



27<sup>th</sup> September 2010

## Raynsford warns over coalition's new homes bonus

Jamie Carpenter, Regen.net, 27 September 2010

**Former housing minister Nick Raynsford has warned that the coalition Government's proposed financial bonus for councils that allow housebuilding to go ahead in their areas could fail to incentivise regeneration schemes.**

Speaking last night at a fringe meeting at the Labour Party conference organised by the Labour Housing Group, Greenwich & Woolwich MP Raynsford warned that the coalition's proposed New Homes Bonus scheme would be "extremely difficult" to implement.

In August, housing minister Grant Shapps announced that under the New Homes Bonus scheme the Government would match the council tax on each new home built for six years.

But speaking at Labour's annual gathering in Manchester, Raynsford said that Shapps had yet to make clear whether the bonus would be calculated according to the net overall addition of new homes, or whether it would apply to gross additions.

"If it's on gross, it's going to be much more expensive," he said. "They haven't dared to come clean on this."

Raynsford added: "If you think about regeneration areas, where it may take many years for any net addition to the housing stock, you can see just how uncertain the proposed subsidy is going to be."

Also speaking at the same meeting, Birmingham Erdington MP Jack Dromey, said that while it had made progress on housing when in office, Labour also needed to "face up" to its failures.

He said: "When I grew up, Harold Macmillan was a Prime Minister who used to pledge 250,000 new council homes every year. Under a Labour government, six years ago, the amount of new build [council homes] in the whole of Britain fell to 300