

Cherwell District Council

Executive

7 March 2016

<p>New Homes Bonus Draft Consultation Response</p>
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Report of the Director of Resources

This report is public

Purpose of report

To consider a draft response to the Government's consultation exercise on New Homes Bonus.

1.0 Recommendations

The meeting is recommended to:

- 1.1 Consider the Government's consultation document "New Homes Bonus: Sharpening the Incentive" attached at Appendix 1.
- 1.2 Consider the draft response to be submitted by this Council as set out in Appendix 2
- 1.3 To delegate authority to the Director of Resources, in consultation with the Lead Member for Financial Management, to finalise the response for submission to the Government by 10 March 2016.

2.0 Introduction

- 2.1 On the 17 December 2015 the Government released a consultation paper on New Homes Bonus called "New Homes Bonus: Sharpening the Incentive". This is set out in Appendix 1 and available at the following link:
[https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/487095/151217 - nhb draft condoc published version.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/487095/151217_-_nhb_draft_condoc_published_version.pdf).
- 2.2 The report sets out a number of options that are being considered and seeks views on them.
- 2.3 A draft response to the consultation paper is set out in Appendix 2 for consideration.
- 2.4 Delegated authority is requested to finalise the submission in consultation with the lead member for Financial Management by the submission deadline which is 10 March 2016.

3.0 Report Details

- 3.1 On 17 December 2015, the Secretary of State for Communities and Local Government, the Rt Hon Greg Clark MP made a statement on the provisional local government finance settlement for 2016/17. The settlement information included provisional New Homes Bonus (NHB) allocations and also a consultation paper on revising the existing NHB scheme.
- 3.2 This Council receives a significant amount of funding in New Homes Bonus. For 2016-17 we will receive almost £3.85m and since the start of the scheme in 2011-12 we have received £11.1m.
- 3.3 The Government is seeking to reduce the amount of funds allocated to New Homes Bonus and divert them to Social Care demand led pressures that are currently under-funded in the view of the Government.
- 3.4 The main points raised in the consultation are highlighted below:
- A proposal to move to a four year scheme rather than a six year scheme with two options to do this.
 - Either move straight to a four year scheme from 2017-18 or move to a five year scheme for 2017-18 and then a four year scheme from 2018-19.
 - A proposal to consider moving to even a three year or two year scheme rather than the current six year scheme.
 - Councils to lose NHB if their local plan has not been submitted.
 - Councils to lose either 100% or 50% of their NHB on developments that are allowed on appeal
 - A baseline for housing growth to be set and NHB only to be payable for growth above this baseline.
 - A level of protection for Councils that lose out significantly as a result of the new scheme.

Interestingly there is no mention evident of changing the split between County and District Councils.

- 3.5 A draft response to the consultation paper is contained at Appendix 2 and delegated authority is requested to finalise the submission prior to the deadline which is 10 March 2016.

4.0 Conclusion and Reasons for Recommendations

- 4.1 It is recommended that the draft response to the consultation document is considered.

5.0 Consultation

Councillor Ken Atack – Lead Member for Financial Management

6.0 Alternative Options and Reasons for Rejection

- 6.1 Executive could decide not to consider the attached draft response but this is rejected as it is in the Council's interest to respond to such a document.

7.0 Implications

Financial and Resource Implications

- 7.1 The proposed scheme will have a detrimental impact on the Council's finances and therefore it is important that we set the Council's views out to the Government in order for us to mitigate that impact as much as possible.

Comments checked by:

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Legal Implications

- 7.2 There are no direct legal implications stemming from this report.

Comments checked by:

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8.0 Decision Information

Key Decision

Financial Threshold Met: **No**

Community Impact Threshold Met: **No**

Wards Affected

Not applicable

Links to Corporate Plan and Policy Framework

Enhancing the Council Performance

Lead Councillor

Councillor Ken Atack – Lead Member for Financial Management

Document Information

Appendix No	Title
Appendix 1	Government consultation document "New Homes Bonus: Sharpening the Incentive"
Appendix 2	Draft response to consultation document
Background Papers	
None	
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