

# New Homes Bonus Community Fund Review

## Consultation Results

February 2016

### Background

In 2012, Cheshire West and Chester Council (CWAC) made a decision to pay 20% of its New Homes Bonus funding directly to its town and parish councils and to create a funding pot for unparished areas which could be called upon through an application process. In light of the significant financial challenges the council is facing, it is proposing to cease this discretionary payment from April 2016. Therefore the council consulted with its town and parish councils, ward Members and residents to seek their views. Views could be sent in via an online survey, paper questionnaire, email or letter. The consultation closed on 5 February 2016 and this report summarises the results of all responses which will inform the decision on this matter.

### Key Messages

- ❖ 116 people completed the online survey; 87% said they were local residents and 28% town and parish councillors. A further 27 specific town and parish council questionnaires were received, along with 39 comments by letter, email or telephone. In total, 54 town and parish councils took part in the consultation along with 7 other organisations
- ❖ The majority of respondents (94%) disagreed with the proposal to cease the discretionary payment of 20% of New Homes Bonus (NHB) to town and parish councils from April 2016
- ❖ The main reasons for disagreement:
  - A strong feeling that communities who have to live through the disruption of new building and increased demand on local services, should benefit from the NHB to meet their increased needs. They object to the centralisation of funding as they feel 'locals know best' and that the needs of rural areas are often overlooked even though they suffer deprivation too
  - Many town and parish councils said that removing the discretionary NHB funding contradicts the purpose and intent of the NHB which is to "improve the quality of life for the community"
  - That parishes which have approved new build on the assumption that they would get the NHB feel let down and so it could negatively impact on future relationships with CWAC
  - That it's a small amount in the context of the CWAC budget but a big loss for towns and parishes, some of whom had made financial commitments, some with CWAC, on the assumption of retaining the NHB over the next few years
  - Some raised matched funding with it, which could well be lost as a result of withdrawing the NHB and so felt it is a false economy



- ❖ The main reasons for agreement (6%) were that CWAC needed to make savings wherever it could and that it had a better overview of where funds needed targeting across the borough
- ❖ Many felt they were not informed enough to make suggestions for other ways of addressing the budget deficit. However some suggested increasing council tax, reducing expenditure on councillors, reviewing the salaries of higher paid staff and looking for further efficiencies such as amalgamating with other local authorities. Some of these were already being considered as part of the council's wider Let'sTalk consultation
- ❖ A few suggested that if the NHB was withdrawn it should be done in a phased manner, or alternatively, the percentage given could be reduced rather than withdrawn completely
- ❖ There was strong support for CWAC to work in partnership with town and parish councils, but many wanted better communication and engagement between them so that the views of local people were listened to. There was some support for the idea of district/area committees and working in partnership with relevant agencies.

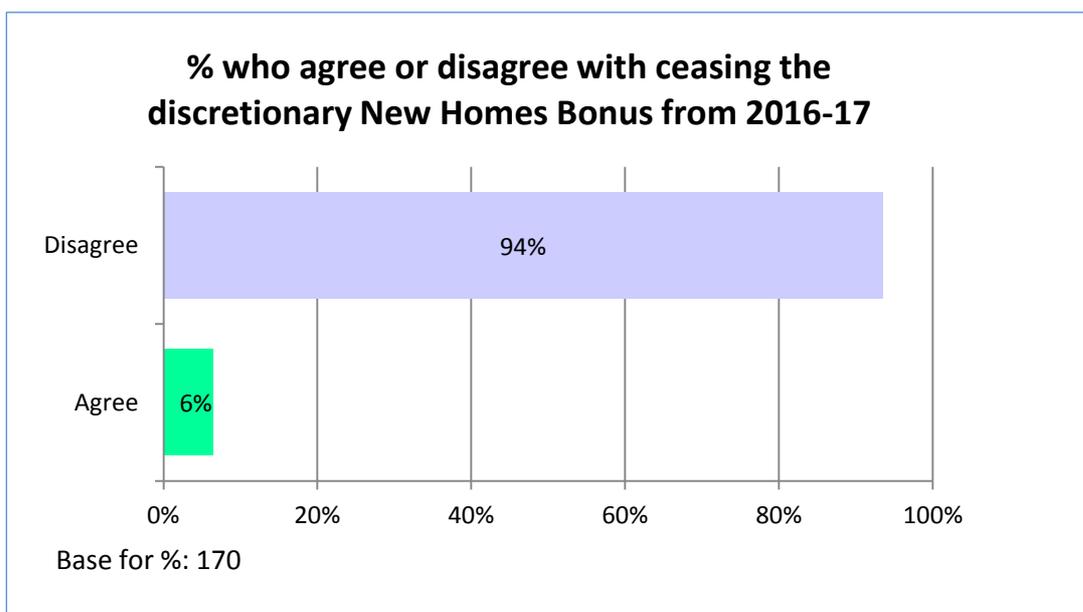
## 1: Detailed Results

### 1.1: Views about ceasing the discretionary New Homes Bonus

116 people completed the online survey or the paper equivalent. 27 specific town and parish council questionnaires, which were sent to all town and parish councils in the borough, were received, along with 39 comments by letter, email or telephone.

Respondents were asked for their views about ceasing the discretionary payment of 20% of the New Homes Bonus to town and parish councils and to unparished areas from April 2016. This had been proposed by Cheshire West and Chester Council (CWAC) as one way to address its current financial challenges.

**Figure 1.1: Percentage of respondents who agreed or disagreed with the proposal**



- The chart above shows that the majority of respondents (94%) disagreed with the proposal to cease the discretionary payment of 20% of the New Homes Bonus (NHB) from April 2016.

Reasons given for **disagreeing** with the proposal:

- There was strong feeling that the NHB is money that should be kept locally for local projects and improvements and for the communities directly affected by the building of houses (and not spread across the borough). Many of the town and parish councils who responded said that removing the NHB funding contradicts the purpose and intent of the NHB which is to “improve the quality of life for the community”
  - Many claimed that house building had been disruptive, stressful and noisy and that the NHB was compensation for this. Some plans had only been supported because of the incentive of the NHB. Withdrawing the NHB was seen as unfair and an unwelcome attempt to solve the council’s financial problems by taking money from parishes. Some stressed that town and parish councils had funding issues too
  - Many respondents said that as a result of the influx of residents and new home building, there was an increased need for infrastructure and facilities. Therefore the NHB helps to fund this and vital improvements and projects. Some people did not feel that CWAC had put sufficient infrastructure in place for the new homes
  - Many felt that town and parish councils are better placed to know where the money should be allocated, as they have local knowledge and are aware of the issues or vision for their area. Many had produced Parish Plans or Neighbourhood Plans and were using the NHB to achieve their aims. They can also use NHB to attract matched funding for projects which brings more money into the area
  - Some said that CWAC is taking money from local communities and adding it to the ‘big pot’. There is opposition to the perceived ‘centralisation’ and administration of funding. They also felt that the loss of the NHB would have a significant effect on parishes but a miniscule effect on balancing the CWAC budget
  - Some stressed that it is important that communities feel they have a voice and are listened to. They felt that the needs of rural communities, including deprivation, were often overlooked
  - The NHB has come to be relied upon and future plans have been made based on communities receiving it. Some said that without the NHB many projects would not have been completed and two parish councils said that they had loans from CWAC based on the assumption that NHB funds could be used to pay them back. There were also concerns that without the NHB, updating current resources would not be possible as they could not afford the upkeep.
- 6% of respondents agreed with the proposal and their reasons were:
    - CWAC needs to make significant savings
    - The NHB needs to be centralised so that it can be targeted towards the most vulnerable communities across the borough and not just to areas where there are opportunities for development.



## 1.2: Suggestions about other ways that Cheshire West and Chester Council could make savings

Respondents who had disagreed with the proposal were asked for their suggestions as to how CWAC could make savings to the value of the discretionary aspect of the NHB (estimated to be £1.4m). These suggestions would need to be in excess of those already detailed in the council's Let's Talk consultation which was running at a similar time to this consultation.

Comments included:

- Many said they could not make any suggestions because they were not in full possession of the facts about finances to make an informed decision. They thought that CWAC was 'passing the buck' trying to get the public to find a solution to the financial issues, when the responsibility for this lies with CWAC
- Some respondents requested a rise in council tax to provide the shortfall
- A number of respondents suggested reducing the number of councillors and reviewing their expenses and basic allowances. Two suggested reducing expenditure on mayors
- A broad range of other measures were identified, mainly relating to efficiencies – for example, cutting staff, salary reductions for senior managers and more efficient working practices
- A range of other solutions were suggested: amalgamating the Cheshire local authorities, lobbying the government for more money, devolving more services to local communities, outsourcing, boosting tourism and selling assets. One suggested that the Community Infrastructure Levy (CIL) could bring in more funding than the NHB
- There were some calls for more consultation with communities and the importance of publicising the proposal to remove NHB more widely before any decision is made
- Some asked for a compromise and reluctantly suggested reducing the percentage of NHB to 10% or 5% instead of withdrawing it altogether; or possibly phasing in the proposal over time to give town and parish councils time to amend their future plans.

## 1.3: Suggestions about how CWAC and Town and Parish Councils can work together in future

The questionnaire that was sent directly to town and parish councils had an extra question that asked for their views on how they and CWAC can continue to work together for the benefit of communities. Comments included:

- The need to build upon the close relationships with local councillors. Some emphasised the importance of listening to local communities and town and parish councils and the need to consult these parties more extensively before decisions are made. Some claimed that local people and parish councils were best placed to know the ambitions of residents and therefore where money is best spent
- Some support for the idea of district/area committees and working in partnership with relevant agencies. A suggestion was made for regular liaison sessions to take place for appropriate parties to consider what functions could be better provided by alternative bodies



- That CWAC should assist in resolving local issues flagged up by parishes. CWAC should provide support to help local parishes meet the needs of their individual and unique communities and give full recognition to Neighbourhood Plans
- A variety of other proposals and ideas ranging from financial issues (ensuring processes were inclusive and transparent, raising precepts, etc.) through to ensuring more practical support (advice regarding planning, website templates, etc.).

## 1.4: General comments

Respondents were asked if they had any other comments about the proposal.

Comments from respondents who **disagreed** with the proposal:

- Most of the comments re-emphasised the opinions they had already expressed
- Many restated concerns that local communities would be significantly and negatively impacted by the removal of the NHB. They felt that withdrawing the NHB would alienate parishes and reinforce the view that rural areas are overlooked. They felt that CWAC should be working more closely with local communities
- Some respondents re-emphasised how the NHB had helped fund projects in their community and parishes, citing specific examples. There was concern that without the continued funding the NHB provides, certain enterprises risk being unsustainable in future. There was fear that further cuts to services would reduce the quality of life for residents and felt withdrawal of the NHB was a false economy
- Some respondents said that the council needed to find other ways of addressing their budget issues such as raising council tax or making savings as detailed in section 1.2.

Comments from the respondents who **agreed** with the proposal:

- One said that parish councils are free to raise their precept if they can justify it
- One commented that the cuts were the result of central government decisions made in the recent past.

## 1.5: E-petition

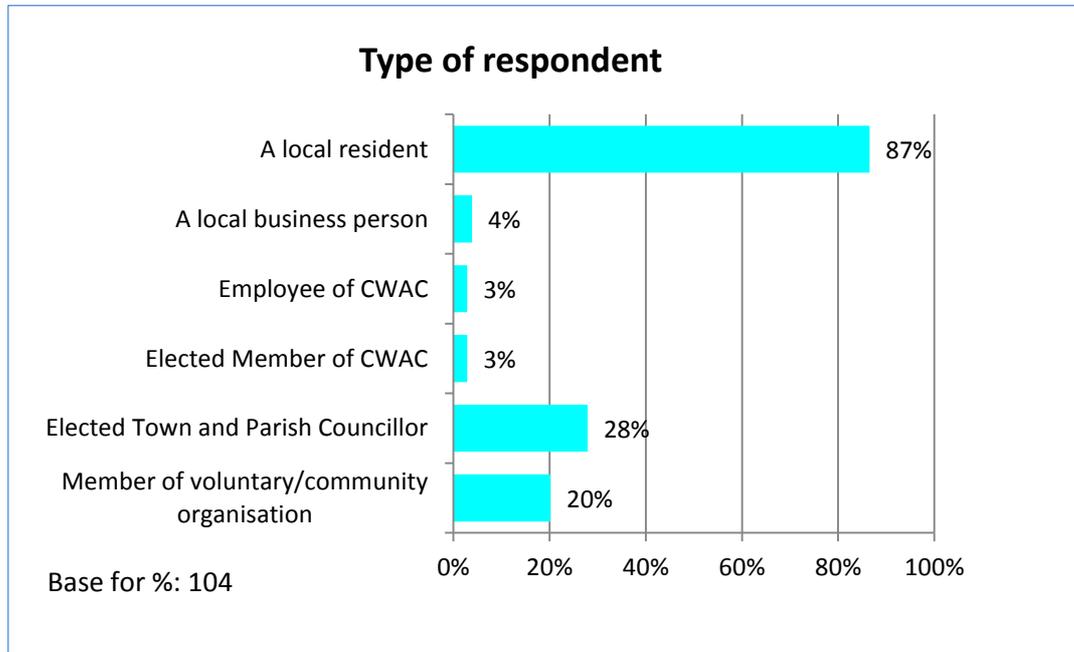
The Council recognises that there is an ongoing e-petition in place in relation to this subject matter. As of 5 February 2016, when the consultation closed, 1,039 people had signed the e-petition. The results of the e-petition will of course be considered, however, given the other opportunities people have had to respond, the Council does not believe this will have a material impact on its final decision.



## 2: Profile of Respondents

116 respondents completed the online survey. They were asked in what capacity they had responded and the chart below shows the responses of the 104 respondents who answered this question. They could choose more than one option.

Figure 2.1: Type of respondent

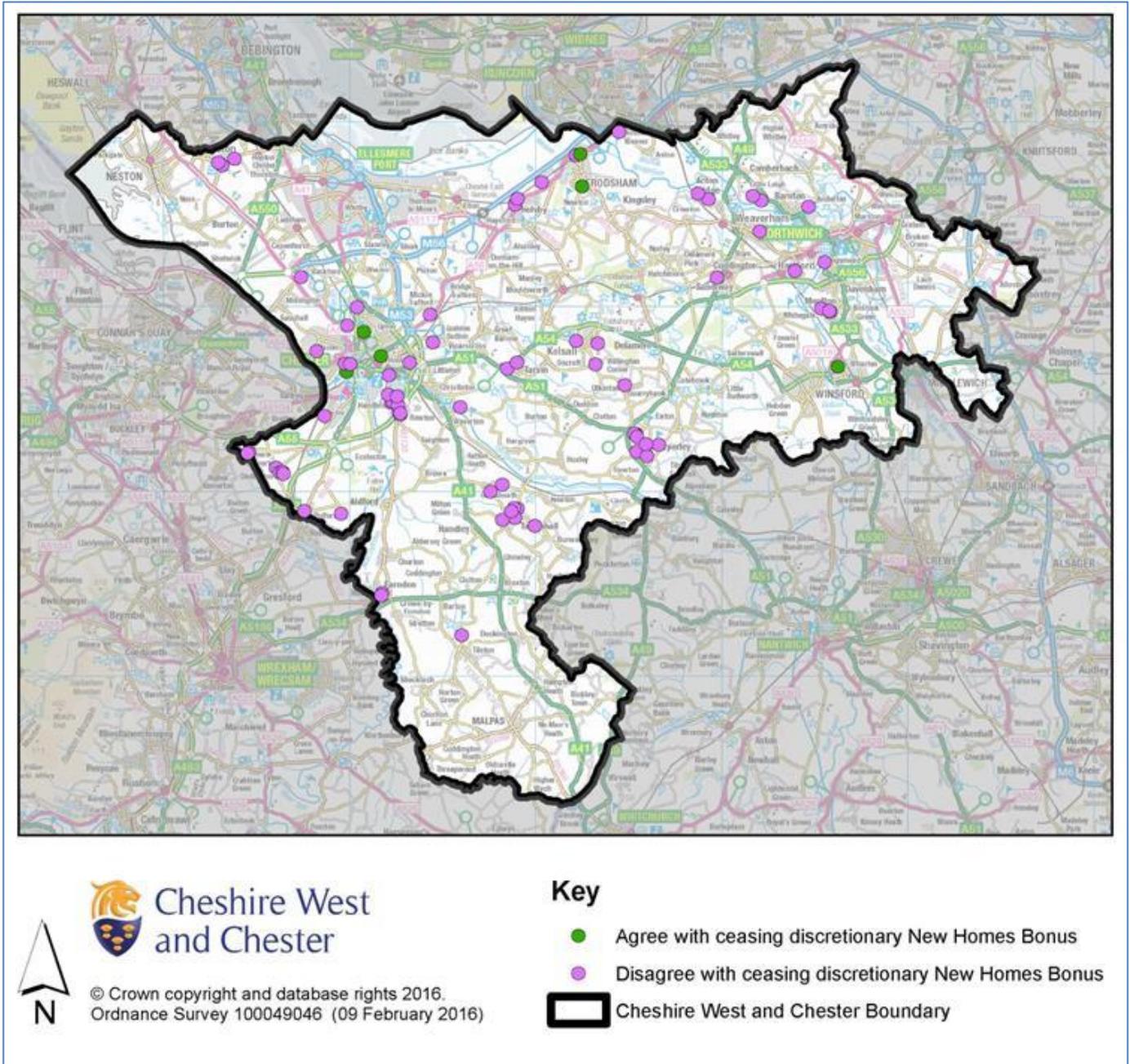


Please note that the % will sum to more than 100% as more than one option could be selected

- Most (87%) of the respondents said they were local residents
- Over a quarter (28%) said they were an elected town or parish councillor and they were asked to name their parish if they were replying on its behalf
- A fifth (20%) of respondents said they were a member of a voluntary and community organisation and they were asked to name it if they were replying on its behalf
- Through all the different methods that people could use, a total of 54 town and parish councils took part in the consultation and seven other organisations were also represented.

**Figure 2.2: Postcodes of respondents**

Almost 100 respondents to the online survey detailed their home postcode and these are shown on the map below. As can be seen, respondents came from across the borough. The purple dots represent those who disagreed with the proposal and the green dots are those who agreed with it.



### 3: Next steps

The information from this report will be used to inform the council's decision on this proposal.



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