

New Homes Bonus (NHB) – January 2020

Appendix H

removed completely 2021/22		2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
5 years in 2017/18	2011/12	379	379	379	379	379	379							
4 years from 2018/19	2012/13		390	390	390	390	390							
1 year from 2020/21	2013/14			397	397	397	397	397						
No new payment in 21/22	2014/15				776	776	776	776						
	2015/16					994	994	994	994					
	2016/17						1,462	1,462	1,462	1,462				
0.4% baseline	2017/18							1,186	1,186	1,186	1,186			
0.4% baseline	2018/19								1,185	1,185	1,185	1,185		
0.4% baseline	2019/20									974	974	974	974	
0.4% baseline	2020/21										1,485			
Ended	2021/22													
Ended	2022/23													
Ended	2023/24													
		379	769	1,166	1,942	2,936	4,398	4,815	4,827	4,807	4,830	2,159	974	0
Used to fund revenue		0	0	1,166	1,166	1,166	1,166	700	0	0	0	0	0	0
Used for BBH leisure centre		0	0	0	0	0	2,000	5,000	4,500	565	0	0	0	0
Neighbourhood warden seeding									30	75	45	0	0	0
Investment property / infrastructure										3,000	3,000	3,000	3,000	3,000
Added to / (drawn from) Reserves		379	769	0	776	1,770	1,232	-885	297	1,167	1,785	-841	-2,026	-3,000
Total Reserve figure		379	1,148	1,148	1,924	3,694	4,926	4,041	4,338	5,505	7,290	6,449	4,423	1,423

Notes:

The December 2019 Provisional Settlement confirmed the technical consultation paper for the Local Government Finance Settlement 2020-21 and the change in mechanism of NHB to a single year payment only. Previous legacy payments will continue until they expire naturally. The 0.4% baseline is the amount which needs to be exceeded before any NHB payments are made. Measured against the total band D equivalents in the district, 0.4% equates to approximately 240 additional houses a year before we receive the payment in 2020/21.

Reliance on NHB to support revenue was tapered down to nil in 2018/19. We took measures to increase income and phase in additional spending reductions to balance the budget as new homes bonus was not considered a permanent source of income. We expect Government to confirm the end of NHB in its current form and include it as a counterweight in the 75% localisation of business rates and the Fair Funding Review in 2021/22. Government has not yet confirmed projected figures in *red italics*. We anticipate an alternative or replacement scheme, if it happens, starting in 2021/22.

The table assumes that NHB reserve is used to fully fund £3m of commercial property investment or infrastructure each year now that the BBH leisure centre is paid for, thus financing the purchases and reducing the MRP charge of an unfinanced asset.