

Nimby homes protesters face tax penalty

12 Jun 2010 *The Times*, Anne Ashworth, Rebecca O'Connor

Town halls will be paid to approve new housing

The Government is planning an overhaul of the council tax to fund the building of new homes for first-time buyers and families.

In future, Nimbys who object to new developments will pay the price of their opposition in higher council tax bills.

Grant Shapps, the Housing Minister, has told *The Times* that he will reward local authorities that give planning approval to housing developments by matching the council tax revenue collected from these homes. The money will continue for six years, with extra provided for affordable homes for firsttime buyers.

Mr Shapps said: "An authority that ensured 10,000 new homes are put up could be in line for £100 million over six years. The incentives will be available for housing schemes that receive planning permission today."

Councils that fail to ensure the building of social and private sector homes will be penalised and will receive more money only by raising council taxes.

Mr Shapps aims to remove council tax increase capping. The incentives are intended to boost the struggling housebuilding industry. The construction of houses has fallen to its lowest level since 1924 and there is a shortfall of one million, despite the targets set by the previous government.

Since the election housebuilders have stopped work at various sites after Eric Pickles, the Communities Secretary, said that local authorities did not need to meet these targets.

Mr Shapps is determined to overcome those who object to new developments, despite allowing local people more say under the "revolutionary" planning overhaul. He wants people to suggest former industrial and other sites that should be cleared to provide housing. But there are concerns among housebuilders that some politicians will not support new developments. One housebuilder said: "Housing is not a particular vote winner."

Rob Perrins, managing director of Berkeley Group, said: "I fully support the objective, which will give power to local authorities to increase supply of houses through the planning system. But local authorities have to behave responsibly for the policy to work and I am not convinced that financial incentives are the right way forward."

Chris Tinker, a director of Crest Nicholson, said: "I fear that Nimbyism will still be a prevailing tendency. The only way forward is for the incentives to be tangible enough to encourage councils to deliver homes."

Housebuilders also suggested that some would pay a big council tax bill rather than have their view spoiled by a new housing estate.

Mr Shapps, MP for Welwyn Hatfield, Hertfordshire, said: "£100 million would pay for the regeneration of Hatfield — the town centre is falling apart. It's never been regenerated because of a lack of money."

He said that the Treasury had agreed the project, with funding coming from the £29 billion Revenue Grant. The distribution of money from the grant would favour local authorities that backed developments.

"At the moment, a house gets built, the people move in, the council collects, say £1,500 in council tax. The council does not really see that money — it's revenue neutral. Our scheme will mean that when councils give planning assent they will collect from central government matched funding, pound for pound, for every single new home that is occupied for six years."

Mark Clare, group chief executive of Barratt Developments, said: "It's vital that any incentive package is put in place without delay and it is set at a level that will provide a genuine incentive to deliver the Government's stated objective of building more homes."