



**NEW HOMES BONUS:
POLICY ON THE PROVISION OF GRANTS
TO TOWN AND PARISH COUNCILS**

1. What is the New Homes Bonus?

- 1.1 The New Homes Bonus (NHB) is a national initiative, introduced in 2011/12, which provides funding to principal councils (i.e. Unitary, County and District councils) in proportion to the increase in the number of homes in their area year on year. These may be newly built, conversions or empty homes being returned to use.
- 1.2 For every new home that is created in the Fylde borough the government gives the council a level of grant based on the national average Council Tax charge each year for a number of years (originally for six years but now reduced to five and then four years with effect from 2018/19).
- 1.3 Under the current national scheme the grant in Fylde's area is shared between the district council (Fylde Council) and the upper-tier authority (Lancashire County Council), with Fylde Council receiving 80% of the grant and the County Council 20%.
- 1.4 Local councils decide how to spend NHB. The grant is a non-ring-fenced revenue grant, which means it can be used for a variety of different projects or to support general expenditure.
- 1.5 New Homes Bonus is not new money. The government has reduced other funding (particularly the Revenue Support Grant) to local councils in order to create the necessary funding for the NHB scheme. Consequently it has been necessary for Fylde Council and many others to direct income from New Homes Bonus to compensate for and to balance out other cuts in government funding for Council services.

2. Purpose of this policy

- 2.1 Fylde Council is proposing to introduce a new initiative in which funding is allocated to town and parish councils to help alleviate the impacts of housing growth on local communities.
- 2.2 The initiative is to be funded from a portion of the New Homes Bonus income that is received by Fylde Council.
- 2.3 The purpose of this new policy document is to provide the framework for the proposed system of grant support to town and parish areas which have experienced above-average growth in housing numbers.

3. Commencement of the scheme and funding levels

- 3.1 The scheme will commence with effect from the 2018/19 financial year.
- 3.2 The operation of the scheme for subsequent years will be determined by a review of the effectiveness of the arrangements in delivering the intended outcomes. That review will be undertaken during 2018/19.
- 3.3 For 2018/19 the total grant funding to be distributed will be a figure equivalent to 5% of the latest estimate of the total New Homes Bonus income receivable by Fylde council for that year i.e. a sum of £65,500.

4. The aims and objectives of this initiative

4.1 The scheme is intended to support new projects where there is a demonstrable need to assist in the provision of community amenities that are necessary because of growth in property numbers, and consequently an increase in the demand for local services, and that have tangible benefits for the community.

4.2 The broad objective of the policy can be summarised as:

“to provide grant support to town and parish areas which have experienced above-average growth in housing numbers.”

4.3 Specifically projects to be funded under this initiative should meet one of the following criteria:

- Schemes that develop community facilities;
- Schemes that address particular issues associated with housing growth;
- Parks and green space development schemes;
- Schemes to improve travel, public transport or car parks.

5. How grant amounts will be calculated

- 5.1 The grant distribution methodology will reflect relative growth in total property numbers in each town and parish area.
- 5.2 For the purpose of this initiative, the Valuation Office property data that is provided as at September each year for the purposes of calculating the New Homes Bonus amount for the following year, shall be the basis of defining property numbers, and thereby also property growth for the past year, for each area.
- 5.3 Grants will only be available to town and parish areas that have experienced property growth for the past year above a baseline of 0.4% (of the prior year total property numbers). This is to match the government threshold of 'expected annual growth' as represented in the revised New Homes Bonus 'baseline' that applies to Fylde Council and all other recipients of New Homes Bonus funding.
- 5.4 The total sum to be distributed to town and parish areas that have experienced growth above the 0.4% baseline level will be divided amongst those qualifying areas by reference to the absolute numbers of additional property numbers in excess of the 'baseline' level for each area in the preceding year.
- 5.5 Not all town and parish areas will experience growth in property numbers in every year. Some that do experience growth in property numbers may not exceed the 0.4% baseline threshold. As a consequence of the methodology for calculating entitlement to grants as set out above, not all town and parish councils will be eligible to receive a grant under this initiative in every year.
- 5.6 Using this methodology the town and parish council grant allocations for 2018/19, resulting from the distribution of the total sum of £65,500, are shown at Appendix A.

6. Grant notification and reporting

- 6.1 The sums to be distributed to town and parish areas for the next financial year will be scheduled for consideration and approval at a Council meeting such that the amounts to be provided to each qualifying town and parish council will be notified prior to completion of the budget-setting process.
- 6.2 In the case of individual grant awards in excess of £1,000, grant recipients are required to confirm how the grant is to be used in the form of a written statement in compliance with the approved scheme requirements (as set out in paragraph 4.3) prior to the release of funding.
- 6.3 Additionally in respect of grants in excess of £1,000, grant recipients are required to complete a mid-year statement to confirm how the grant has been (or will be) used. This information will be used to assess the success of the scheme relative to the stated intentions of the initiative and will be used to inform the decision as to whether the scheme will continue beyond the first year.
- 6.4 For Town and parish councils that may receive modest annual grant allocations as part of this initiative the annual allocations may be accumulated over a period of no more than 3 years in order to provide sufficient funding for a larger scheme to be undertaken than would be achievable using a single year funding allocation.
- 6.5 Grant funding from this initiative may be used as match-funding for other grant applications.

7. Governance and decision-making

- 7.1 Adoption of the scheme for the distribution of grants to town and parish councils to reflect housing growth shall be confirmed at a meeting of the full council.
- 7.2 A review of the operation of the scheme and the appropriate funding resource to be allocated to the scheme will be undertaken during 2018/19 by the Finance and Democracy Committee.

Appendix A

Town and Parish Councils New Homes Bonus Grant Allocations 2018/19

Town/Parish Council	Property numbers as at Nov 2016	Property numbers as at Sept 2017	Property numbers - change Nov 16 to Sept 2017	Baseline level - 0.4% of taxbase	Property growth above baseline level	Grant Allocation to reflect property growth above baseline £
St.Annes	14,124	14,234	110	56.5	54	14,035
Westby-with-Plumpton	703	754	51	2.8	48	12,476
Bryning-with-Warton	1,798	1,853	55	7.2	48	12,476
Kirkham	3,132	3,179	47	12.5	34	8,837
Medlar-with-Wesham	1,751	1,787	36	7.0	29	7,538
Ribby-with Wrea	698	726	28	2.8	25	6,498
Staining	1,064	1,074	10	4.3	6	1,560
Little Eccleston-with-Larbreck	223	228	5	0.9	4	1,040
Greenhalgh-with-Thistleton	183	187	4	0.7	3	780
Weeton-with-Preese	362	364	2	1.4	1	260
Sub-total - property growth excl. reductions					252	65,500
Singleton	460	462	2	1.8	0	Nil
Elswick	461	462	1	1.8	-1	Nil
Treales, Roseacre & Wharles	194	194	0	0.8	-1	Nil
Newton-with-Clifton	1,136	1,135	-1	4.5	-6	Nil
Freckleton	2,749	2,755	6	11.0	-5	Nil
Unparished areas - Lytham	8,886	8,883	-3	35.5	-39	Nil
						Nil
Total	37,924	38,277	353	152	200	65,500