly from the provision of new housing, we feel this should be met through Section S106 agreements or the Community Infrastructure Levy (CIL). We would welcome clarity on the relationship between the New Homes Bonus and the CIL.

Will there also be any opportunities for counties to join up across boundaries and enhance rewards?

Lastly, we feel that in the spirit of the Government's Localism agenda, local communities should be able to have a say in how the New Homes Bonus is allocated.

Consultation question 6

Do you agree with the proposal to use the data collected on the Council Tax base form as at October to track net additions and empty homes?

The RTPI believes that this approach may be problematic. Collecting data for market housing from Council Tax forms (October to October) will be inconsistent with collecting data from HSSA's (Housing Strategy Statistical Appendix) for affordable housing (April to April) causing a time lag. The wide compass of affordable housing within PP3 also makes for likelihood of inconsistencies between local authorities.

We recommend adapting records to be more integrated (e.g. adding Council Tax records to Annual Monitoring Reports (or whichever format of reports they are replaced with) and passing parts of the record to central Government) or using a flat rate to make data-collection as simple as possible.

Consultation question 7

Do you agree with the proposal for one annual allocation based on the pervious year's Council Tax form, paid the following April?

We feel this approach will cause uncertainties for local authorities.

Consultation question 8

Do you agree that allocations should be announced alongside the local government finance timetable?

No comment.

Consultation question 9

Do you agree with the proposal to reward local authorities for affordable homes using data reported through the official statistics on gross additional supply?

Assuming that affordable housing is set to get a different onus (as outlined in response to question 2) then official housing statistics are the most appropriate for rewarding local authorities.

Consultation question 10

How significant are demolitions?

Is there a proportionate method of collecting demolitions data at local authority level?

Demolitions should be recorded within local authority housing data. Alternatively, local authority planning departments may have statistics relating to planning permission granted for demolition of dwellings.

Consultation question 11

Do you think the proposed scheme will impact any groups with protected characteristics?

In the interest of promoting equality of opportunity, the following recommendations should be given consideration:

- Provision of additional premium for housing for gypsies and travellers because of the higher barriers they face (as touched upon in question 3)
- A separate funding scheme for provision of housing for gypsies and travellers
- Provision of additional premiums for areas of acute needs
Provision of additional premiums for larger social housing units where need is identified

- Local discretion to vary rates around an average to better focus the incentive of the grant
- Rural-proofing test – to presume success of incentive
- Consideration of housing provision for other groups e.g. senior citizens (life time homes), students and minority ethnic groups (other than gypsies and travellers)

Consultation question 12

Do you agree with the methodology used in the impact assessment?

We feel the evidence base for this scheme should show why a reform of the Housing and Planning Delivery Grant has been deemed necessary.

Consultation question 13

We would welcome your views wider views on the proposed New Homes Bonus, particularly where there are issues that have not been addressed.

We feel that the proposed bonus scheme could enable local authorities to ring-fence the funding to particular types of development.