



Unlocking the Bonus Bulletin

Helping councils promote housing growth through the New Homes Bonus

In April 2011 some £200m was paid to local authorities to reward housing growth. By 2016 the amount rewarded is likely to be at least six times as much. As well as a commitment to monitor the policy over time, we want to accelerate its impact by encouraging innovation and offering a forum for councils to share ideas.

In this first edition, we focus on:

Community engagement

Exploring how and why community engagement can enhance a council's ability to deliver new homes, including a focus on Wychavon District Council.

Understanding New Homes Bonus payments

How payments can be expressed in terms of service provision to enhance debate over the benefits of housing growth, with examples of where monies have been spent across councils.



Labelling items as supported by the New Homes Bonus

Looking at the use of labelling to help provide a visual link between new homes and the benefits they can provide.



We propose to publish this document periodically. We would like to seek your feedback on which themes you wish to be covered and request your examples for future editions.

We are always keen to hear your views and experiences of the New Homes Bonus.

Please contact us at: newhomesbonus@communities.gsi.gov.uk

December 2011

Community engagement

Simply giving people the incentives and information may not be enough to drive change. People do not like to feel out of control, yet too much information or choice can be counterproductive as they become overwhelmed. However a participatory approach can be highly motivational and effective in encouraging behavioural change.

People like to be involved in the decisions that affect them. Community engagement can foster a sense of responsibility, improve well-being and deliver better outcomes. In some cases the level of trust in central and local government can be low, with local people uncertain of the reasons behind certain decisions. This can be overcome by involving local people in decision making, which increases trust in decisions as well as improving transparency.



The extent of participation can be adapted to suit local desires and complement existing policies. For example, under the Localism Act communities may adopt neighbourhood plans to determine the level and location of housing growth, which would determine the level of Bonus received. In areas where decisions remain in council hands, communities could be consulted on where they would like the Bonus to be spent. For example communities could be encouraged to form forums so that changes can be more directly responsive to their identified needs.

Evidence box

The Big Green Challenge demonstrates that community-led innovation can be a powerful means for responding to national challenges. It encouraged local innovation to improve energy efficiency in local communities.

The finalists achieved an average reduction in CO2 emissions of 15 per cent during the final year (with the winning projects achieving between 10 and 32 per cent reductions). In addition 80 per cent of applicants felt that changing practice was a crucial part of the solution.

Case study

Elmbridge Council in Surrey received £450k as its New Homes Bonus payment in April 2011. To help decide where this money should be spent, the council has invited its community to put forward ideas via an existing community group – Elmbridge 50 plus. Suggested ideas have included funding for Elmbridge groups that have applied to the borough for grants to support their work, funding for other charitable groups working in Elmbridge affected by the cuts in government funding, funding for public libraries under threat of closure, and increased small business rate relief for small local shops.

New Homes Bonus in action:



Community engagement in Wychavon DC

After consultation with its local communities in Summer 2011, Wychavon District Council published its protocol in September detailing the use of the monies received from the New Homes Bonus. The aim of which was “...to ensure that the economic benefits of growth are returned to the local authorities and communities where that growth takes place”.

Wychavon council consulted with local representatives on the New Homes Bonus. The purpose was to provide a briefing of the scheme, the proposals for use of the monies and how areas could benefit. The aim was to invite views on the proposals, seek feedback on how the money should be used and identify items that the monies could be spent on in their areas. The consultation comprised of two processes: a targeted consultation and an evening event.



“I especially support the principle of communities taking a lead to decide how they wish monies to be spent within their local areas...” [Resident who took part in the consultation]

“[it is a] transparent, local scheme... and we aim to return the money to communities” [Chief Executive]

A **targeted consultation** was run for approximately 4 weeks: the draft New Homes Bonus protocol and a set of nine questions were sent out to all town and parish councils, local MPs, members of Wychavon Strategic Partnership, the three area-based partnerships and the other Worcestershire councils. More details can be found at the link below. An **evening event** for parish and town council representatives allowed for a direct conversation including, a presentation, group discussion, questions and feedback.

After community engagement the final protocol allows parishes to choose where to reinvest up to 40 per cent of the bonus on community facilities and infrastructure – for example, village hall improvements, flood protection, bus subsidies, play areas, allotments and green initiatives.

For more detail: <http://www.wychavon.gov.uk/cms/pdf/New%20Homes%20Bonus%20Scheme%20protocol2.pdf>

Understanding New Homes Bonus payments

It can be difficult for the average person to comprehend multi-million pound budgets. If a local council received £2m from the New Homes Bonus would this represent 1% of their budget or 10%? What does this additional money mean in terms of public services?

People can sometimes find it hard to comprehend large numbers and are often influenced by how they are presented. This can blunt the impact of the incentive and makes it more difficult to change the debate over housing growth. It is therefore important that benefits are made tangible as this will allow for more informed choices. Benefits can be displayed effectively as tangible outcomes, such as the examples at the bottom of the page.

Evidence box

In 2004 Oxfam launched its 'unwrapped' campaign which offers virtual gifts (e.g. school supplies for £7) as an alternative to a standard monetary donation. This provided a link between donation and impact, exemplifying exactly what an individual donation will deliver and prompted a positive response from consumers with more than a million gifts sold in the first 3 years.

In year one, we have already seen numerous different ways in which New Homes Bonus payments can be spent. On the next page we highlight six examples of how monies are being spent: **community assets; business; local priorities; housing investment and local service protection and enhancement.** This shows how delivering the benefits of housing growth can be adapted in innovative ways to meet local demands.



New Homes Bonus sample ready-reckoner

Evidence suggests that we place greater value on the things we already have. This could be applied by presenting what services can be maintained as a result of new housing growth. Although costs may vary across the country, these are illustrative examples of how rewards for housing growth could be expressed to better inform the local debate, authorities could also produce their own examples:

- 800 new homes could ensure two Sure Start children's centres remain open;
- 180 new homes could pay for a day centre to care for the elderly to be kept open;
- 100 new homes could cover the cost of two trained child social workers and two full time hospital nurses for one year;
- 30 new homes could save your small public library from closure;
- 15 new houses could pay for two cricket training nets to be installed.

FIGURE ONE: SPECTRUM OF WHERE NEW HOMES BONUS MONIES ARE BEING SPENT.

<p>DELIVERING COMMUNITY ASSETS <i>New Homes Bonus funding is unringfenced, and thus can be spent on non-housing related items that the community desires.</i></p>	<p>Woking Borough Council – has set the Bonus aside for enabling the development of Community Assets, such as community halls and recreational facilities. Residents and community associations are being consulted about the facilities they require. This will help demonstrate that the Council will support the increasing number of homes in the borough with improved community infrastructure.</p>
<p>PROMOTING BUSINESS <i>The rewards from housing growth can be used to promote economic regeneration, attracting business to the area and improving New Homes Bonus receipts in the future.</i></p>	<p>Plymouth City Council – intends to ring-fence its New Homes Bonus rewards as part of the Plymouth Growth Fund. The fund, which pools resources from other Government initiatives such as Tax Incremental Finance, aims to increase the city's population by 50,000; create 42,000 new jobs; and deliver 30,000 new homes. It includes regeneration of the city centre and waterfront to deliver new retail and business quarters.</p>
<p>RESPONDING TO LOCAL PRIORITIES <i>The Bonus can help fund specific local projects or requests from local groups.</i></p>	<p>The Vale of White Horse District Council – At the request of local traders the Council are using the Bonus to introduce free car parking to the three market towns: Abingdon, Faringdon and Wantage, in order to boost town centre vitality. This has the support of the local communities and will increase the importance of the three market towns as centres of local community activity.</p>
<p>DIRECT HOUSING INVESTMENT <i>New Homes Bonus monies can be directly ploughed into housing projects; either through delivery of new stock, tackling empty homes or aiding private developers.</i></p>	<p>Sheffield City Council - a strategy is being developed for using the bonus to promote housing and economic regeneration and minimising the number of long term empty properties in order to improve future New Homes Bonus receipts. Examples include: making sites more viable for development, the preparation of local and neighbourhood plans, and affordable rent and mortgage assistance schemes to help first time buyers.</p>
<p>SUPPORTING LOCAL SERVICES <i>The benefits from housing growth can be used to help maintain and enhance local public services.</i></p>	<p>Rugby Borough Council is committed to growth, which it believes is crucial to the prosperity of current and future generations. The resulting New Homes Bonus, coupled with the Council's radical approach to efficiencies and savings has meant that front line services have been maintained and in some cases enhanced. For example refuse collection has been increased and the Council has committed to the construction of a new Leisure Centre.</p>
<p>PROTECTING FRONTLINE SERVICES <i>The benefits from housing growth can be also used to help maintain local public services.</i></p>	<p>Bath and North East Somerset Council used the Bonus to help tackle a £12m savings target and protect priority frontline services. For example, they have maintained funding for street cleaning, kept open all eight of their library branches, and increased the number of foster care places to prevent the use of costly residential placements.</p>

Labelling items as funded by New Homes Bonus

Across the country various items of infrastructure and community facilities are labelled as supported by the National Lottery or European Union. This promotes a positive link between items and the source of funding and this approach can be applied to the New Homes Bonus in promoting the benefits associated with housing growth.

By labelling items as supported by the New Homes Bonus, an explicit link will be made between funding and provision. This method of promoting the Bonus allows benefits of growth to be viewed by both those within and outside the local area (e.g. those who work in or visit the area). It therefore can provide a long-term reminder of what housing growth can help to deliver and create competition, as those who visit or work in the area demand similar benefits for their local community.

Although it is clear that some items of expenditure are easier to “label” than others, there is evidence to suggest that people are interested in where funding is spent. Research by GfK NOP in 2010 found that 1 in 3 people expressed an interest in knowing where The National Lottery money is spent. For public funds, it is reasonable to assume the level of interest may be greater.



Evidence box:

The National Lottery Promotions Unit (NLPU) aims to raise public awareness of and support for the benefits of the distribution of Lottery funding. In 2003 the Unit launched blue plaques with the crossed-fingers logo to mark lottery-funded projects and venues.

In 2009/10, the Unit campaigned to take information about Lottery funding direct to local communities. Of those surveyed, 98% said the events raised their awareness of Lottery funding in their area. An independent evaluation (in March 2010) highlighted that the most frequently delivered message by the Unit was “*Lottery funding is making a difference to local communities*”.

Labelling in practice: An example of what a New Homes Bonus label could look like is presented here – see right. It provides a simple design to advertise the policy, but allows plenty of space for the relevant local council to use it as they wish (e.g. for their own logo).

Supported by

NEW HOMES BONUS

Useful links

New Homes Bonus calculator

Our online calculator will be continually updated to contain the latest payment information. This can also be used as a tool to calculate future individual and cumulative payments. The calculator can be found at:

The screenshot shows the 'New Homes Bonus Calculator' interface. It includes a dropdown menu to select a local authority, a table for entering council tax bands (A through H) for the current and next year, and a table for entering the number of new additions for each year. The calculator shows a total payment for Year 2 and a total payment over 6 years.

<http://www.communities.gov.uk/documents/housing/xls/1879890.xls>

Shelter housing insights

The Shelter Housing Insights for Communities resource can be a useful resource for anyone involved in community consultation on housing development. Built using ACORN and incorporating extensive bespoke national surveys on housing attitudes, this resource provides a unique insight into the housing views and aspirations of local communities; providing advice on cost-effective and targeted consultation.



http://england.shelter.org.uk/professional_resources/housing_insights

Sources:

Page 2: http://www.nesta.org.uk/library/documents/MassLocalism_Feb2010.pdf

Page 4: Social workers and nurses: <http://www.pssru.ac.uk/pdf/uc/uc2010/uc2010.pdf>; Elderly day centre: <http://www.bracknellnews.co.uk/news/ascot/articles/2010/06/22/47013-day-centre-to-be-closed>; Sure start centres: http://www.nao.org.uk/publications/0607/sure_start_childrens_centres.aspx; Cricket Nets: <http://www.clubturf.com/docs/ClubTurf%202009%20Brochure%20Practice%20Pitch%20Price%20Calculator%202.0%20current.doc>; Libraries: http://www.oxfordtimes.co.uk/news/8797590.Residents_pledge_to_save_their_library/

Page 6: <http://www.lotterygoodcauses.org.uk/corporatedocuments/2010.cfm>