

REPORT OF Strategic Manager (Resources)
To: Community and Resources Committee
Subject: New Homes Bonus – Community Grants
Date: February 2019 **Reference:**

PURPOSE OF REPORT:

To determine how the New Homes Bonus funding is to be utilised in its fourth year of operation.

1. INTRODUCTION

The New Homes Bonus Scheme will be entering its fourth year from April 1, 2019. In year three of the scheme there was £265,919.00 available for local organisations and groups to apply for.

There was also an additional £72,000 set aside for the personal Councillor Grants who each received £2,000 to allocate at their discretion.

2. REPORT

The latest budget forecast predicts that the funding available within the scheme for year four is to be circa £196,000 plus the £72,000 for Members should the formula for allocating NHB resources continue in its current format.

Should the scheme continue in a similar manner to as it does now, all applications will follow the same process as they did in year three with applications requiring sign off by the appropriate Ward Member(s) prior to submission and thereafter they will be scored by officers, the Head of Paid Services and the Leader of the Council against set criteria that has been pre-agreed by Members.

The Council however is facing overriding budgetary constraints and it needs to be decided as to how the New Homes Bonus allocation is utilised as part of the wider context of the Authority's overall budgeting for its fourth year allocation. There are several points to consider when making these decisions.

- In year three it was agreed that a limit of £10,000 in total be set as the amount that any one organisation could apply for and this was also the case for Parish and Town Councils.
- There is once again a large reduction in the amount of funding that is available.
- A number of Parish Councils in year three had multiple projects that they wished to undertake but could not re-apply.
- The Councillors "personal" grants were increased from £1,000 in year 2 up to £2,000 in year 3.

Members should be aware that 2019/20 is the last confirmed year of New Homes Bonus Funding. At a national level the New Homes Bonus scheme costs Central Government circa £900m. The Fair Funding Review 2020/21 will rebase local authority funding based upon an assessment of local authority need.

At this juncture it is not known if the current New Homes Bonus Scheme will continue in its current guise beyond 2019/20 or if the £900m allocated to the New Homes Bonus Scheme is reallocated to local authorities by some other methodology.



The Council's Medium Term Financial Strategy (MTFS) 2019/20 – 2023/24 is currently projecting an annual deficit of £700k by 2023/24, **before** any assessment of the impact of Fair Funding Review 2020/21

It is not possible at this juncture to quantify the impact of the Fair Funding Review 2020/21 on Torridge finances. However Shire Districts like Torridge have benefited significantly from the introduction of Business Rate Retention compared with their Shire County colleagues. Consequently it would be prudent to assume there could be some reallocation of resource away from shire districts.

3. IMPLICATIONS

Legal Implications

A grant agreement will be drafted and signed for each application to ensure the secure allocation of the money for the intentions proposed.

Financial Implications

- In year four there would be £268,000 available for the New Homes Bonus scheme and “personal” Councillor grants based on the current formula to share NHB resources..
- A grant agreement will be drafted and signed for each application to ensure the secure allocation of the money for the intentions proposed.
- Where applications have scored satisfactorily but have yet to amass the total funding required for their project, a letter of financial commitment will be provided and the funds then paid upon evidence of the shortfall being met.
- The availability of New Homes Bonus funding beyond 2019/20 is unknown

Human Resources Implications

Not applicable.

Sustainability/Biodiversity Implications

Council funds used to support community projects that will leave a legacy for the future.

Equality/Diversity

All applications are independently scored and assessed against set criteria.

Risk Management

Applications are endorsed by Ward Members and scored independently by three different parties.

Compliance with Policies and Strategies

The scheme complies with the Community Grant Fund criteria that were adopted by Members.



Leaders Views

I am obviously delighted that there will be the opportunity for what has been an invaluable funding Scheme for local Projects and Parish Council's to continue. However, some careful consideration is needed I feel to ensure that in what will probably be the last year this Council is able to deliver the scheme. It's essential I feel that the very best is made of the opportunities the Scheme will be able to provide. Members will have a choice about several aspects of how the Scheme will be delivered during the 2019/20 year.

4. CONCLUSIONS

- There is considerably less funding available in year four than there was in the previous years and the Authority is facing further financial constraints elsewhere.
- It's possible that the available funds could be utilised in a different way to the previous three years of the scheme, both as a scheme itself but also in the wider context of the Authority's budgetary requirements.

5. RECOMMENDATIONS

- The statutory S151 officer recommends that members note the uncertainty over future New Homes Bonus Funding beyond 2019/20. The allocation of Community and Member grant funding for 2019/20 should take into account the Council's financial position contained in the Budget 2019/20, MTFS 2019/20 to 2023/24 Report also on the agenda for the meeting. The recommendation in that report is that £115,000 is required in 2019/20 from the New Homes Bonus – Community Grants allocation to balance the Revenue Budget 2019/20 (subject to other decisions on Council Tax).

For 2019/20 that Members determine whether to

- Use all of the £268,000 for the New Homes Bonus scheme and Councillor grants
- Allocate the funds to invest in either the Authorities capital programme or contribute towards the Council's funding deficit i.e. reduce the sum allocated to £153,000 in order to balance the Council's Revenue Budget 2019-20. Therefore reducing the pot to £72,000 Member Grants and £81,000 Community Grants.

If it is agreed that the New Homes Bonus is allocated funds it is recommended that:

- Town and Parish Councils are able to re-apply for applications for differing projects.
- That the maximum grant allocated to any organisation (or accumulation of grants) is reduced to £5,000.
- Members determine whether the personal Councillor grants remain at £2,000; are reduced back to £1,000 or that they are scrapped completely in order to increase the level of resources available fro Community Grants

SUPPORTING INFORMATION

Consultations:

Date of Consultation –

Officers Consulted – Jenny Wallace, Steve Hearse,
Sean Kearney, Staci Dorey

Members Consulted – Cllr J.Whittaker.



Contact Officer:

James Jarroudi

