

Date: 28 October 2011
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To: Members of the New Home Bonus Panel
(Councillors Ray Bloxham, Trevor Cope,
Douglas Hull, Stephanie Jones, Andrew Moulding,
Graham Troman)

Chief Executive
Deputy Chief Executive – Richard Cohen
Head of Finance

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New Homes Bonus Panel
Wednesday 2 November 2011 at 4.00pm

The above meeting will be held in Room One, Knowle, Sidmouth, to consider the matters detailed on the agenda below.

AGENDA

	Page/s
1 To confirm the notes of the New Homes Bonus Panel held on Wednesday 12 October 2011.	2 - 3
2 To receive any apologies for absence.	
3 To receive any declarations of interests relating to items on the agenda.	
4 To consider the draft New Homes Bonus criteria	4 - 5

EAST DEVON DISTRICT COUNCIL

Notes of a Meeting of the New Homes Bonus Panel held at the Knowle, Sidmouth on Wednesday 12 October 2011

Present: Councillors:
Ray Bloxham (Chairman)
Trevor Cope
Douglas Hull
Stephanie Jones
Andrew Moulding
Graham Troman

Also Present: Councillors:
Paul Diviani

Officers: Richard Cohen, Deputy Chief Executive
Simon Davey, Head of Finance
Christopher Holland, Democratic Services Officer
Mark Williams, Chief Executive

The meeting started at 4.00 pm and finished at 5.00 pm.

*1 Election of Chairman

Councillor Ray Bloxham was elected Chairman of the Panel.

*2 Role and Activity of the Panel

Members noted that at the meeting of the Cabinet held on 13 July 2011 it was resolved that a politically balanced panel of members be set up to work with EDDC's Engagement and Funding Officer to consider various options to progress the scheme and make recommendations to the Cabinet. Members had made reference to the former Rural Aid Panel and felt that the new Panel might work in a similar way.

It was noted that the Government was not prescriptive over the use of any monies received but expected local authorities to understand local priorities for investment for the benefit of the wider community.

*4 Options for use of New Homes Bonus

Members received and noted the report of the Head of Finance who explained that the NHB scheme was introduced in part to redress an imbalance in the local government finance system. The NHB was intended to help deliver the vision and objectives of the community and may assist with issues such as service provision or infrastructure delivery. Each new home that was built had an implication for service delivery costs (refuse collections, regulatory services etc). At present additional income from extra Council Tax was offset by a reduction in Revenue Support Grant. This caused a strain on service budgets. NHB could help to offset those additional costs at least for a short period of time.

The report identified East Devon's allocation for 2011/12 and the subsequent 5 years as £310,872 (giving a total payment over the 6 years of £1,865,299). The Government's intention was to create a financial incentive to encourage local authorities to facilitate housing growth.

*4 Options for use of New Homes Bonus (cont'd)

The grant allocation had not been taken into account during the budget setting process due to uncertainty surrounding the amount and therefore Members were now asked to consider how to use the grant in 2011/12 and future years. Any decision needed to take into account the Government's likely intention to fund the scheme from year two onwards by a comparable reduction in formula grant to the local authority.

The NHB scheme provided the Council with a payment equal to the national average for the Council tax band on each additional property built. The scheme was intended to be a permanent feature of local government funding. For each additional occupied home, the council would receive six years of un-ringfenced grant (measured by the change in dwelling numbers on the Council tax valuation list).

It was noted that the criteria for use of NHB were very open and therefore options were varied and wide ranging. Further guidance was unlikely to be forthcoming from Government therefore it was entirely for Members' to decide how best to use NHB.

Members discussed a range of uses for NHB. These included using NHB for community based uses, including grants, as match funding and as an investment tool to improve the return on council assets. It was felt that the Panel had an ongoing role to recommend to Cabinet on uses for funding, including application mechanisms and criteria. Officers would need to present a draft funding mechanism and application criteria at the next meeting of the panel.

RESOLVED that the panel meet on 2 November to consider a draft funding mechanism to include:

- application criteria
- permitted funding limits
- value for money
- match funding attraction

New Home Bonus Panel – 2 Nov 2011

NHB Criteria

Following on from the Panel meeting of 12 Oct 2011 it was agreed that I would draft a short paper to consider apportionment and criteria around allocation of NHB. Cllr Bloxham, NHB Panel Chairman and I, also met to consider and inform the paper.

Panel member agreed that the fund should support both community led propositions and be able to finance capital programme:. The 2011 NHB fund is expected to be £310,872 and 2012/13 is projected to be the same again plus £315,844. Beyond 2012/13 we are not confident that NHB will remain as an addition to formula grant. In effect, we are working to an expectation of £900K+ funding available to spend.

Community Fund

DCC is developing a county-wide fund proposed at £1 per elector and is asking districts to contribute. We had 105,115 registered voters for the May elections. EDDC can use this County Fund as match funding by setting aside a sum equivalent to 10p per district elector for a period of 10 years. This would be £105,000 in total. DCC and EDDC funding would add up to an annual Community Fund of around £115,000 pa to be disseminated across towns and parishes.

Capital and One Off Programme

There are a range of unfunded projects and spend items in the council's Capital programme. Constraints on future budgets will increase pressure to identify new sources of funding to meet spend demands. NHB usage is largely unrestricted by government therefore EDDC has the opportunity to apply the fund to a range of its spend priorities. 2010/11 budget available would be £205,000 with a further £600,000 approx available from 2012/13 onwards.

Against these two strands of NHB usage some core conditions can be proposed as parameters that the Panel can use in deciding on spend:

Community Fund

1. Alignment with DCC elector fund
2. Reflect local priorities and deliver benefits for the wider community
3. One off local funding and no ongoing/revenue funding implications
4. Encouragement to multiple parish and town proposals

Capital and One Off Programme

1. Prioritise spend on projects that will show return on investment
2. Prioritise projects that will optimise EDDC assets – marketing, planning, disposal, refurbishment, redevelopment etc
3. Time limited project spend that does not require ongoing financial commitment, running costs etc

Agenda Item 4

Decision Making Process

Community Fund

1. One off annual application round overseen by NHB Panel
2. Panel application consideration and funding approval decision
3. Evaluation of annual reports from recipients
4. Simple application process managed by EDDC communities resource
5. Joint promotion of fund with DCC to towns and parishes with clear criteria
6. Annual report of overall Fund performance to Cabinet

Capital and One Off Programme

1. Funding applied to Capital Programme opportunities
2. Strategic direction through Council Plan and Service Area Strategies
3. Decisions subject to SMT consideration and Cabinet approval
4. Annual Report to Cabinet on NHB allocation and performance

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28 Oct 2011