

Section 4: Summary of Questions

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?

The Council's current medium term revenue forecast is predicated on a drip feed of NHB to support the revenue and capital budgets with only a small amount of 'spare' NHB based on a 6 year scheme. This one change will mean the Council is required to find an additional £600k in savings over the next 3 years. We are therefore strongly opposed to the move to a 4 years scheme.

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

We do not support a reduction to 3 or 2 years. Following on from our answer to question 1, a reduction to a 2 year scheme would see the council facing cuts to its proposed 2016/17 net revenue budget of around 28%.

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

We do support this approach and consider that the scheme has delivered its objectives for housing delivery particularly for spare rural District Councils. It is apparent that the motivation for change is explicitly to fund the gap in Adult Social Care which, whilst incredibly important, is not currently the function of a District Council. The pre-empting of Council tax goes some way to address the gap, there are other alternatives to fund Adult Social care without jeopardising housing delivery.

The administration of the New homes bonus scheme is already relatively complicated, we do not wish to see a scheme which makes this any more complicated.

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?

No because this does not take into account the many reasons a plan could be delayed, the bonus and scheme needs to be flexible and encourage good plan making and housing delivery in keeping with the plan strategy.

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

A staggered abatement is better than a guillotine but please refer to previous answers.

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

No for the simple fact there are many reasons homes may not be allowed.

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?

Please see previous answers.

This is not reflecting the democratic planning process and introduces a further complexity in the returns.

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?

If average band Ds are used for everything else it is sensible they are used throughout the process although we do not agree to the reductions

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

No

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

If this is linked to Council tax base the answer is No because there would be no bonus on the first 52 properties.

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 funding envelope use it, an alternative is to cap.

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

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

Yes

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?

The NHB has been instrumental in helping to achieve a significant annual increase in house building in Ryedale District and help politicians and communities to buy into the Government's vision to increase national house building towards a 250,000 a year target.

These proposals - in particular the reduction in timeframe for NHB from 6 to 4 or less years - will not only cause significant financial hardship at the Council. This Council, in common with many other authorities, is using the NHB to deliver front-line services and support its revenue account). Most importantly, withdrawal of this key incentive at a crucial point, when the battle to build more houses is starting to be won in Ryedale District and elsewhere, will fundamentally threaten the push towards increased home ownership and build rates. In 2016/17 the annual build rate in Ryedale will be around 40% above the rate set in the Local Plan, at least partly because of NHB.

In local authorities such as Ryedale where there has been such a positive response to NHB, the Government should maintain NHB over the 6 year period and at previously anticipated rates.'