



## MHCLG Consultation – New Homes Bonus consultation proposals

### Response by National Parks England

April 2021

#### Summary

1. National Parks England (NPE) exists to provide a collective voice for the nine English National Park Authorities and the Broads Authority. It is governed by the Chairs of the ten Authorities. Our response to the MHCLG's New Homes Bonus consultation represents the collective view of officers who are working within the policies established by the National Park and Broads Authorities. Individual National Park Authorities and the Broads Authority may submit separate responses, which will draw on the specific issues for their particular area.
2. In our role as the statutory local planning authorities for our respective areas, National Park Authorities and the Broads Authority collectively cover just under 10% of the land area of England and are home to over 330,000 people.
3. The main point that we would make in response to this consultation is to request that New Homes Bonus is paid to National Parks and the Broads Authorities as local planning authorities. The National Park and Broads Authorities are the only ten out of 337 local planning authorities who do not currently receive New Homes Bonus. New Homes Bonus is paid instead to Local Authorities and this funding is, with only one exception, not passed on.<sup>1</sup>
4. The payment of New Homes Bonus to Local Authorities, instead of the National Park or the Broads Authorities as the Local Planning Authorities responsible for permitting new housing in their areas is erroneous and works against the original intention of the Bonus.
5. In its original consultation on the New Homes bonus, the stated intention was to *“encourage local politicians to lead a debate with communities about the benefits of new homes. Local authorities will be expected to work with local*

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<sup>1</sup> Payments are based on additions to the Council Tax register, which will include properties completed within the National Park and Broads Authorities. An affordable homes premium is also added. National policy prioritises the building of affordable and local needs homes in National Parks and the Broads.

*people to develop their housing plans in ways that meet their needs and concerns.<sup>2</sup>*

6. The National Park and Broads Authorities have a strong track record of doing exactly this, and yet this is not currently recognised through the payment of the Bonus. As planning authorities, National Parks and the Broads plan for and permit new housing to address identified needs consistent with our statutory purposes and the duty to local communities. On average over the past ten years National Park housing completions in England have exceeded 700 dwellings per annum.<sup>3</sup> The South Downs National Park has alone delivered an average of 214 per year and the Peak District National Park 137 – more than a significant proportion of other local planning authorities.
7. It appears there was an oversight originally because the payment mechanism is linked to Council Tax collected by Local Authorities. National Park and the Broads Authorities are unusual in being local planning authorities but not Local Authorities (LAs) and they were therefore excluded from Bonus payments. Although an amendment allowed LAs to pass on the element of the Bonus arising from housing in the National Parks / the Broads, because it is not mandatory (with the exception of one National Park Authority) it does not happen.
8. If this omission were corrected to ensure that the Bonus is paid to local planning authorities, it could be used by National Park Authorities for measures that are appropriate to local circumstances including, for example, community projects where the scale of development would not normally generate developer contributions, or to support the delivery of local need housing. It could also be used to employ an additional Rural Housing Enabler resource. In several National Parks these enablers have successfully worked with Authorities and local communities to deliver much needed affordable housing for local people. It would also help local people further understand that the benefits of new housing will be spent in their locality –which was one of the original stated aims of the bonus.
9. We would therefore ask that New Homes Bonus is paid to the National Park and Broads Authorities directly, or that some formal mechanism is created which ensures monies are passed on to the local planning authority for the area where the new homes are built.
10. Our consultation responses to the proposed changes to the New Homes Bonus (February 2021) are set out on the following pages. If you require any more information or have any questions regarding this submission please contact us.

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<sup>2</sup> MHCLG, Ministerial Foreword, New Homes Bonus Consultation, November 2018

<sup>3</sup> National Park Authority Annual Monitoring Reports.

No	Question	National Parks England response
1	<p><b>Question 1:</b> Do you believe that an incentive like the Bonus has a material and positive effect on behaviour?</p> <p><b>Question 2:</b> If you are a local authority, has the Bonus made a material impact on your own behaviour?</p>	<p>National Park Authorities and the Broads Authority are not local authorities and we therefore do not currently receive the New Homes Bonus. Despite being the sole local planning authorities for the areas within National Parks/the Broads, the general experience is that New Homes Bonus payments for homes which are permitted within National Parks/the Broads are not passed onto National Park /Broads Authorities as there is no requirement on local authorities to do so.</p>
2	<p><b>Question 3:</b> Are there changes to the Bonus that would make it have a material and positive effect on behaviour?</p>	<p>We note that the new Homes Bonus was introduced in 2011 to provide an incentive for local authorities to encourage housing growth in their areas. The New Homes Bonus has therefore been in place for ten years. Generally, the Bonus for housing delivered in the National Parks and the Broads is not passed on to National Park Authorities/the Broads Authority.</p> <p>As local planning authorities, National Park and the Broads Authorities plan for and permit appropriate new housing development within all of the English National Parks and Broads, addressed at meeting identified local housing needs including affordable housing. We consider there would be benefits in receiving the New Homes Bonus. For example, over the last ten years, the Lake District National Park Authority has facilitated the delivery of 754 new homes. In the New Forest National Park over 50 new dwellings were completed last year and a further 120 new dwellings are the subject of a current outline application on a site allocated within the adopted Local Plan.</p> <p>Addressing identified housing needs in National Parks and the Broads should be recognised through a bonus to National Park / the Broads Authorities. This could be ringfenced with guidance on its use to enable it to be spent in a way which reflects local circumstances such as to support the delivery of housing needed by local communities, for local</p>

No	Question	National Parks England response
		<p>community projects or infrastructure provision where the scale of development would not normally generate developer contributions, or for measures to mitigate/adapt to climate change. Such an approach could act as an incentive to landowners to bring forward sites.</p> <p>It is therefore suggested that Bonus should be paid to ‘Local Planning Authorities’ rather than ‘local authorities’ to link the payment to the authorities that are making the decisions on planning applications. Alternatively, constituent local authorities could be required to ensure the bonus is paid to National Park and the Broads Authorities for the delivery of new housing in National Parks and the Broads.</p>
3	<p><b>Question 4:</b> Should the government retain the current 80/20 split in any reformed Bonus, or should it be more highly weighted towards the District Councils or County Councils?</p>	<p>Please see response to question 2 on National Park Authorities and the Broads as local planning authorities. We have no further comments on this question.</p>
4	<p><b>Question 5:</b> Should the affordable housing premium be retained in a reformed Bonus?</p> <p><b>Question 6:</b> Is £350 per additional affordable home the right level of premium, or should this level be increased or decreased?</p>	<p>In line with our response to question 3, which recognises that, in pursuing statutory purposes, Authorities have a duty to further the socio-economic well-being of their local communities and the national policy focus on affordable housing<sup>4</sup>, we consider it is important that the affordable housing premium be retained in a reformed Bonus.</p> <p>It is important that there is an incentive nationally to deliver affordable housing. Protected landscapes have higher than average house prices and a greater disparity between local incomes and house prices. Given the national policy focus on, and limited opportunities for, new affordable</p>

<sup>4</sup> **English National Parks and the Broads** UK Government Vision and Circular 2010 referenced in the NPPF states that “The Government recognises that the Parks are not suitable locations for unrestricted housing and does not therefore provide general housing targets for them. The expectation is that new housing will be focused on meeting affordable housing requirements...” [English national parks and the broads: UK government vision and circular 2010 - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

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		housing in National Parks / the Broads, we suggest the premium should be higher than £350 per additional affordable home.
5	<p><b>Question 7:</b> Should a reformed Bonus continue to reward local authorities for long-term empty homes brought back in to use?</p>	<p>While National Parks and the Broads are local planning authorities we are not housing authorities. However, we support incentives to bring empty homes back into use and therefore consider that the new Homes Bonus should reward local authorities for empty homes being brought back into use. In Exmoor National Park some of the one in five homes that are second/holiday homes or empty may be long term empty homes. Exmoor National Park Authority has previous experience of collaborative working to support district council and Rural Housing Enabler efforts to bring empty homes back into use and we recognise the difficulty and resources needed to achieve this. Most unoccupied housing identified as empty and which is of concern to local communities does not, however, fall within the definition of long-term empty homes.</p>
6	<p><b>Question 8:</b> Should the Bonus be awarded on the basis of the most recent year of housing delivery or the most recent three years?</p> <p><b>Question 9:</b> Do you agree that the baseline should be raised?</p> <p><b>Question 10:</b> If the baseline is to be raised, should it be raised to 0.6%, 0.8% or 1% of housing growth since the preceding year?</p> <p><b>Question 11:</b> Why should the government opt for the baseline you have</p>	<p>We have no comments to make on these questions</p>

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	<p>recommended in answer to the previous question?</p> <p><b>Question 12:</b> If the baseline is to be raised, should this change be combined with higher payment rate?</p> <p><b>Question 13:</b> Should the government adopt a new payment formula for the Bonus which rewards local authorities for improvement on their average past performance with respect to housing growth?</p> <p><b>Question 14:</b> If the government is to adopt such a payment formula, above what percentage (x%) of average past net housing additions should the Bonus begin to be paid? In other words, what should the value of x be?</p> <p><b>Question 15:</b> If the government is to adopt such a payment formula, over what period should the annual average of past net additions be calculated? Should it be a period of 5 years or 10 years?</p> <p><b>Question 16:</b> Should the government adopt a new payment formula for the Bonus which rewards either improved performance or high housing growth? Please explain why or why not.</p>	

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	<p><b>Question 17:</b> Above what percentage (x%) of average past net housing additions should the Bonus begin to be paid? In other words, what should the value of x be in this proposed hybrid payment formula?</p> <p><b>Question 18:</b> Above what percentage (y%) increase in the authority's housing stock should the Bonus be paid? In other words, what should the value of y be in this proposed hybrid payment formula?</p>	
7	<p><b>Question 19:</b> Do you agree with the proposal to repurpose the Bonus to balance the effects of the Infrastructure Levy by providing an incentive to authorities to bring forward development in lower value areas?</p> <p><b>Question 20:</b> What, in your view, would be the advantages and disadvantages of repurposing the Bonus in this way?</p> <p><b>Question 21:</b> If the option is to be pursued, should this reform to the Bonus be postponed until the new planning system is enacted?</p>	<p>We have no comments to make on these questions save that we consider it may be more appropriate to wait until decisions have been announced on changes to the planning system.</p>
8	<p><b>Question 22:</b> In your view, what levers do local authorities have at their disposal to encourage uptake of MMC, and how</p>	<p>National Park and the Broads Authorities have adopted plan policies which seek to further statutory purposes including the conservation and enhancement of natural beauty, wildlife and cultural heritage and to further the needs of local communities including for affordable housing. In so doing, design policies set out criteria to reflect local character.</p>

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	<p>impactful is such encouragement likely to be?</p> <p><b>Question 23:</b> Should the Bonus include a premium for new homes built using MMC? Please explain why or why not.</p> <p><b>Question 24:</b> If you are a local authority, would such a premium make a material impact on your behaviour? Would it, for example, encourage you to look for opportunities to bring through developments that are amenable to the use of MMC?</p> <p><b>Question 25:</b> How onerous a data burden would this option impose on local authorities? Do you agree with the proposal to collect the MMC data at the point at which a local authority signs off a building as habitable?</p> <p><b>Question 26:</b> Should the government make it a condition of receiving the Bonus that w% of net additional homes used MMC in order for the Bonus to be paid? If so what should the value of w be?</p> <p><b>Question 27:</b> Why should or shouldn't such a condition be introduced?</p>	<p>Where they are consistent with other policy objectives, modern methods of construction may have a role in contributing to lower unit costs to improve the viability of affordable housing and more sustainable construction methods to contribute to efforts to mitigate and adapt to climate change. However, in National Parks/the Broads the practical application of MMC in new build homes may be problematic given accessibility issues due to the nature of rural roads and the scale of development needed to make this type of construction viable.</p>
9	<p><b>Question 28:</b> Do you think that local authorities should be required to have a local plan, or demonstrate satisfactory</p>	<p>As previously stated, only one National Park Authority currently receives new Homes Bonus which has been passed on by their Local Authorities.</p>



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	<p>progress towards one, in order to receive funding?</p>	<p>All have up to date adopted Local Plans or plans at an advanced stage of preparation.</p> <p>In our view there are sufficient measures and sanctions to ensure local plans are in place. We do not consider that linking local plan preparation to the new Homes Bonus (which was introduced to incentivise development management related functions) would be helpful or appropriate and additionally, would be inappropriate given the uncertainty over the future direction of the planning system caused by the recent consultation on the Planning White Paper. In addition, the speed at which planning authorities can move through the Plan-making process is influenced by a number of factors that are out of their control (including the independent Examination process).</p>
10	<p><b>Question 29:</b></p> <p>Do you think the bonus should be paid at a reduced rate until such time as a local authority has an up-to-date local plan in place, and should it be 25%, 50% or 75%?</p> <p><b>Question 30:</b></p> <p>If you are a local authority, would this encourage you to develop or maintain an up-to-date local plan?</p>	<p>We do not agree that the New Homes Bonus should relate to local plans for the reasons given in our response to question 28.</p>

**For Further Information:**

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