

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
FINANCE	FINANCE AND DEMOCRACY COMMITTEE	23 NOVEMBER 2020	8
NEW HOMES BONUS: PROVISION OF GRANTS TO TOWN AND PARISH COUNCILS 2021/22			

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

SUMMARY

The New Homes Bonus policy provides the framework for a system of grant support to town and parish areas which have experienced above average growth in housing numbers, funded from a portion of the New Homes Bonus that is received by Fylde Council.

This report proposes the arrangements in respect of 2021/22 which differs from that approved for previous years due to the current uncertainty surrounding the future of the national scheme of New Homes Bonus grants.

RECOMMENDATIONS

The Committee is requested to:

1. Note the current situation in respect of the national scheme of New Homes Bonus grants;
2. Approve that there will be no allocations of funding to town and parish councils from New Homes Bonus grant until confirmation has been received of the amount of New Homes Bonus receivable by Fylde Council for 2021/22; and
3. Approve that in the event that Fylde Council does receive confirmation of an allocation of New Homes Bonus grant for 2021/22, a proportion of that grant will be distributed to town and parish councils that have experienced above average housing growth in the previous year, equivalent to a total of 5% of the latest estimate of the total New Homes Bonus income receivable by Fylde Council, using the distribution methodology adopted for previous years.

SUMMARY OF PREVIOUS DECISIONS

The policy on the provision of grants to town and parish councils, to be funded from a portion of the New Homes Bonus, was first approved by Council in December 2017 in respect of the 2018/19 financial year and has been approved in each subsequent year in respect of the forthcoming financial year.

CORPORATE PRIORITIES	
Economy – To create a vibrant and healthy economy	✓
Environment – To deliver services customers expect	✓
Efficiency – By spending money in the most efficient way	✓
Tourism – To create a great place to live and visit	✓

REPORT

1. Background

- 1.1 For the financial year 2018/19 Fylde Council introduced a new initiative by which a proportion of total New Homes Bonus (NHB) funding that the council receives is allocated to town and parish councils to help alleviate the impacts of housing growth on local communities. For each year the total grant funding distributed has been a figure equivalent to 5% of the latest estimate of the total New Homes Bonus income receivable by Fylde council for that year. Grants are calculated by reference to housing growth above a 0.4% growth baseline level in each town or parish area.

Previous total allocations to town and parish councils under the scheme have been:

2018/19	£65,500
2019/20	£68,950
2020/21	£75,500

2. Update to the scheme of provision of NHB-funded grants to town and parish councils for 2021/22.

- 2.1 In previous years the sums to be distributed for the following financial year have been approved at the November/December cycle of council meetings in order that amounts to be provided to each qualifying town and parish council can be notified prior to completion of the budget-setting process by each town or parish council. Previously it was possible to estimate the amount of NHB for the coming year with a degree of certainty as the scheme had been embedded for a number of years, albeit with some changes along the way.
- 2.2 However, at present there is much uncertainty around the future of the national scheme beyond the current year, especially in the light of current national funding pressures created by the various covid support schemes to businesses and individuals. It is conceivable that NHB funding for 2021/22 will be restricted to the legacy payments in respect of previous years; or that there will be no NHB funding whatsoever to local authorities in 2021/22; or that there will be a further single-year allocation for 2021/22.
- 2.3 It is unlikely that there will be any clarity about the future of the NHB scheme until the local government finance settlement is announced in mid-December 2020. It will not be possible, therefore, for NHB grant distribution to town and parish councils to be considered in the usual timescales.
- 2.4 Consequently it is proposed that there will be no approval of NHB grant allocations to town and parish councils until confirmation has been received of the amount of New Homes Bonus receivable by Fylde Council for 2021/22.
- 2.5 If, in due course, Fylde Council does receive confirmation of an allocation of New Homes Bonus grant for 2021/22, it is proposed that a proportion of that grant will again be distributed to town and parish councils that have experienced above average housing growth in the previous year, equivalent to a total of 5% of the latest estimate of the total New Homes Bonus income receivable by Fylde Council. An updated Policy on the Provision of New Homes Bonus Grants is attached at Appendix A should there be such a scheme for 2021/22.
- 2.6 If grants are to be distributed to town and parish councils under the scheme for 2021/22 it is proposed that the distribution methodology adopted for previous years will be used to calculate the grant allocations for 2021/22.
- 2.7 Representations have been made to the Council via the District Parish Liaison forum proposing that the proportion of funding to be allocated under the scheme should be 10% rather than 5%. If the proportion to be allocated to town and parish councils is approved at a figure other than 5% the updated Policy on the Provision of New Homes Bonus Grants to Town and Parish Councils 2021/22 will be amended accordingly.

- 2.8 It is acknowledged that the timing of events may require that amounts to be provided to each qualifying town and parish council cannot be notified prior to completion of the budget-setting process by each town or parish council.
- 2.9 If the recommendations are approved, town and parish councils will be advised to agree their revenue and capital spending plans for 2021/22, including the setting of the town or parish council tax precept for the year, on the basis that there may be no allocations of NHB funding for 2021/22.
- 2.10 Any subsequent allocations of NHB funding to town and parish councils for 2021/22 will be made as soon as practicable following notification of the NHB funding amount.

IMPLICATIONS	
Finance	Financial implications are contained within the body of the report.
Legal	None arising from this report
Community Safety	None
Human Rights and Equalities	None arising from this report
Sustainability and Environmental Impact	None
Health & Safety and Risk Management	None

LEAD AUTHOR	CONTACT DETAILS	DATE
Paul O'Donoghue, Chief Financial Officer	01253 658566	November 2020

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
n/a	n/a	n/a

Attached documents

Appendix A - Updated Policy on the Provision of New Homes Bonus Grants to Town and Parish Councils 2021/22.