

SSDC Response to New Homes Bonus Consultation

Executive Portfolio Holders: Peter Seib, Finance and Legal Services
Angie Singleton, Strategic Planning (Place - Making)
Heads of Service: Donna Parham, Finance and Corporate Services
Martin Woods, Assistant Director - Economy
Jayne Beevor, Principal Accountant – Revenues
Lead Officers: Paul Wheatley, Principal Spatial Planner
Colin McDonald, Strategic Housing Manager
Alasdair Bell, Environmental Health Manager
Donna.parham@southsomerset.gov.uk or (01935 462225)
Martin.woods@southsomerset.gov.uk or (01935 462071)
Contact Details: Paul.Wheatley@southsomerset.gov.uk or (01935 462598)
Colin.McDonald@southsomerset.gov.uk or (01935 462331)
Alasdair.Bell@southsomerset.gov.uk 01935 262056

Purpose of Report

To enable Members to review the response to the current Government's Department for Communities and Local Government (DCLG) consultation on New Homes Bonus (NHB).

Forward Plan

This report appeared on the District Executive Forward Plan for March 2016.

Public Interest

This report outlines the Council's response to Government consultation on the future criteria for payment of New Homes Bonus.

Recommendation

That the District Executive approve the response to the DCLG Consultation on New Homes Bonus attached at Appendix A.

Background

New Homes Bonus was implemented as an incentive for local authorities to increase housing growth from the 2011/12 financial year (based on the previous year's growth). A sum equivalent to 80% of the average annual council tax is received in grant for every new home once occupied. This sum is payable for six years with an additional bonus of £350 per annum for every affordable home occupied. Authorities also receive the bonus if the number of empty homes reduces. South Somerset in 2016/17 received £4.6 million in New Homes Bonus.

The Consultation

The consultation seeks to reduce the overall amount allocated to New Homes Bonus with an emphasis of transferring £800 million of the current grant to support Adult Social Care. A reduction has already been reflected within the four year settlement figures provided by the Government. The figures indicate that there is likely to be a transitional period with the cut being fully implemented by 2018/19.

The key headline changes that the consultation seeks a response to are as follows:

- Reducing the number of years the bonus is payable for from six to four and possibly further to two years;
- To reduce or remove the bonus paid to authorities that do not have an adopted local plan;
- To remove or reduce the bonus for new homes that were subject to a successful planning appeal;
- Only applying a bonus above a notional baseline i.e. removing the incentive for homes that are part of natural housing growth.

The response as attached covers these points but also asks that the Government reviews the funding for empty properties, the affordable housing premium, and starter homes.

Financial Implications

There are no direct financial implications of responding to the Government Consultation. However, if implemented the finance settlement figures regarding spending power for SSDC shows that the NHB forecast reduces to £2.8 in 2019/20 compared to the £4.6 million received for 2016/17.

Public/Stakeholder Consultation

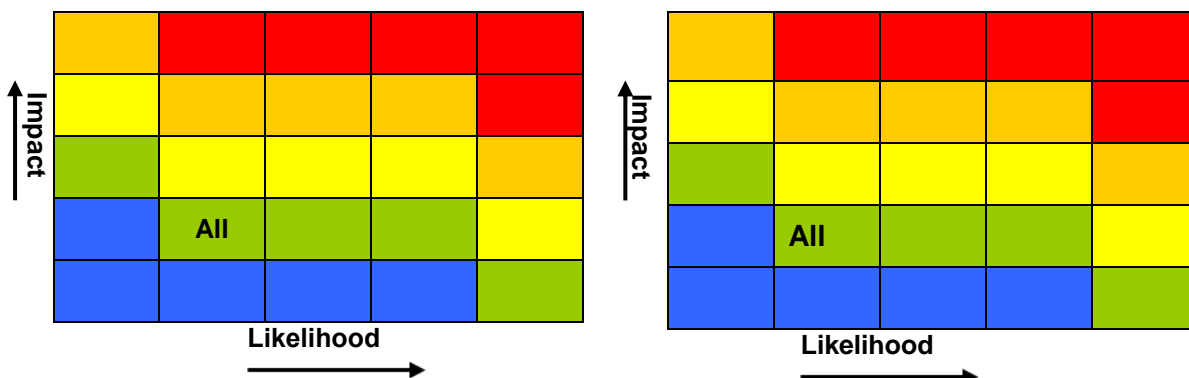
Stakeholders have the ability to respond directly to the consultation.

Equality and Diversity Implications

There are no implications regarding the response to the consultation.

Risk Matrix

Risk Profile before officer recommendations Risk Profile after officer recommendations



Key

Categories	Colours (for further detail please refer to Risk management strategy)
R = Reputation	Red = High impact and high probability
CpP = Corporate Plan Priorities	Orange = Major impact and major probability
CP = Community Priorities	Yellow = Moderate impact and moderate probability
CY = Capacity	Green = Minor impact and minor probability
F = Financial	Blue = Insignificant impact and insignificant probability

Background Papers

Consultation response attached at Appendix A