



Ministers are offering £1bn in housing ‘bribes’

The government is accused of offering £1 billion to cash-strapped councils to allow development projects on greenfield sites

The government has been accused of trying to bribe councils with £1 billion in handouts to force through housing developments on greenfield sites.

At a time when almost all local authorities are having to make cuts, the government is planning to give out large grants. These will be given only to local authorities that participate in a boom in building which the Conservatives say is necessary for the economy.

Research by The Sunday Times reveals the full extent of how much councils will receive if they give the go-ahead for big developments in their areas.

Under the new homes bonus, a development of 3,700 houses proposed for East Coker in Somerset — immortalised by TS Eliot in his meditative work *Four Quartets* — would net the local authority about £54m over six years in government grants.

The development has met stiff opposition locally and from further afield, with Jeanette Winterson, the novelist, and Sir Andrew Motion, the former poet laureate, among those lending their support.

Martin Sowerbutts, secretary of the East Coker Preservation Trust, said: “The money provides a huge temptation for a council that is up against it in terms of its budget.”

Marcus Fysh, a Conservative councillor on the Liberal Democrat-controlled South Somerset district council, added: “The council has its beady eye on large sums of money which it will use for vanity projects such as indoor tennis and a big swimming pool. They are coincidentally costing those facilities at about £50m. The government believes these payments will help the local people but the reality on the ground is that will rarely happen.”

Lucy Still, a 30-year-old mother who runs a beauty salon in East Coker, said the homes could ruin the village. “This is a wonderful picturesque setting. The drive down the lanes to the village immediately winds you down but this could just become another part of Yeovil,” she said.

Ten other large developments identified in The Sunday Times last month — including Newmarket in Suffolk, Durham, Harrogate in North Yorkshire and Cambridge — would

bring their local authorities a total of £684m over six years. Another 220 projects on greenfield sites are waiting for council approval.

In total the government has budgeted for bonus payments of at least £250m a year for such developments over the next four years.

The scheme has led to accusations that it was bribing councils to accept unpopular housing schemes.

Peter Martin, an independent councillor on the Tory-led Cotswold district council, which is facing a number of developments in its area, described the payments as little more than “bribery”. The West Country branch of the Campaign to Protect Rural England (CPRE) has also said the payments “amount to a bribe to allow building on greenfield sites”.

The new homes bonus was launched in April, several months before the government began consultations on its controversial new national planning policy framework (NPPF). But ministers are expecting it to be a key element in their campaign to overcome local opposition to large development projects.

Payments under the scheme are calculated by taking the national average of the council tax band in which the new properties fall and giving the council the equivalent amount in grants for each of the following six years. The money will not be “ringfenced” so the councils can use it to maintain other cash-starved services.

The NPPF aims to establish a “presumption in favour of sustainable development” and has provoked protests from environmental groups including the National Trust and the CPRE that it will lead to a huge increase in building on greenfield sites and erode the green belt.

The new homes bonus is specifically designed to “sit alongside the existing planning framework” although the government also maintains that the payments are not intended to encourage housing development “which would otherwise be inappropriate in planning terms”.

The Department for Communities and Local Government defended the bonus. “In the past, communities haven’t shared the benefits of growth. This was wrong,” it said.

“Councils that choose growth will receive extra new homes bonus funding. That is not a bribe, it is sensible recognition of the benefits that growth can and should bring to communities.”

The CPRE said: “This scheme is likely to force local authorities already under considerable financial pressure to consent to housing development that does not serve the long-term interest of sustainable development.”