

Cherwell District Council
Budget Planning Committee

26 September 2017

Review of New Homes Bonus Allocation

Report of Chief Finance Officer

This report is public

Purpose of report

This report provides Members with a review of the allocation of New Homes Bonus (NHB) over the life of the scheme.

1.0 Recommendations

Budget Planning Committee is recommended:

- 1.1 To note the allocation of New Homes Bonus.

2.0 Introduction

- 2.1 The New Homes Bonus scheme has been in operation for seven years.

- 2.2 NHB is made up of two elements:

- The amount generated from the total number of new dwellings built above the baseline (set at 0.4% from 2017/18); and
- An additional amount per affordable home built.

- 2.3 Each year's allocation was initially paid for 6 years but central government recently changed this to 4 years following their review of NHB.

- 2.3 The current allocation of the New Homes Bonus is:

- 50% to fund the General Fund revenue budget;
- 50% to the Economic Development earmarked reserve; and
- The additional amount per affordable home is allocated to the Affordable Housing earmarked reserve.
- Years 1 and 2 of the NHB scheme was allocated to communities based on the development in the parish in those years (2010/11 and 2011/12)

3.0 Report Details

New Homes Bonus Allocation

3.1 Appendix 1 provides an analysis of NHB since the start of the scheme. The total amount received over the seven years to date is £15,539,805, of this, £9,197,179 has been spent and there is a balance in earmarked reserves of £6,342,626

3.2 The spend to date is summarised below:

	£000
• Supporting the general fund revenue budget	£7,317
• Supporting Communities	£956
• Superfast Broadband	£545
• Economic Development	£329
• Affordable Housing	<u>£50</u>
	£9,197

4.0 Conclusion and Reasons for Recommendations

4.1 It is recommended that the contents of this report are noted.

5.0 Consultation

Cllr Tony Ilott – Lead member
for Financial Management

Cllr Ilott is content with the report and supportive
of the recommendations contained within it.

6.0 Alternative Options and Reasons for Rejection

6.1 The following alternative options have been identified and rejected for the reasons as set out below:

Option 1: This report illustrates the allocation of New Homes Bonus to date. As this is a report for information, no further options have been considered. However, members may wish to request that officers provide additional information.

7.0 Implications

Financial and Resource Implications

7.1 These are contained in the body of the report. There are no direct costs or other direct financial implications arising from this report.

Comments checked by:

Sanjay Sharma, Interim Head of Finance, 01295 221564

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Legal Implications

7.2 There are no legal implications.

Comments checked by:

Nigel Bell, Interim Legal Services Manager. 01295 221687

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Risk management

7.3 Any increase in risk will be escalated through the corporate risk register.

Comments checked by:

Louise Tustian, Team Leader – Strategic Intelligence and Insight, 01295 221786

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Equality and Diversity

7.4 Impact assessments were carried out in advance of setting the 2017-18 budget.

Comments checked by:

Caroline French, Corporate Policy Officer, 01295 221586

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8.0 Decision Information

Wards Affected

All

Links to Corporate Plan and Policy Framework

All

Lead Councillor

Councillor Tony Illott – Lead Member for Financial Management

Document Information

Appendix No	Title
1	CDC New Homes Bonus Allocation

Background Papers	
None	
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