

## **BRIEFING REPORT**

### **Select Destination of Report** **Corporate Overview and Scrutiny**

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**Date of Meeting:** 05 February 2018

**Report Title:** Progress of the NHB Community Fund

**Portfolio Holder:** Cllr Paul Bates - Cabinet Member for Finance and Communication

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#### **1. Introduction and Policy Context**

- 1.1.** The purpose of this report is to provide an update on progress to date on the New Homes Bonus Community Fund.

#### **2. Background**

- 2.1.** On 22nd February 2018 the Council set aside £2m (£1m in each of 2018/19 and 2019/20), as part of the Medium Term Financial Strategy, for a New Homes Bonus Community Fund.
- 2.2.** New Homes Bonus (NHB) is a Government grant that has been paid to Cheshire East Council since 2011 based on the net annual increase in local homes. The bonus is a permanent feature of the Local Authority Finance Settlement, created through top-slicing Revenue Support Grant.
- 2.3.** Allocations will be made on the basis of Fund Areas that mirror the seven Cheshire East Council Highways Groups. The allocation for each Fund Area will be based on two elements: a fixed allocation; and a variable allocation based on the net increase in homes, within each Fund Area, using data for the period October 2010 to October 2017.

- 2.4.** The New Homes Bonus Community Fund has been split across the Borough based on the location of housing developments that have contributed to the New Homes Bonus funding allocated to Cheshire East Council. The scheme provides communities with an opportunity to engage directly in how this funding should be spent, in accordance with locally agreed priorities. The annual Fixed Allocation is £350,000. This to be split evenly between the seven Fund Areas providing individual allocations of £50,000. The annual Variable Allocation is £650,000. This to be split between each fund area based on net housing completions between 2011 and 2017.

### **3. Briefing Information**

- 3.1. October 2018** - Each of the 7 elected member award groups were established, agreed a terms of reference, elected a chairperson and agreed a set of priorities/outcomes in which they wanted any applications received to meet.
- 3.2. November and December 2018** – Applications were advertised through The Chest, Cheshire East Website, CVS and various internal and external communication channels.
- 3.3. January 2019** - The total number of 222 applications were received accumulating to £7,464,406 worth of applications. See Appendix 1 for further information.
- 3.4. Currently** - Each application is currently being assessed and scored by multi-agency officer panel accordance to the criteria set out in Annex 7 of the NHB Community Fund Policy which will produced a set of recommendations to fund. The applications have been categorised in to 3 areas, further information on those categories and multi-agency officer panel representatives can be found on Appendix 2.
- 3.5. Next steps** - Due to the high volume of applications received the timescales have been revised putting back the decision making and the allocation of funding by 1 month. The revised timescales can be seen on Appendix 3.

### **4. Implications**

#### **4.1. Legal Implications**

4.1.1. The New Homes Bonus is paid as a grant through section 31 of the Local Government Act 2003. It is not ring-fenced and can be spent in accordance with local priorities. There are no restrictions on how a receiving council spends its New Homes Bonus allocations but there is an expectation that the council will consult with communities who are taking housing growth as to how the money could be spent in order to provide services for the communities.

4.1.2. The guidance provided by the Government states that:

“Local Authorities will be able to decide how to spend the funding in line with local community wishes. The Government expects local councillors to work closely with their communities – and in particular the neighbourhoods most affected by housing growth – to understand their priorities for investment and to communicate how the money will be spent and the benefits it will bring. This may relate specifically to the new development or more widely to the local community”

4.1.3. In order to consider any such proposals from its communities: the Council needs to adopt clear and transparent protocol and criteria through which it will determine any applications made.

4.1.4. In exercising its powers the Council must satisfy its public law duties. In essence this means that in making the decision the Council must act fairly in the exercise of its powers and have taken into account only relevant considerations, followed procedural requirements, acted for proper motives and not acted unreasonably. A competitive grants process is an open transparent and fair means to afford all eligible applicants the opportunities to compete for and obtain grant funding from the Council. It is a means to distribute limited resources. A clear statement of the criteria that the Council is applying is essential if the Council is to defend any challenge to its decision making process.

4.1.5. The decision making process is delegated to the Portfolio Holder in order to ensure that decisions can be made expeditiously and at the appropriate level

## **4.2. Financial Implications**

4.2.1. The Council's financial resources are agreed by Council and aligned to the achievement of stated outcomes for local residents and communities.

4.2.2. The creation and implementation of this fund is designed to support local projects to achieve those outcomes. Funding allocations are limited to the £2m overall fund approved by Council, and are split in a way that increases support to the areas that have seen the highest levels of house building across the borough.

4.2.3. The set up and administration of the scheme will result in increased resource requirements within the Finance and Partnerships teams, which will be funded from the Transitional Services Earmarked Reserve. Cost incurred by Cheshire East Council in relation to specific projects delivered under this scheme, including feasibility studies and project management, will be charged to the scheme based at a rate based on full cost recovery.

### 4.3. Human Resources Implications

4.3.1. N/A

### Appendix 1 – Applications received in Numbers

Area	Number of Applications	Total amount
Congleton and surrounding towns and villages	55	£2,895,034
Crewe and surrounding villages	57	£1,659,434
Knutsford and surrounding villages	13	£249,656
Macclesfield and surrounding towns and villages	41	£1,073,961
Nantwich and surrounding villages	31	£1,045,243
Poynton and surrounding villages	10	£181,799
Wilmslow and surrounding villages	15	£359,278.53
<b>Total</b>	<b>222</b>	<b>£7,464,406</b>

### Appendix 2 - Multi-agency officer panel

Health and Wellbeing related Applications – Eastern Footprint	Health and Wellbeing related Applications – Southern Footprint	Capital, Highway and Infrastructure Projects
CEC Communities	CEC Communities	CEC Communities

CEC Contracts and Quality	CEC Contracts and Quality	CEC Contracts and Quality
CEC Commissioning	CEC Commissioning	CEC Commissioning
Public Health	Public Health	CVS
CVS	CVS	CEC Highways
Eastern Cheshire Clinical Commissioning Group	Cheshire Community Foundation	CEC Green and Open Space
CEC Safeguarding	South Cheshire Clinical Commissioning Group	CEC Leisure
	CEC Safeguarding	

### Appendix 3

January 2019 - All applications are currently being assessed by a multi-agency panel

February 2019 - Recommendations will be made to the responsible elected member award groups for consideration

March 2019 - Cabinet member for Finance and Communications to make the final decision

March 2019 - Applicants notified of outcome

April 2019 - Funding to successful applicants to be released