

NEW HOMES BONUS GROSS PAYMENT CALCULATOR: INSTRUCTION GUIDE

On opening of the calculator...

1. Please **select the method you wish to use** to estimate gross incentive payments.
 - If you wish to see the estimate of cumulative payments for your local authority, please select the first option. This page displays the **total payment** for the upcoming financial year and component breakdown from previous years' payments.
 - If you wish to see the payment calculation and data for the latest housing delivery component, (using the net change in CTB data), please select the second option.
 - If you wish to estimate your own illustrations of payments based on housing delivery split by council tax band, please select the third option.

(Note: to return to the front page, please click 'Return to homepage' on any other sheet.)

2. On each of the pages above, please **select your local authority or county** from the drop-down list (top-left of the page). Local Authorities are in alphabetical order; counties can be found at the bottom of the list.

For illustration, a number of summary statistics are presented for each local authority and county upon selection.

3. Cumulative Payments of Delivery (Option 1)

Once the local authority or county has been selected from the drop down list, the bonus to be paid in the upcoming financial year **is indicated in turquoise box**. The payment for each year's housing delivery is matched for a total of 6 years. The year's cumulative payment therefore consists of the latest instalment of delivery, plus payments for up to five previous year's delivery (for as long as the Bonus has been operating, since FY 2011/12). The breakdown, and contribution to previous, current, and future years' payments can be observed in the payment matrix (a shortened version of the payment matrix is shown below).

Below this, there is a simple breakdown for the total payment (shown in the turquoise box) in the upcoming financial year. For more detail on how the Bonus is calculated for the latest year's component, select the second option on the front page. Click 'Return to homepage' at the top left of the page to go back to the other options.

		Year of payment →			Etc...
		Cumulative Payments	2011/12	2012/13	2013/14
Year of delivery ↓	Year 1 (Oct 2009-10)		£X	£X	£X
	Year 2 (Oct 2010-11)			£Y	£Y
	Year 3 (Oct 2011-12)				£Z
	Total Payments			£X + Y	£X + Y + Z

4. Payments for Delivery in the latest year (Option 2)

Once the local authority or county has been selected, the calculated payment for the latest instalment for housing delivery over the previous year are indicated on the right hand side of the page, in turquoise. This also provides a 'tier split' for each given authority, with **80% of the Bonus going to lower tier authorities, and 20% to the upper tier**. The tier split also applies to the Affordable Homes premium. The table on the left hand side provides the raw data that was used to calculate the bonus in this latest year.

- **Net additions** are calculated by subtracting effective stock (**total stock less long-term empty homes**), as recorded on the CTB form in one year from the previous year. Please note figures are presented by band; not in Band D equivalent. Payments are based on **matching the average national council tax band of the unit built**.

- **Gross affordable supply** comprises of social rent, intermediate rent and low cost home ownership and includes both new build and acquisitions.¹ Payments for new build affordable homes are based on matching the average national council tax band of the unit built plus an additional £350 per unit per annum. Payments for acquisitions to the affordable stock are equal to £350 per unit per annum.² Also rewarded are **traveller pitches** consist of all new annual supply of pitches on traveller sites owned and managed by local authorities or Registered Social Landlords.³

- **Empty homes** refer to the number of long term empty homes brought back into use annually in your local authority. This was previously measured by Lines 12, 14 & 15 of the CTB form, and in recent years, line 16. If there is an increase in the number of empty homes, this is presented as a negative number. Payments are based on matching the average national council tax band of the unit brought back into use.

- **If the calculated components result in a negative change** in net supply (demolitions and/ or an increase in empty homes outweigh other factors), the gross incentive payment for that year's delivery is capped at zero, before the affordable housing premium is added. Payments for previous delivery will not be affected.

Example: Local authority X has a reduction in effective stock of -10, which would give a negative payment. The payment is capped at zero. As part of its reduction in overall units, however, the authority has delivered 10 affordable units (subject to a £350 premium). This gives a total payment for the year's delivery of £3,500 (see below).

Local Authority X:	Net additions	-10	Then....	Affordable units	10
	Empty homes back into use	0			
	Total	-10		Total	10
	Set to zero as negative	0		Payment	£3,500

Option 2 on the calculator does not take into account previous/ subsequent delivery or cumulative payments. This is presented in Option 1.

5. Estimate Illustrations of Payment by Band (Option 3)

Please select your local authority or county and **enter your estimates for each of the parameters into the green boxes**. The resulting estimated payments, including the tier split, are indicated on the right hand side.

(Note: it is not necessary to complete all boxes.)

- **Net additions** refer to the net supply of homes within a year. Please enter estimates, including affordable housing units delivered but excluding empty homes brought back into use. Do not include traveller pitches as these are separately included lower down. Demolitions should be entered as negative figures.

- **Gross affordable supply** comprises of social rent, intermediate rent and low cost home ownership and includes both new build and acquisitions. Payments for new build affordable homes are based on matching the average national council tax band of the unit built plus an additional £350 per unit per annum. Do not include traveller pitches as these are separately included lower down.

- **Empty homes** refer to the number of long term empty homes brought back into use annually in your local authority. If there is an increase in the number of empty homes, please enter this as a negative figure. Payments are based on matching the average national council tax band of the unit brought back into use.

¹ <https://www.gov.uk/government/organisations/department-for-communities-and-local-government/series/affordable-housing-supply>

² Payments do not include the council tax element, as acquisitions do not qualify as new supply of housing.

³ <https://www.gov.uk/government/organisations/department-for-communities-and-local-government/series/gypsy-and-traveller-caravan-count>

- **Traveller pitches** consist of all new annual supply of pitches on traveller sites owned and managed by local authorities or Registered Social Landlords.⁴ Payments are based on national average band A plus an additional £350 per pitch per annum.

- **If the calculated components result in a negative change** in net supply (demolitions and/ or an increase in empty homes outweigh other factors), the gross incentive payment for that year's delivery is set to zero before the affordable housing premium is added. Payments for delivery in previous years will not be affected.

⁴ <https://www.gov.uk/government/organisations/department-for-communities-and-local-government/series/gypsy-and-traveller-caravan-count>