

Cabinet Report



Report of Head of Corporate Strategy
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New Homes Bonus Policy and Chinnor Parish Council's application for funding

Recommendations

- (a) To extend the current new homes bonus interim policy for one further year (2013/14).
- (b) To transfer the sum of £220,000 from the provisional to the approved capital programme for new homes bonus funding to Chinnor Parish Council for its new community building.
- (c) To award £220,000 to Chinnor Parish Council towards the costs of the construction of a £780,000 community building in Chinnor, funded from the community element of new homes bonus budget in 2013-14.

Purpose of Report

1. To consider extending the new homes bonus policy for another year, and whether to make an allocation of new homes bonus funding to Chinnor Parish Council towards the costs of a new community building in Chinnor.

Corporate Objectives

2. Using new homes bonus to fund this project will help to deliver the council's corporate objective to offer support for communities as this project delivers an identified community need.

Background

3. In April 2012 Cabinet approved an interim new homes bonus policy for 2012/13 on its intention to ring fence sums received from new affordable homes to support the delivery of additional affordable homes and to allocate £433,000 towards community led schemes in locations accommodating new housing that meet the following criteria; the size of the local housing development, the type of organisation, the level of community support, evidence of land or property ownership, planning permission for the project and appropriate time scales of the project.
4. The new homes bonus policy now needs to be extended into 2013/14. The extension to the policy is for one year only due to the recent announcement that 25 per cent of the new Community Infrastructure Levy will be paid directly to town and parish councils so we will need to assess the level of need and demand for further funding towards community schemes.
5. Of the £433,000 allocated in 2012/13, £250,000 has been awarded to Cholsey parish council for a new community building. The balance of £183,000 has been rolled forward to the 2013/14 budget and a growth bid to allocate a further £317,000 was approved by the council on 21 February 2013.
6. The council therefore has a £500,000 budget for the community element of new homes bonus in 2013/14.
7. Chinnor Parish Council has applied for £220,000 of new homes bonus funding towards the costs of a new community building in Chinnor that meets the eligibility criteria of the scheme.

The Chinnor Project

8. The new community building will comprise of a function room, kitchen and bar, four sports changing rooms, a clubroom, a meeting room and an office.
9. The total cost of the project is estimated to be £780,000 and includes some project management fees. Chinnor Parish Council will contribute £115,000 and £98,000 is available in Section 106 developer contributions from the Chinnor Cement Works development.
10. The remaining funds will be raised from grant applications to Sport England, Football Foundation, Robin Greaves Sports Foundation, Oxfordshire County Council's Big Society Fund and others.
11. Offering new homes bonus funding will show that the project is fully supported by the district council which will help to support the other grant applications.

12. Officers recommend that £220,000 of new homes bonus funding is awarded to Chinnor Parish Council.

Meeting the Criteria

13. **Size of the local housing development** - The key element of the criteria is that the project must relate to a housing development that is of a sufficient size that it has a noticeable impact on existing local infrastructure. A new development is currently underway to build 178 new homes, a 60 bedroom care home and 1555 square metres of office accommodation at the former Chinnor Cement Works site that will impact on the existing local infrastructure. The new facilities on offer once the new community building is complete will act as a conduit to increase community cohesion.
14. **The amount requested must not exceed the total amount of new homes bonus generated by the housing development** – the housing development is likely to generate substantially more than the amount recommended by officers to the parish council for this project.
15. **Type of organisation** – the parish council is eligible to apply for new homes bonus funding and has the appropriate governance and skills to manage a project of this size.
16. **Type of scheme** – the scheme must be for capital expenditure only and must not require any ongoing revenue commitment from this council – the proposed project is capital expenditure only and the parish council has provided its proposed ongoing revenue budget to show that the new building will be sustainable.
17. **Community support** - there is clear and documented evidence of community support for the project.
18. **Ownership** – the parish council's freehold title is unregistered and they need to deduce their unregistered title to the council.
19. **Planning permission** – the project has planning permission (P12/S1792/FUL) although there are several conditions attached to it.
20. **Time scales of the project** – the project is due to commence in December 2013 if full funding can be achieved.

Options

21. Officers carefully considered the amount of funding to recommend towards this project that is in the relatively early stages of development. The project costs are estimates and a full tender process will need to be carried out by Chinnor parish council.
22. Officers consider it appropriate to offer this funding now in order to support Chinnor Parish Council's grant applications to other external funders.

Financial Implications

23. The award of £220,000 to Chinnor Parish Council will be met from the £500,000 of new homes bonus funding allocated for community led schemes in 2013/14. This will leave a balance of £280,000 for other community led schemes.

Legal Implications

24. New homes bonus funding is not ring-fenced for any particular purpose so the council has a wide level of discretion in how it chooses to use the funding that it receives. Cabinet decided to allocate some of these funds to community projects that meet set criteria in April 2012.
25. A legal agreement regarding funding for this particular project will be required and as with other grants of this size a restriction will be placed on the title of the property to ensure that the funding is returned to the council if the building is sold or used for other purposes within the next 20 years. However, before a restriction can be placed on the title the parish council will need to register its freehold title at the Land Registry. The parish council has granted a lease for a part its unregistered title for a term of 40 years from 1 January 2006. The council will also require the leased title which forms a part of the new community building to be surrendered back to the parish council by a deed of variation. This will all need to be completed prior to the legal agreement being entered into.

Risks

26. The risks of funding this project are minimal. The release of any funding awarded to the parish council would be in two stages, 50 per cent at the commencement of the project and 50 per cent on completion, subject to confirmation that all planning conditions are satisfied. A formal legal agreement setting out terms similar to those of the capital grant scheme will be required and a restriction will be placed on the title of the land.

Conclusion

27. New homes bonus funding is providing significant income that the council can use to support local communities that are accepting significant amounts of new housing.
28. The application submitted by Chinnor Parish Council for new homes bonus funding is suitable for approval. It fully meets the scheme criteria approved by Cabinet and officers recommend funding of £220,000.