

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Corporate Overview and Scrutiny Committee** held on Friday, 19th January, 2018 at Committee Suite 1,2 & 3, Westfields, Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor M Simon (Chairman)
Councillor M Grant (Vice-Chairman)

Councillors Rhoda Bailey, S Corcoran, H Davenport, B Dooley, J Nicholas, S Pochin, L Smetham and B Walmsley

1 ALSO PRESENT

Councillor Paul Bates- Finance & Communications Portfolio Holder
Councillor Janet Clowes- Adult Care & Integration Portfolio Holder

Jan Willis- Interim Executive Director of Corporate Services
Alex Thompson- Head of Finance & Performance
Nichola Glover-Edge- Director of Commissioning
Kirstie Hercules- Partnerships Manager

2 APOLOGIES FOR ABSENCE

Councillors S. Gardiner and T. Dean.

3 DECLARATIONS OF INTEREST

There were no declarations of interest.

4 DECLARATION OF PARTY WHIP

There were no declarations of the existence of a party whip.

5 PUBLIC SPEAKING TIME/OPEN SESSION

There were no members of the public who wished to speak.

6 NEW HOMES BONUS

Each of the following Members attended the meeting and addressed the Committee in respect of this matter.

Councillor Toni Fox asked the Committee to consider if there was any feedback from the community, including town and parish councils, on the pre-budget consultation as to how the £2 million could be spent.

Councillor Fox added a suggestion for the Committee to consider how other local authorities distributed its NHB and for Cheshire East to consider recompense specifically to those communities who had experienced a large proportion of new homes schemes.

Councillor Derek Hough stated that the New Homes Bonus was introduced to address the number of new houses being built and noted that it was within the scope to use the funds to reduce council tax. He asked the Committee to define the term 'local' when making any recommendations on local benefit, because residents in Wilmslow for example, were not local to Alsager. He concluded, by suggesting that the NHB should be spent where the homes had been built.

Councillor Amanda Stott expressed the view, that NHB should be allocated to those areas where the homes have been built and back to those communities as recompense.

Jan Willis, Interim Executive Director of Corporate Services gave a short presentation on the New Homes Bonus (NHB), which were funds provided to the Council based on the net increase in homes, with further bonus for affordable homes.

The NHB scheme started in 2011 and was reviewed in 2016, when changes were made to free up £800 million to meet Adult Social Care costs. Additionally a Provisional Settlement was confirmed in December 2016 that reduced the number of years the NHB was paid from six to four years, an introduction of a 0.4% threshold in growth before any payment and the future possibility that the grant would be withheld for builds after appeal or where there was no Local Plan in place.

The Council had received £35.29 million of NHB to date with a further £1.57m from Affordable Homes with an increase of 5,649 homes. There were four areas in Cheshire East with a concentration of 500 new properties or more: Crewe, Sandbach, Congleton and Macclesfield. Middlewich has between 301-400.

The Committee heard that the Department for Local Government (DCLG) had introduced a level of flexibility to the scheme so that local authorities could decide how to spend the funding in line with the community wishes in particular those affected most by housing growth.

The Committee sought clarification as to how the £2million had been calculated. Jan advised that this was a meaningful amount and roughly equal to the amount of money freed up through the Minimum Revenue Provision (MRP). In response to a question about whether or not the NHB had to be spent on infrastructure as suggested by the DCLG. Jan suggested that this was not the case, however the guidance did suggest pooling it with other funding streams.

Alex Thompson, Head of Finance and Performance, presented the Committee with three different examples of schemes from Torridge District Council, Wychavon District Council and Cheshire West and Chester Council using NHB funding.

The Committee discussed the merits of each scheme, and in particular noted that:

- Some authorities had consulted with the local community in respect of how to spend the money and this appeared to have been successful;
- All of the schemes were time limited;
- The Cheshire West scheme had handed the funding directly to Town and Parish Councils.
- In other areas nationally, this way of working had enabled higher reserves for town and parish councils and enabled a reduction to the precept.
- There was some risk attached to the way town and parish councils could be funded through NHB because some wards had seen a large proportion of new homes situated on the edge of the ward. This would attract funding for the parish council but the infrastructure to support the residents of the new homes would be the responsibility of the neighbouring towns, in this instance the town council would not receive any funding.

Alex had provided the committee with four potential options of how to allocate funds:

- 1) By parish based on the location of new homes.
- 2) By area based on location of new homes
- 3) By application that used community budget levels and invited bids from any source.
- 4) Set aside £500,000 for bids and allocate £500,000 based on the location of new homes.

Kirstie Hercules attended the meeting to advise the Committee about the lessons learned to date administering the Community Grants Scheme and a Participatory Budget (PB) Event.

The Council had organised the PB Event which enabled the community to take on the role of a commissioner and make decisions (that related to grant funding) using part of a public budget. The event invested £400k of grant funding across the borough with local community groups.

The pilot was still being evaluated but feedback to date was positive. Whilst the pilot had been viewed as a success, the key issue for the future was how PB funding could influence main stream funding and where resources were spent. Kirstie also noted that the process was labour intensive and this would be a consideration for future events.

Nichola Glover-Edge addressed the Committee about the Early Help Framework (EHF) that was currently being developed for the Community, Voluntary and Faith Sector, due to go live in October. The Framework would bring all the current schemes into one place to avoid duplication of grant funding. There would be a total grant pot of £1.3million (£300k from the Council and £500k each from South and Eastern Cheshire Clinical Commissioning Groups (CCGs).

The Committee asked for clarification around how mainstream funding could be influenced. Kirstie advised this was a more strategic way of working and rather than administer individual grants, focused on the services the community needed.

There was some general discussion about the merits of PB and how the process could be tweaked in the future to accommodate better the needs of rural communities.

The Chairman then invited the Committee to consider the approach they would like to adopt for the Council and engaged in discussion on:

- the subject of funds being paid directly to town and parish councils, but with monitoring built into the process;
- funds being paid to the areas where homes had been built, individual ward budgets, fairness to residents and the argument for the main areas where homes had been built;
- putting the funds back into the main pot and having Council outcomes attached to the funding conditions.

Kirstie advised the Committee that there was a lot of resources involved in administering a grants scheme and if funding to town and parish councils were to be considered as an option, it should be noted that some clerks work part time and may not have the capacity.

RESOLVED:

- (a) That Jan, Alex, Honor, Nichola and Kirstie be thanked for their attendance and presentations;
- (b) That Cabinet be informed that this Committee supports the proposal to earmark £2million from the NHB budget and that Cabinet be invited to make a recommendation to Council that the £2million be allocated specifically to a specific "New Homes Bonus Community Fund" to be used over the next two financial years;
- (c) That Cabinet be also informed that subject to Council approval of the allocation of funds to a New Homes Bonus Community Fund, this Committee would be willing to assist Cabinet by working on the details of a specific scheme to allocate funds.

The meeting commenced at 10.00 am and concluded at 2.35 pm

Councillor M Simon (Chairman)