

New Homes Bonus (NHB) – January 2021

Appendix G

												Appendix A		
ending 2022/23		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 22/23	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			
0.4% baseline	2021/22											904		
Ended	2022/23													
Ended	2023/24													
		379	769	1,166	1,942	2,936	4,398	4,815	4,827	4,807	4,830	3,063	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	358	0	0	0	0
Neighbourhood warden seeding									36	92	22	0	0	0
Investment property / infrastructure										4,018	3,000	3,000	3,000	3,000
Added to / (drawn from) Reserves		379	769	0	776	1,770	1,232	-885	291	339	1,808	63	-2,026	-3,000
Total Reserve figure		379	1,148	1,148	1,924	3,694	4,926	4,041	4,332	4,671	6,479	6,542	4,516	1,516

Notes:

Having indicated the demise of the NHB scheme, the December 2020 Provisional Settlement gave rise to an unexpected 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 250 additional houses a year before we receive the payment in 2021/22.

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 2022/23. Government has not yet confirmed projected figures in *red italics*. We anticipate an alternative or replacement scheme, if it happens, starting in 2022/23 and being much less generous than the current scheme.

The table assumes that NHB reserve is used to fully fund £3m of commercial property investment or infrastructure each year thus financing the purchases and reducing the MRP charge of an unfinanced asset. In 2019/20, £4m was spent part-financing Piries car-park and Oakhurst phase 4.