



Elmbridge Borough Council

... bridging the communities ...

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Rt. Honourable Robert Jenrick
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my ref: NHB/April/2021
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date: 22 April 2021

Dear Secretary of State,

New Homes Bonus – Sharpening the Incentive

Elmbridge Borough Council has recently submitted its response to the Future of the New Homes Bonus consultation (February 2021). Nevertheless, we feel it necessary to write to you directly to express our concerns as to the options being considered and the implications that they could have, if implemented, on authorities such as Elmbridge.

As required by Government, our Council has done what has been asked and enabled housing growth within our area and is continuing to do so through the preparation of our emerging Local Plan. In regard to the delivery of new homes, the consequent Bonus allocations have been welcomed and go some way to mitigating the cost of providing services for these new residents.

It will come as no surprise that our preference is for the pre-existing scheme and four years of payments to continue, without change. This is particularly given that we have calculated that any increase in the baseline above the current 0.4% will almost certainly result in our authority receiving no Bonus.

We are in no doubt that other local authorities will be in a similar situation and, with the funding envelope decreasing in general, it is clear that in such circumstances there is a need for a protective approach to be taken.

The Bonus is intended to be a powerful, permanent incentive to encourage housing growth. However, as expressed above and in our submitted consultation response, the latest proposed changes appear to continue to undermine the original objective of the Bonus alongside those which have come previously. As such, we believe the Bonus is at risk of becoming a disincentive to local authorities in their pursuit of delivering much needed new homes rather than a tool for 'sharpening the incentive'.

Yours sincerely,

Councillor Chris Sadler
Portfolio Holder for Resources

Councillor Karen Randolph
Portfolio Holder for Planning Services