

## New Homes Bonus Priority Fund

### Background

The New Homes Bonus Priority fund was established to fund initiatives that promote the economic prosperity of the Council. The revenue budget made available each financial year for such initiatives is 25% of the total New Homes Bonus grant funding received from central government, as outlined in the Councils Medium Term Financial Plan (MTFP).

### 2014/15 use of the Fund

The 2014/15 New Homes Bonus Priority Spend Fund budget was £547k.

Funding was approved to mitigate the anticipated loss of income to Parking Services in order to support pay and display income losses occurring due to a change in the fees and charges policy. The value of the funding approved was £198k. The anticipated loss of income was much less than expected resulting in £22k of the approved budget being utilised.

The remaining £525k budget was transferred to the New Homes Bonus Priority Spend Reserve for use in future years.

### 2015/16 use of the Fund

The 2015/16 New Homes Bonus Priority Spend Fund budget is £697k.

Funding has already been allocated to Parking Services to mitigate a potential loss of income in the MTFP report presented to Executive on 5 Feb 2015. The value of the approved funding is £340k. This funding is not likely to be required in 2015/16 and **Executive are requested to remove this allocation of funding.**

Parking Services have requested £30k expenditure to fund the subsidy of the fees and charges in Buntingford and Sawbridgeworth surface car parks. **Executive are requested to approve this allocation of funding.**



The Executive have agreed to match fund health and wellbeing expenditure received from Hertfordshire County Council which amounts to £100k in 2015/16. **Executive are requested to approve this allocation of funding.** The same amount will be required in 2016/17 and will be built into future budget models.

In practice the current method of the allocating the New Homes Bonus Priority Fund treats the revenue budget in a similar way to a reserve. That is to say that funding is held and allocated funds are transferred to service budgets as and when they are required. Using the Fund in this way creates the potential for an underspend position to occur year-on-year. In order to mitigate this **Executive are requested to approve the transfer of the £697k New Homes Bonus Priority Fund into the New Homes Bonus Priority Fund Reserve.** Funds that have been allocated will then be subsequently drawn down as required.