

**Meeting: EXECUTIVE**

**Agenda Item:**

**2**

Portfolio Area: Resources

**Date: 5 APRIL 2016**

**NEW HOMES BONUS – 2016/17 SCHEME ALLOCATIONS**

**KEY DECISION**

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**1. PURPOSE**

- 1.1 To request approval for a range of schemes to be funded from the 2016/17 New Homes Bonus allocation.
- 1.2 As the allocation of the New Homes Bonus forms part of the Council's Budget and Policy framework it is necessary for the schemes to be considered by the Executive and the Overview & Scrutiny Committee. Once approved delivery of the schemes can commence.

**2. RECOMMENDATIONS**

- 2.1 That funding of £534,540 from the 2016/17 New Homes Bonus allocation be approved for the implementation and delivery of the following schemes :

(Initiative 1) Stevenage New Town 70th Birthday celebrations and events- £40,000;

(Initiative 2) 'No More Project - £49,520;

(Initiative 3) Pearl Izumi Tour - £70,000;

(Initiative 4) Play Area Old Town - £8,000;

(Initiative 5) Neighbourhood Wardens (three) - £181,070;

(Initiative 6) Town wide shrub rejuvenation (2<sup>nd</sup> tranche) - £150,000

(Initiative 7) Homelessness initiatives - £35,950

- 2.2 That funding of £111,000 be approved from New Homes Bonus allocation to support the apprenticeship programme for 2016/17 (Initiative 8).
- 2.3 That the ring fencing of £433,000 from the New Homes Bonus funding for 2016/17 be noted and going forward, an equivalent annual amount to support delivery of the Neighbourhood Initiatives programme be approved (Initiative 9).

### **3. BACKGROUND**

- 3.1 The New Homes Bonus scheme is designed to be a financial incentive for councils to deliver housing growth and as such replaced the Housing and Planning Development Grant. It was also meant to make the link between growth and new finance more visible.
- 3.2 New Homes Bonus commenced in April 2011 matching the additional council tax raised for new homes and properties brought back into use, with an additional amount of £350 for each affordable home, for the following six years. In two tier areas the New Homes Bonus is split 80/20 between the District and County Councils.
- 3.3 Until 2014/15, this was new money made available by the Government; post this point the money has come from the Formula Grant as a permanent feature of local government funding. However, the Government is currently looking at the New Homes Bonus scheme with a view to changing the methodology and the length of time the monies is awarded for. Consultation closed on the 10 March 2016 and Members will be updated on the outcome of the consultation when the results are known.
- 3.4 New Homes Bonus is a un-ring fenced grant. However as any year's award is currently given for six years (the Government are now proposing four years), the Chief Finance Officer has previously recommended that only £200,000 be built into the General Fund base budget, and a policy has been established to transfer the grant into a reserve for future consideration.
- 3.5 We are now in the sixth year of the New Homes Bonus scheme. The grants awarded to Stevenage BC since 2011/12 are set out in the table overleaf:

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
<b>Year 1</b>	£84,562	£84,562	£84,562	£84,562	£84,562	£84,562
<b>Year 2</b>		£495,367	£495,367	£495,367	£495,367	£495,367
<b>Year 3</b>			£222,712	£222,712	£222,712	£222,712
<b>Year 4</b>				£218,424	£218,424	£218,424
<b>Year 5</b>					£240,228	£240,228
<b>Year 6</b>						£275,661
<b>One off allocation</b>			£19,048	£7,725	£7,570	
<b>Total</b>	<b>£84,562</b>	<b>£579,929</b>	<b>£821,689</b>	<b>£1,021,065</b>	<b>£1,268,863</b>	<b>£1,536,954</b>

3.6 Based on the allocations for the first six years, the total payments to the Council up to 2016/17 have been £5,320,784.

#### 4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

4.1 A number of New Homes Bonus proposals were announced as part of the Leader's Budget Speech at Council on 24 February 2016.

4.2 The following schemes for the 2016/17 New Homes Bonus have been identified for implementation:

<b>Initiative 1 : Stevenage New Town 70th Birthday Celebrations and Events Programme</b>	
<b>Lead Portfolio Holder :</b> Councillor Richard Henry	
<b>Allocation :</b> £40,000	<b>Delivery Lead :</b> Head of Leisure, Environmental Health & Children's Services
<b>Timescales :</b> Activities commence in quarter one and conclude in quarter three.	
<b>Future Town Future Council Priorities Supported :</b> Partner of Choice, Cooperative Neighbourhood Management, Equal Access to Services for All	

4.3 This scheme will celebrate Stevenage's 70<sup>th</sup> Anniversary delivering a series of events and projects. Some of these events will be led by SBC including Stevenage Day and the Annual Fireworks display but they will receive additional funding this year to help deliver activities to mark the occasion. A range of community events and projects has been developed by the Stevenage Oak @ 70 Group which has been supported by Council officers. In addition a further £5,000 funding allocation will be made available for Members and groups to bid for to support related activities.

<b>Initiative 2 : No More Project (continuation)</b>	
<b>Lead Portfolio Holder</b> : Councillor Ann Webb	
<b>Allocation</b> : £49,520	<b>Delivery Lead</b> : Head of Housing Management
<b>Timescales</b> : Programme is ongoing from the previous year.	
<b>Future Town Future Council Priorities Supported</b> : Co-operative Neighbourhood Management	

- 4.4 The 'No More' project (NMP) was originally introduced because of an escalating problem with street drinkers in Stevenage town centre. After profiling the most persistent protagonists, it was evident they were all prolific offenders, many with repeat ASB cases against them, culminating in homelessness or threat of eviction. All had alcohol and/or drug addictions which had not been addressed satisfactorily through criminal justice interventions, community sentences or support provided in the community by health and housing professionals. Many had varying degrees of addiction, and most had some form of learning disability or mental health problem. It is clear from the results of the NMP programme thus far that this group of people benefit from intensive support to help reduce their offending, improve their quality of life, and the quality of life for those living and working around them. The first post appointed to within the NMP was a No More Alcohol post. Due to its success the project was extended to include a No More Drugs worker in June 2014. Since the project started until February 2016, 131 referrals have been made.
- 4.5 The project works closely with colleagues internally and external partners including the Police, HCC Thriving Families, our Family Intervention worker, Spectrum and the CAB. For 2016/17 Hertfordshire County Council have confirmed that a full time post employed by their 'You Can' team will assist delivery of the NMP. The 2016/17 NHB monies along with a carry forward of unused 2015/16 NMP New Homes Bonus funding will permit the continuation of the no more drugs and alcohol posts until the 31 March 2017.
- 4.6 During the course of the next year officers will continue to investigate options to secure sustainable funding for the project going forwards.

<b>Initiative 3 : Pearl Izumi Town Centre Cycle Tour Event</b>	
<b>Lead Portfolio Holder</b> : Councillor Richard Henry	
<b>Allocation</b> : £70,000	<b>Delivery Lead</b> : Head of Leisure, Environmental Health & Children's Services
<b>Timescales</b> : To be delivered in Quarter one.	
<b>Future Town Future Council Priorities Supported</b> : Partner of Choice, Cooperative Neighbourhood Management	

- 4.7 The Pearl Izumi Tour Series is UK's premier professional cycle race series featuring elite male and female cyclists across a ten race televised programme. Nine professional men's teams (including Team Wiggins) will take part in each event. The women's elite event is an individual race although teams do also enter. The Stevenage event will be held on the 6 June 2016.
- 4.8 This being an Olympic year, the event will be one of the last races that British riders compete in as part of their preparation for Rio. The races take place on short 1-1.5km circuits and are televised on an international basis, with promotional and economic benefits therefore being contained within the town. It is envisaged that extensive hotel and bed-nights will be delivered through organisational bookings and the teams that take part in the event.
- 4.9 Stevenage was selected to be a potential host town because of the excellent feedback received post last year's Women's Tour event. The delivery of a Tour Series event will build on what was achieved from hosting the Women's Tour and help put Stevenage firmly on the map as a venue for major events in Britain.
- 4.10 The one hour programme dedicated to the Stevenage round will include a showcase segment highlighting the significant lifestyle, business, employment and travel benefits of Stevenage and a televised interview with the Leader/Mayor along with numerous promotion sites for the Council on the circuit within TV fixed camera sightlines. The TV programmes are broadcast on ITV4 and British Eurosport in the UK, as well as being shown in more than 60 countries worldwide.
- 4.11 Community use of the circuit will take place from 3pm until 6pm. This will include schools, local cycling clubs and potentially the junior GB Cycling team. The professional racing will start at 7pm and finishes at 9pm. The event will provide an extensive opportunity to promote sports development/healthy lifestyles which is a key local public health improvement priority.
- 4.12 In order that this event is successful in achieving its economic and community outcomes, a programme of engagement, consultation and effective communications will be delivered to both residents and businesses throughout the lead-up period. We will also provide a platform for those residents and businesses after the event, to further our learning in delivering large-scale international sporting events.
- 4.13 An assumption has been made that £20,000 of external funding will be obtained which has been taken account of within the net cost of the New Homes Bonus Bid.

<b>Initiative 4 : Old Town Play Area Enhancement</b>	
<b>Lead Portfolio Holder</b> : Councillor John Gardner	
<b>Allocation</b> : £8,000	<b>Delivery Lead</b> : Head of Environmental Services
<b>Timescales</b> : To be completed in Quarter 2	
<b>Future Town Future Council Priorities Supported</b> : Cooperative neighbourhood Management	

- 4.14 This play area already has funding approved through separate budgets for the supply and installation of a multi-unit, springer and rotating piece of play equipment which will provide improved play opportunities for children aged up to 12 years old.
- 4.15 The 2016/17 New Homes bonus bid will provide some further equipment specifically designed for use by teenagers.

<b>Initiative 5 : Neighbourhood Warden Posts (three to be appointed)</b>	
<b>Lead Portfolio Holder</b> : Councillor Simon Speller	
<b>Allocation</b> : £181,070 over two years	<b>Delivery Lead</b> : Head of Leisure, Environmental Health & Children's Services
<b>Timescales</b> : Quarter 1 - Commence and complete recruitment Quarter 2 –Complete induction & training programmes and develop familiarity with respective neighbourhood areas Quarter 3 – Commence work in earnest within the neighbourhoods	
<b>Future Town Future Council Priorities Supported</b> : Co-operative Neighbourhood Management	

- 4.16 It is proposed that two wardens will be employed in 2016/17 for two years on a pilot basis with a further warden to be employed in 2017/18. The neighbourhood wardens will champion the areas they are responsible for. They will work closely with elected Members, SBC officer colleagues, community groups and a range of local agencies to help improve the environment and quality of life experienced by those who live and work in the areas they support.

<b>Initiative 6 : Town Wide Shrub Rejuvenation Project (2<sup>nd</sup> tranche)</b>	
<b>Lead Portfolio Holder</b> : Councillor John Gardner	
<b>Allocation</b> : £150,000	<b>Delivery Lead</b> : Head of Environmental Services
<b>Timescales</b> : Works to take place in Quarters three and four	
<b>Future Town Future Council Priorities Supported</b> : Co-operative Neighbourhood Management	

- 4.17 The NHB funding allocation will renovate or remove approximately 30% of the shrub beds throughout the town which equates to an area which is 75,000m<sup>2</sup> in size or approximately 15 Football pitches. Where removal takes place the sites will be grass seeded or receive an alternative more appropriate

treatment. Retained shrub beds will be planted with appropriate new shrub stock. The programme for the works is to be determined.

- 4.18 Moving forward, as part of the Co-operative Neighbourhood Management priority within Future Town Future Council, an approach of targeted investment in specific wards each year is proposed based on the recent resident survey results and assessed investment need. The order and focus of this investment will be discussed with Members over the next few months.

<b>Initiative 7 : Homelessness Prevention Initiative ‘Next Steps’</b>	
<b>Lead Portfolio Holder :</b> Councillor Ann Webb	
<b>Allocation :</b> £52,810	<b>Delivery Lead :</b> Head of Housing Management
<b>Timescales :</b> This project is a continuation from the scheme approved for 2015/16 and the post holders are already in situ.	
<b>Future Town Future Council Priorities Supported :</b> Excellent Council Homes for Life	

- 4.19 This initiative commenced with NHB funding support in 2015/16. The aim was to make direct personal contact with the 300 private tenants placed in the private rented sector and to develop and offer to attract private landlords to work with us to provide accommodation to those approaching the Council. The private rented sector is one of the housing options we can consider along with social housing.
- 4.20 The Government’s welfare reforms have restricted the levels of housing benefit private renters receive in Stevenage. This has had four major impacts – (1) reduced supply of settled affordable Private Rented Sector (PRS) accommodation for households threatened with homeless, (2) increased problems of affordability, arrears and financial exclusion issues for existing PRS placements; (3) increased competition for the available affordable accommodation as private renters move out from the expensive London rental market; and (4) some landlords ending HB tenants’ tenancies in the hope of securing new tenants who can pay more.
- 4.21 A recent SBC survey of residents including PRS and Housing Association tenants highlighted that more needs to be done to mitigate the impacts of welfare reform. Following that survey an incentive scheme was developed to encourage landlords to work with the Council to provide accommodation for people in the private rented sector. Such a scheme would further aid our efforts to avoid the use of bed and breakfast. A well-attended publicity event was held at the end of February 2016. Seven new landlords are currently in discussion with the housing team as a result of this initiative.
- 4.22 The further funding will enable the team to contact and offer support to those who will be affected by the proposed benefit cap reduction in the Autumn of 2016.

<b>Initiative 8 : SBC Apprenticeship Programme (extension of 2015/16 initiative)</b>	
<b>Lead Portfolio Holder</b> : Councillor Joan Lloyd	
<b>Allocation</b> : £111,000 per year	<b>Delivery Lead</b> : Interim Senior HR Manager
<b>Timescales</b> : The programme will continue throughout 2016/17 with an evaluation to take place in Quarter four.	
<b>Future Town Future Council Priorities Supported</b> : Employer of Choice	

- 4.23 £111,000 per annum has been ring fenced from the New Homes Bonus allocation to enable the apprenticeship programme to continue. In future years the scale of the programme will be dependent on the level of NHB that is made available. The Government is proposing that apprentices should make up 0.5% of the pay bill from April 2017. This could provide a further or alternative source of funding for the programme in future years. The 2016/17 funding will support the appointment of a further five apprentices.
- 4.24 Since December 2012 the Council has recruited 25 apprentices. This figure includes;
- 2 existing craft apprentices
  - 15 centrally funded apprentices
  - 8 apprentices funded by individual SDU's
- 4.25 The apprentice programme has grown from strength to strength with the apprentices deployed throughout our services in a variety of roles, including; sport and leisure, arboriculture, finance, constitutional services, housing and customer services. In December 2015 one of our apprentices picked up an outstanding achievement award from her training provider.
- 4.26 15 apprentices have completed or left the programme over the last 18 months. All of them have achieved an NVQ at Level 2 and many have achieved a second NVQ (Level 3). 10 have gone on to secure permanent or temporary work within SBC.

<b>Initiative 9 : Capital Work Improvements within Neighbourhoods</b>	
<b>Lead Portfolio Holder</b> : Councillor John Gardner	
<b>Allocation</b> : £433,000 per year	<b>Delivery Lead</b> : Head of Environmental Services
<b>Timescales</b> :	
Quarter 1 – Complete play area consultation. Design signage for parks.	
Quarter 2 – Commence play area improvement works at Bedwell Park, York Road and Bandle Hill. Install signage within parks. Continue with year 2 of the litter bin replacement scheme.	



Quarter 3 – Commence works to the play areas in Scarborough Avenue, The Noke and Cook Road.

**Future Town Future Council Priorities Supported : Cooperative Neighbourhood Management**

- 4.27 £433,000 has been ring fenced from the annual New Homes Bonus allocation to fund this programme subject to future funding proposals. This amount was included in the 2016/17 Capital Strategy which was approved by Members in February 2016.
- 4.28 This allocation will enable Members and Council staff to work with residents to help improve their neighbourhoods with funding allocated to improve play areas, replace park signage and litter bins and deliver public realm improvements in a targeted way.

## 5. IMPLICATIONS

### 5.1 Financial Implications

- 5.1.1 The final New Homes Bonus allocations for 2016/17 have now been confirmed by the Government. The total grant payments will be made monthly direct to councils with the first monthly payment to be received in April 2016.

As part of the budget setting process, Council approved a General Fund Revenue Account Contingency Sum of £400,000 in the Budget and Policy Framework for 2016/17 for expenditure determined by the Executive. This expenditure is funded from the New Homes Bonus reserve and the impact on the General Fund is neutral.

There are some previously approved budget policy commitments against the 2016/17 New Homes Bonus allocation and two schemes have been ring fenced from the New Homes Bonus award (Initiatives 8 and 9). These schemes are summarised below:

<b>2016/17 New Homes Bonus Allocation</b>	<b>£1,536,953</b>
Less : Contribution to General Fund Budget	(£200,000)
Less : Contribution to Capital Reserve	(£250,000)
Less: Apprenticeship programme (initiative 8)	(£111,000)
Less: Neighbourhood Improvements programme (initiative 9)	(£433,000)
Less : Contingency left in reserve for scheme over-runs	(£8,418)
<b>Allocation Remaining to Support Schemes</b>	<b>£534,540</b>

## **5.2 Legal Implications**

- 5.2.1 The New Homes Bonus is paid to councils through section 31 of the Local Government Act 2003 as a un-ring fenced grant. Local authorities and their communities will have the freedom to spend New Homes Bonus revenues according to local wishes.

## **5.3 Equalities and Diversity Implications**

- 5.3.1 Stevenage Borough Council has committed itself to providing high quality services that are relevant to the needs and responsive to the views of all sections of the local community, irrespective of their race, gender, disability, culture, religion, age, sexual orientation or marital status. The General Equality Duty (Section 149 of the Equality Act 2010) requires the Council to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations in the exercise of its functions. These considerations are the duty of decision makers. Initial Equality Impact Assessments (EqIAs) have been carried out on the recommended New Homes Bonus schemes and further full EqIAs will be carried out, where appropriate, if the schemes go ahead. It is anticipated that there will be a positive impact from the schemes and EqIAs will be used to ensure that all sections of the community can benefit from them.

## **BACKGROUND PAPERS**

- None

## **APPENDICES**

- None