

NEW HOMES BONUS CROSS PARTY GROUP

Meeting held on 15th July 2014 18:30 – 20:25

Present: Councillors Margaret Sherrey, Kit Taylor, Luke Mallett and Sue Baxter

Officers: Jayne Pickering, Mike Dunphy and Amanda Scarce

1. Apologies

Cllr Roger Hollingworth sent his apologies.

2. Introduction

Cllr Taylor invited Members to introduce themselves and confirmed that he would be chairing the meeting as the relevant portfolio holder. Housekeeping details were provided and Cllr Taylor informed attendees that questions would be taken at the end of the presentation.

3. Presentation

JP would give presentation supported by MD who would cover slides on S106 and CIL. The aim of the forum was to provide residents with a greater understanding of the NHB and for them to have the opportunity to give their views to feedback into the Cross Party Group's findings, which would be presented to full Council in hopefully in October 2014.

A copy of the presentation would be made available if residents wished to leave their name and contact details at the end of the meeting.

The presentation covered the following areas:

- Background – including the petition to full Council, establishing the Working Group, Membership and terms of reference.
- What is NHB – non ring-fenced allocation of funding, amount payable per property and payable for 6 years.
- Calculation of NHB – including being based on net average Council Tax Band D, details submitted to Government each October, extra payment of £350 for affordable homes. Residents were also informed that the NHB was split between County and District Councils – 20%:80%.
- The presentation included details of the amount paid from inception and the estimated growth units for 2015/16.
- Actual figures for years 1 – 4 were provided with the District total NHB being £5.7m. An example calculation of how the NHB was made up and the split between District and County was also provided.
- The NHB went into the general fund and it was explained that this was for a number of reasons including the Government Grant reduction of 28%. By doing this the Council had been able to maintain services and balance

its budget, if this had not been the case the Council Tax would have needed to increase by approximately 26% in 2015/16. **Please note this has been amended to 17% following further clarification of the budget deficit.**

- It was confirmed that some authorities did allocate a percentage of the NHB to schemes within areas that had seen growth. Wychavon for example give 40% to particular projects subject to submission of a business case.
- S106 – this was a planning obligation and had been around for a number of years. It was a different way of funding things within the community and it should be noted the rules around this will change next April. This was when CIL would come into play and was another route to funds from a developer. S106 cannot be used to stop a development but is there to encourage a developer in supporting the community. It is for specific areas and is based on what is needed and the funds must be used for the purpose specified.
- CIL – can be different routes across an area and based on viability and has to be examined by public inquiry. You can however spend the money on whatever you want – you need to produce a Section 1, 2, 3 ostensibly a “shopping list” and can be changed if the list cannot be provided through S106, but you need to get it right and it does not provide all the funding, there are other avenues that can be tapped into for example through the LSP.
- Next steps – the information from the forum would be fed back and discussed at the next meeting of the Cross Party Group. The Group will then produce a report which will be considered at full Council hopefully in October.

4. Questions

Cllr Taylor as Chairman explained he was conscious that there were a large number of people in the audience and asked that residents restrict comments to clear questions for Members and Officers to respond to wherever possible. During this question and answer session the following points were raised:

- Whether the NHB funds would be used to finance the new Dolphin Centre – it was clarified that members had agreed to use general fund balances to fund the initial borrowing costs of the Dolphin Centre. It was anticipated that when the facility was up and running it would be self funding.
- Whether it was possible for some of the money to be allocated to places where developments had already taken place and why there had been no discussion with the local communities on how money was spent – it was explained that it was hoped that there would be more general detailed budget consultation with residents in future.

- Why other councils, for example Wychavon were able to put a percentage of the NHB back into the community but Bromsgrove was not.
- Why there had not been any public consultation on how the NHB would be handled from its inception– it was explained that this was being done from now via the working group and the forum.
- Concerns in respect of the budget position when the NHB ceased, particularly as it appeared to be being used to “balance” the books currently. This was accepted as a risk to the Councils finances in the future
- Local communities were being deprived of much needed funding for such things as community centres and activities for young people, despite big capital investment from developers. It was highlighted that the Council did not get the funds until the developments had been completed.
- Clarity on whether any of the money had been allocated to any of the districts which had contributed to generating it – it was confirmed that this was not the case; it had been used to maintain services throughout the district.
- Residents hoped that following this discussion that at least a proportion of the funding would go back to the communities to help support the effects of the developments.
- Street Theatre and where this took place and how this was funded – whether it was necessary and how the funds could be put to better, more sustainable use. For example the need for improvements to a scout hut and expansion of a scout group, which would be used and to the benefit of a greater number of residents.
- Alternative funding options such as S106 monies and the difficulty in securing this funding.
- The Cross Party Working Group’s time frame – it was hoped that it would be able to bring a report to the October full Council meeting where its findings would be debated.
- Whilst residents were keen to ensure that this funding was not included within the budget, it was stressed that the Council had a statutory duty to produce a balanced budget.
- Residents questioned the value of the new homes to Bromsgrove (capital and revenue).
- The current local plan process the Council was going through and the use of evidence which was out of date to identify the needs in particular areas. Some of these reports were from 2007 and a WCC one referred to was from 2004. If the data was updated then there was an opportunity to produce a list of what was needed across the district.
- Officers clarified that the plan was with the inspector currently and that he had shown no concern over the age of some of the documents. Although, they were old, it did not necessary mean that they were no longer relevant.

There was a list of priorities on the Council's website, together with other documents used as evidence. The documents would be updated as and when necessary and was not currently a priority, but it was conceded that this may change from the inception of CIL.

- The Council's overall budget and the split between frontline and back office. JP said currently this was about 40% support 60% frontline, but it was anticipated that the support element could be further reduced.
- The low estimate for 2015/16 included within the budget and the option of anything over this (which was not included) being given back to the local communities. Members said they would give consideration to all options when reporting back to full Council.
- The improved working relationship with the parish councils.
- Whether the Council would consider making a press release explaining the current situation – as it appeared to be much worse than some residents expected, particularly as the NHB was being used to balance the Council's budget.
- Residents were not aware that 20% of the funding went to WCC and asked that any decision made could include that money. Officers said the Government gave this directly to WCC and therefore the Council was unable to influence how that was used. They would have had a similar letter to the Council recommending that the money was used in the community, but that it was not ring fenced.
- Members explained the divisional funds which County Councillors were able to distribute at their discretion, which could be "bid" for in respect of small projects.
- Projects where the funding could be put to good use and how residents could get this information through to the Council. It was suggested that an open email address could be made available to channel any comments through with a deadline.
- The different schemes which were in place at other authorities included Startford, Wychavon and Northampton. Residents asked if there were other councils which did not give any of the funds back to the community.
- Residents questioned the amount that the Council Tax would need to increase in order to replace the NHB if it were returned to the communities.
- How the findings of the Cross Party Group would be fed back to residents and whether there was a political will for the process to change – the findings would be published on the website and it was suggested that local Members would be asked to pass on the information also. The use of Together Bromsgrove was also discussed.
- The forum was informed that it was understood the MP Sajid Javid, had written to all the Conservative Councillors, in March/April, asking them to

reconsider and change the policy. KT and MS were unaware of this and the resident agreed to provide the appropriate evidence.

- Clarification in respect of S106 and CIL. S106 can only be used to make the unacceptable acceptable. CIL can be use for anything you want and NHB is separate from the planning process.
- S106 has to be evidence based, but NHB the money will be provided anyway. Residents felt that S106 monies were very limited with little being available. Examples were given where a figure had been suggested (by the parish council) and the Council had accepted far less, with no explanation as to why this was the case. It was suggested that just because it is what the residents want for an area, it is not what is always classed as being needed and therefore would not be appropriate under S106.
- Referring back to the Council's financial position and NHB funding being used for general purposes it would appear that there was minimal prospects of it being allocated out into the community. It was also a "one off" payment and concerns were raised as to what would happen when this was no longer available and questioned how other councils appeared to have managed to "balance" their books without using the NHB funds to do so.
- Although many parish councils had been unsuccessful if obtained S106 monies for various projects, there were some projects which had been successful in obtaining monies for scout groups for example.
- Any services where were not frontline and whether they would be open to discussion – JP looking across the board at demand and need and the value of services, not just about the cost but also the value it adds to the community.
- It was suggested to aid the democratic process a member of the public should be allowed to sit on the Cross Party Group. The Lead Petitioner was nominated. It was explained that the decision to make the group Cross Party was made by full Council and if this were to be changed the decision would again need to be made by full Council. It was clarified that no matter who sat on the group, the final decision was theirs.
- As a result of the forum Officers would put together recommendations for consideration by Council and this may include a scheme which would go out to consultation.
- It was questioned whether those recommendations would include a percentage to be given back to the community and would not be something which had been discussed at the forum and as a Councillor you would have to either accept or reject it which was difficult.
- The Working Group was here to listen and identify options but the final decision would be made by full Council. It was suggested that a further forum to provide feedback should be called.

Actions:

1. Cllr Taylor agreed to seek the views of both the Finance Portfolio Holder and the MP in respect following the Government's recommendation to put the funding back in to creating sustainable communities.
2. JP to include additional slides covering the following:
 - Estimated value of the new homes to Bromsgrove (capital and revenue).
 - Details of overall budget and split between support and frontline services.
 - Increase in Council Tax – general slide to give this more context.
 - How many other councils did not give any of the NHB back to the community.