

## Case Study

# Generating £5m of New Homes Bonus Funding

Working with Capacitygrid, over the last five years Chorley Borough Council has significantly reduced their long term empties and, as a result, generated over £5,000,000 of additional contributions from New Homes Bonus awards.

## Overview

Chorley is a district in central Lancashire that occupies a prime strategic location, and covers 203 square kilometres. The population in the authority has increased at a reasonably fast rate from 97,000 in 1991 to 118,216 in 2019. Chorley itself is overlooked by Healey Nab, part of the West Pennine Moors. Chorley is a great place to do business with excellent road and rail links, and a skilled workforce; there is also a good mix of housing, as well as quality of life. Economic growth is a key strategic priority for the Council with the recent development of a Digital Office Hub and an extended retail and leisure offer in the town centre.



# The Challenge

Like many local authorities across the country Chorley Council was concerned about maintaining levels of service delivery from the funds available and was keen to generate additional income. In the early twenty first century, the focus of local authorities was on delivering better services for the same amount of money. Now councils are forced to reduce or even cut services as funding streams have dwindled. New revenue

streams are increasingly vital. New Homes Bonus funding was identified by the Council, as early as 2015, as a way of generating further income by reducing the number of long term empty properties ahead of the annual CTB1 deadline in October. Chorley Council decided that it needed to find a way to maximise additional revenue from New Homes Bonus funding and chose to partner with Capacitygrid.

## The Solution

Every year since 2015, Chorley Council has commissioned an Empty Homes Review service from Capacitygrid. Capacitygrid is the only provider that offers a full and comprehensive review of every single long term empty property.

The approach utilises expert data matching technology; a network of specialist inspectors together with a dedicated customer service team and experienced revenue practitioners to exhaustively review and validate every long term property listed. Having delivered the service to over 180 local authorities, our average removal rate has been ten times the national average over the past three years.

The service is also designed to protect the Council by ensuring there is no duplicated effort - it is offered entirely on a risk/reward basis with no upfront costs and an exclusion policy in place to ensure we only charge for those properties identified as part of our review.

## The Benefits

Over **£5,000,000** of additional contributions to New Homes Bonus funding

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Based on the last five reviews, the Council has got to keep **97%** of New Homes Bonus generated

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Year-on-year Long Term Empty property removal averages **24%**

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The 2019 review generated **£1,317,556** of additional New Homes Bonus contributions and reduced the Long Term Empty numbers by **30%**

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A 2020 review is calculated to generate a further **£823,101** of New Homes Bonus funding

*"This is a great example of a partnership with a private sector company which has delivered huge benefits to the Council – and continues to do so. The Empty Homes Reviews undertaken since 2015 have not only generated a significant revenue stream for the Council but, in addition, we have been able to add positively to Council Tax collection rates as a direct result. We are expecting more excellent results from the 2020 Empty Homes Review."*

**Alison Wilding, Head of Customer Services, Chorley Borough Council**

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