

Changes to New Homes Bonus

Javid has just announced a change to the NHB for next year in order to "reward local authorities that encourage and embrace ambitious housebuilding plans".

The floor below which the NHB will not be paid is to be set at 0.4%. Thus, above this level, one can surmise that the government consider that the housebuilding plans are ambitious.

Javid also said, "This will ensure rewards are given for additional housing, rather than just normal growth".

So, will Wealden be caught by this new ruling? No way, they are miles in. The 0.4% floor represents 260 houses/year. Last year Wealden's "only" built 520 new houses, their worst result since 2008/9. However, it was still double the new lower limit. The new OAN of 735 houses/year, represents 280% more than the new limit. The proposed plan figure of 832/year is 320% over the limit!

If 260 houses/ year is deemed to be ambitious, what would 832 be described as?

I bet the authorities that Javid is looking to penalise by withholding the NHB are largely rural and seeking to protect their rural surroundings.

Unfortunately for Wealden, the NHB is going to be reduced to payment for five years from 2017/18 and four years from 2018/19. This is likely to mean they will be pushing developers to get in as soon as possible in order to maximise their new homes bribe.