

Response to 2018-19 Local Government Finance Settlement Technical Consultation

The Heritage Alliance

23 October 2017

The Heritage Alliance is England's largest coalition of independent heritage interests. We unite 112 organisations which together have over 7 million members, volunteers, trustees and staff. The vast majority of England's historic environment is owned, managed and cared for by Heritage Alliance members.

We have only responded to questions relating to the new homes bonus [in the consultation](#).

The Government previously consulted on calculating the New Homes Bonus based on a 'by unit' methodology. This method would reduce the New Homes Bonus payment in line with the number of homes allowed on appeal.

This consultation sets out an alternative approach which would link the new homes bonus to the annual ratio of successful appeals of residential planning decisions using data collected by the Planning Inspectorate (PINS). At the time the allocations are made, the number of successful appeals/appeals allowed by the Planning Inspectorate would be divided by the number of decisions made by the LPA in the last financial year, resulting in a percentage reduction to be applied to the New Homes Bonus allocation for the following financial year, so:

$$\frac{\text{Residential appeals allowed by PINS}}{\text{Residential decisions made by the LPA}} \times 100 = \% \text{ reduction in NHB allocation}$$

Question 2: Do you agree with the New Homes Bonus allocation mechanism set out above?

No, nor with the 'by unit' methodology previously consulted on. There is a danger that both these mechanisms will further discourage Local Authorities from rejecting schemes on heritage grounds.

The cost of defending an appeal brought by a developer is already a factor which under resourced planning departments are likely to bear in mind when considering whether to recommend granting permission. Reducing the new homes bonus for councils which lose on

appeal will put even greater pressure on Local Authorities to grant permission in all but the very worst schemes.

Thus, Local authorities will be more reluctant to reject schemes where heritage is damaged for fear of reducing the new homes bonus. Damage to heritage, especially the setting of designated heritage assets, is often in terms of degree and arguable. Developments which impact on the setting of heritage assets are perhaps especially susceptible to having a different conclusion on appeal.

Question 3: Do you agree that the approach should be based on data collected by the Planning Inspectorate? If you disagree, what other data could be used?

To avoid the risk of damaging heritage assets as set out above, the current system, where councils receive the same reward for homes granted permission by the authority as they do for development granted on appeal by the Planning Inspectorate (PINS), should continue. Unless our alternative mechanism set out in question 5 is considered appropriate.

Question 5: Are there alternative mechanisms that could be employed to reflect the quality of decision making on planning applications which should be put in place?

Data could be captured on the number of objections to schemes which are subsequently approved.

So, for example, where a council receives over a certain number of objections to a scheme (perhaps 100) and that scheme is then approved by the council, the council will not get a new homes bonus for that scheme as it has not carried the community with it in supporting the plans.

Such a system would incentivise councils to work closely together with developers and communities in pre-application discussions to secure the best possible schemes of the highest quality in order to reduce the potential number of objections.

It would also improve the importance of consultation, ensuring that it is not just a hoop to jump through when the design is already finished, but a real part of development to reduce opposition.

If necessary, such a metric could be applied in addition to others.

Question 6: Which of the two mechanisms referenced above do you think would be more effective at ensuring the Bonus was focused on those developments that the local authority has approved?

As set out above both mechanisms would be a mistake as they would discourage councils from refusing permission where a scheme damages heritage or other community interests.

Question 7: Do you think that that the same adjustments as elsewhere should apply in areas covered by National Park Authorities, the Broads Authority and development corporations?

No. It is even more important that these adjustments do not apply to areas such as National Park Authorities where settings etc are particularly sensitive. As set out above such adjustments will mean that councils are less likely to refuse schemes which are potentially harmful.

Thought should also be given to excluding World Heritage Sites and their buffer zones from these adjustments.

For further information, please contact The Heritage Alliance.

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