

Rother District Council

Report to	-	Planning Committee
Date	-	13 February 2020
Report of the	-	Executive Director
Subject	-	New Homes Bonus Scheme and Rother's Award for 2020/21 and Housing Delivery

Recommendation: It be **RESOLVED:** That the report be noted.

Head of Service: Tim Hickling

Introduction

1. The adopted Rother Core Strategy Local Plan target requires delivery of 335 units per annum (2011 – 2028). However, as a result of several years of under delivery against those targets, the rate of delivery now equates to 458 units per annum¹. The actual delivery remains low at around 200 units per annum.

Housing Delivery Action Plan

2. As Members will already be aware in February 2019, the Government published the results of the Housing Delivery Test (HDT) which is an annual measurement of housing delivery within a plan-making authority. It is a percentage measurement of the number of net homes delivered against the number of homes required, as set out in the relevant strategic policies for the area, over a rolling three year period.
3. Rother's HDT result equated to 69%, calculated from actual housing delivery of 697 units out of a requirement of 1,008 over the previous three years. As a consequence of this published figure, the Council was required to produce an Action Plan within six months of the HDT publication. The Action Plan was approved and submitted to Government in July (presented to Planning Committee in September, Minute PL19/58 refers). A number of actions to improve delivery were identified. A link to the action plan is below:

<http://www.rother.gov.uk/CHttpHandler.ashx?id=32302&p=0>

Housing Land Supply

4. Moving on to housing supply, as at 1 April 2019, Rother District Council has a housing land supply of 3.73 years. This measure compares housing targets (including any under-supply against them) compared to the number of dwellings which are deliverable and likely to be completed within five years. Presently, there is an insufficient supply of deliverable housing sites to meet the five year housing land requirement in accordance with paragraph 73 of the National Planning Policy Framework. As such, the general presumption in

¹ As at 1 April 2019

favour of sustainable development becomes a critical reference point when determining planning applications. It means that significant weight should generally be given to the benefits that additional housing supply would bring, although this will depend to some extent on local circumstances, including the impact on the High Weald Area of Outstanding Natural Beauty, where relevant.

5. Moving forward, this position is likely to worsen in the short term as the Core Strategy is now more than five years old and that the Government's 'standard method' for local housing need now applies. The 'standard method' uses a formula to identify the minimum number of homes expected to be planned for, in a way which addresses projected household growth and historic under-supply. This moves from the Core Strategy baseline target of 335 to 727 per annum. Whilst it is the role of the Local Plan Update process to establish if and how this headline figure of 727 dwellings per annum can be met, it is the starting point going forward. As Members will be aware, the Planning Policy Team is in the very early stages of this Local Plan Update process.

New Homes Bonus

6. The New Homes Bonus (NHB) is a grant paid by Central Government to local councils to reflect and incentivise housing growth in their areas through granting planning permissions for new homes and their subsequent construction. It is based on the amount of extra council tax revenue raised for new-build homes, conversions and long-term empty homes brought back into use. There is also an extra payment for providing affordable homes.
7. The NHB was introduced by the Coalition Government in 2011 with the aim of encouraging local authorities to grant planning permissions for the building of new houses in return for additional revenue. Under the scheme, the Government initially matched the council tax raised on each new home built for a period of six years (this period was reduced from 2017/18). This scheme applies only to England.
8. The context in which this scheme has been developed is one of housing supply failing to meet demand. In England and Wales, housebuilding in 2010 was at the lowest point since 1946 (and the lowest since 1923 if the period around WWII is excluded).

Homes Bonus Award 2020-21

9. The Government has announced the NHB awards for each of the 339 authorities across England for the coming year. In total, the Homes Bonus "pot" has decreased by £10m from the previous year. Rother lies near the bottom at 325th in the league table, with proposed payment of £247,126 (45% less than the previous year). Figure 1 (overleaf) shows the award in relation to other authorities in the sub-region and comparing this year's award with the previous year.
10. Whilst the figures overleaf relate to the NHB, this is calculated on housing delivery within each local authority. Therefore, it can be concluded there is a very strong link between Rother's poor return on NHB (Rother lies 325th out of 339 authorities across England) and housing delivery.

Figure 1: Homes Bonus Awards to Rother and other local authorities in the sub region over the last 2 years ranked in order

Rank (339)	Authority	2020-21	2019-20	%age Difference
		£'000	£'000	
54	Horsham	4.83m	4.8m	+ 0.5 %
90	Tonbridge	3.37m	3.45m	- 2.4%
92	Mid-Sussex	3.27m	3.44m	- 5.0 %
131	Arun	2.3m	2.66m	- 13.0 %
157	Wealden	1.82m	1.9m	- 4.0 %
191	Chichester	1.59m	2.18m	- 27.0%
202	Folkestone	1.42m	1.54m	- 8.0 %
216	Sevenoaks	1.25m	1.22m	+ 2.0 %
222	Tunbridge W	1.16m	1.14m	+ 1.5 %
238	Brighton	0.97m	2.1m	- 54.0 %
240	Worthing	0.96m	1.04m	- 8.0 %
303	Lewes	0.46m	0.457m	+ 1.5 %
317	Eastbourne	0.332m	0.182m	+ 82.0 %
325	ROTHER	0.247m	0.449m	- 45.0 %
327	Hastings	0.199m	0.556m	- 64.0 %

Conclusion

11. As set out above Rother's recent receipt of NHB is poor and this is, in part, due to the significant shortfall in the delivery of housing when compared with other authorities. Therefore, the role of Planning Committee in delivery of future housing is critical.
12. Given the above context, Members are reminded that the lack of five year supply of deliverable housing sites and the HDT result can be significant material considerations when determining planning applications. All planning applications must be considered on their planning merits and, where they are in accordance with the development plan should be considered favourably unless material considerations determine otherwise. However, it is essential to remember that the shortfall of both housing delivery and housing supply are important factors in the decision-making process; particularly when looking at schemes on allocated sites and in sustainable locations.
13. The consequences of refusing otherwise appropriate development are significant and such decisions should not be taken lightly.

Dr Anthony Leonard
Executive Director

Risk Assessment Statement

The risk of not granting planning permissions for appropriate new housing developments (which are in accordance with the development plan and other relevant material considerations) is that the supply and consequent delivery of new housing will continue not to meet local needs, thus resulting in further negative impacts on future homes bonus, all of which will adversely impact on the general reputation of the Council.