

## **HIGHBURY GROUP ON HOUSING DELIVERY**

### **RESPONSE TO CONSULTATION ON NEW HOMES BONUS**

#### **Introduction**

The Highbury Group comprises an independent group of specialists from the public, private and independent sectors with a membership drawn from housing, planning and related professions; it offers advice and makes representations to Government and other agencies on a variety of subjects, with the aim of maintaining and increasing the output of housing, including high quality affordable housing.

#### **Comments**

Q1 to 3. We support the continuation of the New Homes Bonus subject to the revisions proposed below.

Q4 We support the current arrangement for division of the bonus in two tier authorities

Q5 and 6. The affordable housing premium should be retained with an increased premium for social rented homes relative to other forms of sub-market provision. The option of increasing the unit bonus for family size homes relative to smaller units should be considered as a unit-based grant acts as a disincentive to the development of family sized homes. This is especially important in relation to the provision of social rented homes and other sub-market provision.

Q7. Payment should include long-erm vacant properties brought back into use.

Q8. Payment of bonus should relate to three years delivery.

Q9-12 The current baseline should be retained rather than increased. This is in the context that the COVID19 pandemic and consequential government regulations have had a negative impact on housing construction and consequently that for the financial year 2020-21, housing delivery outputs will be lower than in previous years, and it would be unreasonable to impose additional penalties on local authorities by raising the threshold for new home bonus in this context.

Q13-15. Payment of grant should relate to units achieved. To make additional payment for local authorities who had improved on previous years' output would have the consequence of penalising those authorities which had achieved targets in previous years but which had been unable to maintain this momentum. This would be unreasonable.

Q16-18. We would not support a hybrid system, which introduces unnecessary complexity into the regime by introducing potentially conflicting measurement factors.

Q19-21. This proposal demonstrates the inappropriateness of seeking to use a funding mechanism to support a range of very different objectives. New Homes Bonus is not an appropriate mechanism to use to seek to compensate authorities where CIL will produce limited receipts due to low development values. The Government needs to find other mechanisms to ensure the delivery of essential infrastructure where this cannot be funded from CIL or other local resources.

Q22- 27. We do not support the inclusion of a factor relating to Modern Methods of Construction as we do not consider it appropriate to use this regime to incentivise a specific form of housing construction. The introduction of such an incentive carries the risk of incentivise built forms which may be inappropriate in terms of meeting identified housing requirements. Government should by now have learnt the lessons of past policies which have incentivised novel forms of construction. We object strongly to any proposal to make use of MMC a condition of payment of New Homes Bonus. There are other mechanisms by which government could support research, development and testing of a wide range of novel construction methods.

Q28-29. While we welcome government support for the timely production and updating of Local Plans, we do not support the use of the New Homes Bonus to apply penalties to local authorities which are unable to meet the challenging timescales being set by Government. Such an approach has negative consequences in that it would remove resources from authorities which may face a race of challenges, and where delays in plan preparation and adoption may be outside their control.

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