



BROMSGROVE DISTRICT COUNCIL

THE NEW HOMES BONUS CROSS PARTY WORKING GROUP

FORUM

TUESDAY 15TH JULY 2014 AT 6.30 P.M.

THE COUNCIL HOUSE, BURCOT LANE, BROMSGROVE

MEMBERS: Councillors S. J. Baxter, R. Hollingworth, L. C. R. Mallett,
M. A. Sherrey and C. B. Taylor

AGENDA

1. Presentation (Pages 1 - 16)

K. DICKS
Chief Executive

The Council House
Burcot Lane
BROMSGROVE
Worcestershire
B60 1AA

24th July 2014

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New Homes Bonus Forum

15TH JULY 2015

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01527-881400

Agenda Item 1

New Homes Bonus Forum

- Purpose of the Forum
- What is New Homes Bonus
- How is it calculated
- How much do we receive
- What is it used for
- S106 & CIL
- Questions
- Next Steps

New Homes Bonus Forum - Purpose

- Petition to Full Council 16th April 2014
- New Homes Bonus Working Group established
 - Members
 - Terms of Reference
- New Homes Bonus Forum
- Feedback in September

What is New Homes Bonus ?

- Introduced in 2011
- Based on increase in number of available houses
- Non Ringfenced allocation of funding – encouraged to work with communities
- Amount payable per property – additional amount for affordable housing
- Payable for 6 years

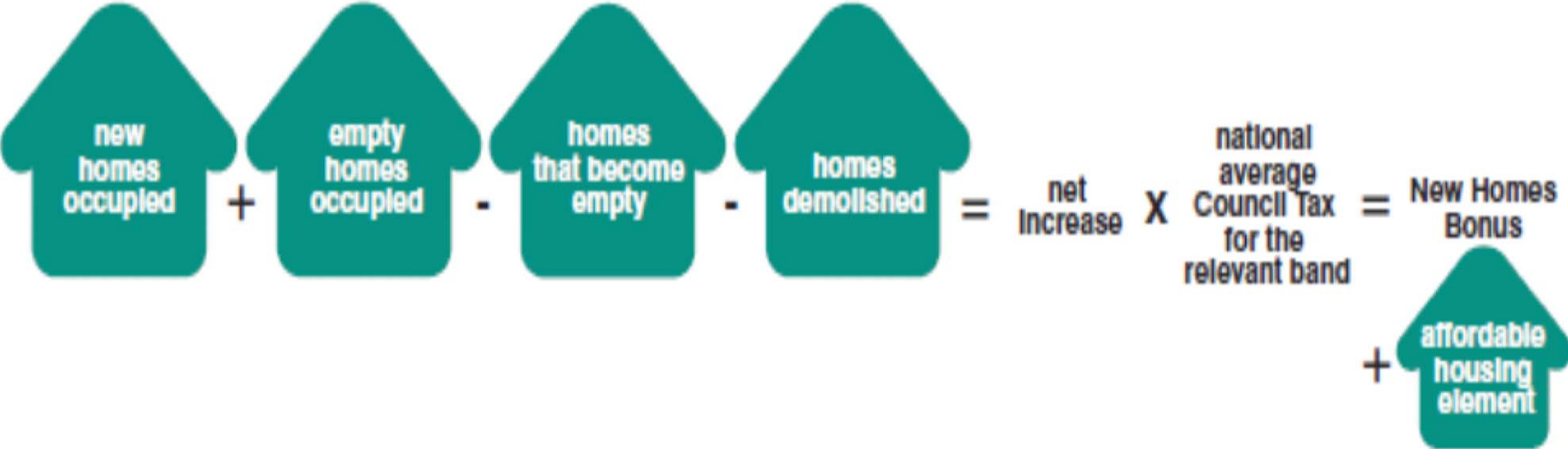
New Homes Bonus

How is it worked out

- New Homes occupied
- Long Term Empty homes brought into use
- Based on net average Council Tax (Band D)
- Based on information submitted to Government each October
- Extra payment of £350 for affordable homes
- Split between County Council and District Council (20%:80%)

New Homes Bonus

How the new Homes Bonus is calculated



New Homes Bonus

	Growth Units	Rate Per Property	Affordable Housing Units	Rate per Property	
		£		£	
2011/12	108.6	1439	0	350	
2012/13	195.3	1439	56	350	
2013/14	248.9	1444	123	350	
2014/15	203.9	1455	91	350	
2015/16	108	1455		350	<i>Estimated</i>
TOTAL	864.7				

New Homes Bonus

Year	For increases in housing stock between October	Payable from 1 April	District annual NHB grant 80% £'000	District Total Annual NHB Grant £'000	District total NHB grant over six years £'000
Year 1	2009 and 2010	2011	125	125	750
Year 2	2010 and 2011	2012	241	366	1,446
Year 3	2011 and 2012	2013	321	687	1,926
Year 4	2012 and 2013	2014	263	950	1,578
Total			950	2,128	5,700

New Homes Bonus to Worcestershire County Council over 4 years £1.4m

Council Tax to Bromsgrove during 2014/15 based on 203.9 homes @ Band D average = £41k

New Homes Bonus

Example:

- Ward area A increased number of properties by 100 in September 2014. 20 of these were affordable homes
- Calculation made :
- $80 \times \text{£}1,455 = \text{£}116,400$
- $20 \times \text{£}36,100$
- TOTAL $\text{£}152,500$: payable for 6 years = $\text{£}915,000$
- **Split**
 - District $\text{£}122,000$
 - County $\text{£}30,500$

New Homes Bonus

Bromsgrove District Council Funding Position

BDC Gross Budget £20m

Funded by :

- General Income £8.4m (fees and charges)
- New Homes Bonus £0.9m
- Funding from Government Grant £3.9m
- Council Tax Charges £6.8m

If New Homes Bonus was not included (100%) in the general fund Council Tax would have to increase by 17% to meet the shortfall

Budget Pressures :

Government Grant reduced approx £500k per annum since 2011/12
Reductions in grant funding for other services eg – customer service centre, housing benefit administration, essential living funds
Inflationary increases – utilities / vehicles / employees
Purchase of new vehicles , plant & machinery

New Homes Bonus

What do we use it for :

- Funding of core services :
 - Licensing / Environmental Health
 - Grounds Maintenance
 - Sports Development / Street Theatre
 - Economic Development

New Homes Bonus

What do others do with NHB

- A number of Councils allocate NHB to schemes within areas that have seen growth
 - Generally a % share
 - Based on strict criteria
 - Have to report on use via a business case
- Survey in 2012 showed 30% of Councils share NHB with their communities

S106 & Community Infrastructure Levy

S106

- Planning Obligation
- Negotiated between developer and Council based on need

CIL

- Viable charge to support the infrastructure arising from a development

NEXT STEPS

- Feedback from this session to be considered at the next NHB Working Group meeting
- Report to be presented to Council in September / October for discussion

QUESTIONS ?

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