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**NEW HOMES BONUS COMMUNITY GRANTS SCHEME**

Relevant Portfolio Holder	Geoff Denaro
Portfolio Holder Consulted	Yes
Relevant Head of Service	Jayne Pickering ( Exec Director)
Wards Affected	<b>All</b>
Ward Councillor Consulted	None specific

**1. SUMMARY OF PROPOSALS**

- 1.1 To enable Members to consider a revised New Homes Bonus (NHB) Community Grants Scheme which allows community groups to apply for funding from the New Homes Bonus grant received by the Council.

**2. RECOMMENDATIONS**

- 2.1.1 The approval of the revised New Homes Bonus Community Grants Scheme as attached at Appendix 1;**
- 2.1.2 The approval of 25% of the additional New Homes Bonus grant received in 2016/17 to be used to calculate the amount of £144k to be allocated to the scheme; and**
- 2.1.3 An additional amount of £27,157 to be added to the total allocation in respect of funds carried forward from the previous year's scheme.**
- 2.1.4 A deduction of £2,000 to be made from the Scheme to cover the cost of administering the Scheme.**

**3. KEY ISSUES**

**Financial Implications**

- 3.1 The allocation of £144k was agreed at Council in February 2017 and the 2017/18 budget was approved to include this level of funding. There was no requirement to draw down from balances to support the balanced budget for 2017/18.
- 3.2 The New Homes Bonus Scheme was introduced by Government April 2011. The bonus was designed to ensure that the economic benefits of housing growth are returned to the councils where that growth takes place. The NHB is a grant paid by central government to local councils for increasing the number of homes in their area and their use. In two tier areas, like Worcestershire, the bonus is shared between the district council and county council (80% District: 20% County). At present NHB

is not ring-fenced and councils can decide how they use the New Homes Bonus, however, there is an expectation that Councils will consult communities about how we will spend the money. The scheme is intended to be permanent however as with all financial funding this can change in the future.

- 3.3 As part of the Financial Settlement Announcement in December 2017 the Government proposed a number of changes to the NHB Scheme which would reduce the allocation granted to Councils. The Government announced in the settlement figures a reduction in the number of years for which NHB payments are made from six to four. They also unexpectedly announced that NHB would not be paid for what they term as baseline growth, or housing growth that would happen naturally. This equates to a 0.4% levy that discounts 165 from the NHB calculation. This may change in future years.
- 3.5 It was agreed that the underspend of £27,157 would be carried forward to increase the available funding for 2017/18. Using the NHB for 2017/18 of £144k this would result in a total available funding of £171,157 for bids to be considered by the NHB Panel.
- 3.6 The Scheme has been running for two years and Members of the NHB Community Grants Panel agreed that a full review of the Scheme would take place, as the format had been changed and a number of concerns were raised by both Members of the Panel and Ward Members. The aim of the review was to ensure that the Scheme was open and transparent and met the needs of both the local communities and the Council.
- 3.7 As part of the review of the scheme officers and Panel Members have revisited the original scheme implemented in 2015/16 and have come to the conclusion that the allocation of funds being based on where the impact of housing growth could be evidence was a more appropriate method and allowed those areas which may have been affected by growth in previous years to apply for a grant.
- 3.9 Appendix 1 reflects the revised Scheme highlighting the criteria for awarding a grant and who can apply. Particular emphasis has been placed on the role of the Ward Councillor in the application process and a number of short workshops will be held in order for Ward Councillors to familiarise themselves with the scheme and assist groups within their wards with the completion of the application forms.
- 3.10 The application forms have also been reviewed to take account of a number of issues which were raised and to provide a more robust process and the involvement of Ward Councillors.

- 3.11 There will again be two categories of application up to £2,880 and £2,881 to £28,800. This is 2 and 20 percent respectively of the total allocation of funds for the 2017/18 scheme.
- 3.12 The revised Scheme also includes more detail around the monitoring process once the grants have been agreed. This is to ensure that the funds are used for the purpose for which they were granted.
- 3.13 It is also proposed that, applicants will be given the opportunity to have their submissions verified, giving them an opportunity to resubmit prior to the closing date of applications. This will be done by Officers supported by a Member of Panel and feedback via the Ward Councillor.
- 3.14 The Panel have also proposed that £2,000 be deducted from the Scheme to cover officer time spent administering the scheme and supporting both Members and the community in ensuring that the process runs smoothly and is fit for purpose.
- 3.15 Should the new allocation policy be approved the bidding process will commence on 8<sup>th</sup> May 2017.

**Service / Operational Implications**

- 3.16 The allocation of funding will support the provision of projects within local communities and do not impact on the operational services provided by the Council.

**Customer / Equalities and Diversity Implications**

- 3.17 The scheme will support all communities that are affected by growth.

**4. RISK MANAGEMENT**

- 4.1 An annual scheme based on the additional funding received from NHB for each financial year will mitigate the impact on the Medium Term Financial Plan and ensure that should NHB be revised in the future there is no future commitment from the Council.

**5. APPENDICES**

- Appendix 1 – Revised Draft NHB Community Grants Scheme  
Appendix 2 – Application Form for Grants up to £2,880  
Appendix 3 – Application form for Grants between £2,881 and £28,800.  
Appendix 4 – Timeline for Grants Process 2017/18

**AUTHOR OF REPORT**

**BROMSGROVE DISTRICT COUNCIL**

**CABINET**

**5<sup>th</sup> April 2017**

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