

Name of meeting: Cabinet

Date: 20 September 2016

Title of report: Leeds City Region - support for strategic housing sites, jobs and skills growth

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Yes
Key Decision - Is it in the Council's Forward Plan (key decisions and private reports?)	Key Decision - Yes Report: Public report with private appendix
The Decision - Is it eligible for call in by Scrutiny?	Yes
Date signed off by Director & name Is it also signed off by the Director of Resources? Is it also signed off by the Assistant Director (Legal Governance and Monitoring)?	Jacqui Gedman - 07.09.16 David Smith - 08.09.16 Julie Muscroft - 12.09.16
Cabinet member portfolio	Cllr Naheed Mather: Housing and Enforcement Management Cllr Peter McBride: Economy, Skills, Transportation & Planning

Electoral wards affected: All

Ward councillors consulted: N/A

Public or private: Public report with private appendix.

The Appendix contains information relating to the financial or business affairs of any particular person (including the authority holding that information).

It is considered that it would not be in the public interest to disclose the information contained in the Appendix to the report, as disclosure could potentially adversely compromise the commercial confidentiality of negotiations with third parties, and may disclose the contractual terms, which is considered to outweigh the public interest in disclosing information including, greater accountability, transparency in spending public money and openness in Council decision making.

1. Purpose of report

- 1.1 To outline the support of the Leeds City Region Local Enterprise Partnership through the Local Growth Fund to support development and bring forward strategic or challenging housing sites. This will help to meet the Council's objectives in its Economic, and Joint Health and Wellbeing Strategies especially relating to new housing and growth.
- 1.2 To seek Cabinet authority to enter into arrangements to draw down LEP Local Growth funding to unlock housing sites in Kirklees.
- 1.3 To seek Cabinet authority to pursue the steps necessary to bring forward an identified site using LEP funding. [This is reported in the Private Appendix because it would otherwise compromise commercial negotiations with a third party and the financial and business affairs of an individual].

2. Summary

- 2.1 The Leeds City Region Strategic Economic Plan 2016 (the 'SEP') has an ambitious plan for £1bn Local Growth Deal funding to deliver a more prosperous Leeds City Region. The SEP sets out four key themes:
 - (i) supporting growing businesses,
 - (ii) developing a skilled and flexible workforce,
 - (iii) a resource-smart city region,
 - (iv) building the infrastructure for growth.
- 2.2 Housing is a major element of creating the infrastructure for growth and in supporting the health and well-being of residents in Kirklees. Housing is a net contributor to investment and jobs; for every £1m invested in new homes, the Government (in its '*Housing Strategy for England*,' 2011) estimates that this will provide 12 new jobs (7 direct and 5 indirect. Additionally, the report '*The Economic Footprint of Housebuilding in the UK*' [HBF/Nathaniel Lichfield & Partners, 2015] cites research which evidences 1.2 full time jobs created per dwelling by volume housebuilders.
- 2.3 Working with regional partners such as the Homes and Communities Agency and the LEP is increasingly important in the way that the Council and its partners enable and secure funding to build the economic resilience of the district, businesses and our communities. This can bring in external capital resource and organisational support to help to deliver outcomes that the Council can no longer do alone, or at all.
- 2.4 The Leeds City Region LEP is an important external resource to help the Council to enable difficult to develop, or 'stalled' development sites get started and to build confidence in local markets. This will help to sustain housing investment, growth and economic resilience in the longer term, helping investment partners to meet the Council's ambitions in its Economic Strategy.
- 2.5 The engagement and funding from the LEP and regional partners is also particularly relevant in the context of the investment and confidence building work required in the North Kirklees Growth Zone, which will be the subject of a separate report to be brought to Cabinet for future consideration.
- 2.6 Officers propose to use external funding provided by the LEP to support the development of challenging housing sites and it is proposed to use LEP funding assistance as put forward, within the private appendix attached to the report. This identifies a specific site and Cabinet is asked to endorse actions which will enable the Council to draw down and use external LEP Local Growth funding to secure housing development on this site, and others in the future.

3. Information required to take a decision

3.1 Information is set out in the Private appendix and it covers:

- Background
- Options
- Cost breakdown
- Timescales
- Expected impact/ outcomes, benefits & risks (how they will be managed)
- Evaluation
- Sustainability
- Services and agencies involved.

4. Implications for the Council

- 4.1 The engagement of the LEP will provide an important external resource to assist the Council in its strategic co-ordination and enabling of housing delivery, helping to meet its objectives as set out in the Kirklees Economic Strategy and Joint health and Wellbeing Strategy. Using funding from the LEP will pump-prime development and investment from the private sector and secure and enable long term investment into Kirklees.
- 4.2 The funding and proposals and risk analysis are set out in Private Appendix A. This initiative will help the Council to co-ordinate and drive the pace of development and investment and build a more economically resilient Kirklees. It is contributing to developing the New Council, focussing on Early Intervention and Prevention and Economic Resilience.

5. Consultees and their opinions

N/A

6. Next steps

- 7.1 The actions identified in the Private Appendix will be pursued, subject to Cabinet delegating authority to Assistant Directors. This will enable sites to be assisted to bring forward new housing supply, jobs and apprenticeships.

7. Officer recommendations and reasons

- 7.1 That Cabinet notes the role of the Leeds City Region Local Enterprise Partnership and Local Growth Fund in helping to bring forward strategic or challenging housing sites for delivery, helping to meet the Council's objectives in its Economic, Joint Health and Wellbeing.
- 7.2 That Cabinet endorses the approaches as set out in this report and the Private Appendix attached;
- 7.3 That Cabinet delegates authority to the Assistant Director of Place and the Assistant Director Legal, Monitoring and Governance to:
- (i) Conclude the legal arrangements or agreements necessary to enable the LEP offer of funding to be drawn down and utilised, to enable development to deliver housing and other infrastructure for growth in Kirklees
 - (ii) Progress appropriate negotiations with third parties to enable the development of housing and infrastructure.
 - (iii) To negotiate to purchase and assemble land where applicable to enable development sites to be brought forward.
- 7.4 That Cabinet note that a further report will be brought to Cabinet to outline the support of the HCA and LEP in the North Kirklees Growth Zone.

8. Cabinet portfolio holder's recommendations

- 8.1 Councillor Naheed Mather advises that - *"This is a significant milestone in achieving regional support from the Local Enterprise Partnership, in recognising Kirklees' commitment to bringing difficult to tackle or stalled sites forward. I am supportive of this work and the help that this can bring to unlock sites and develop a 'pipeline' of new homes. The LEP's help in this area will bring additional external resources to help the Council to address challenging sites and build market confidence"*. Councillor Naheed Mather, asks that Cabinet, note and endorse, the officer recommendations as detailed in section 7 above and in addition, delegate authority to the relevant Assistant Directors as stipulated.
- 8.2 Councillor Peter McBride advises that - *"The support of the Leeds City Region LEP is an important step in helping the Council and partners to unlock sites and enable the delivery of new homes, and this will also help the Council to secure jobs and apprenticeships which are key to the economic resilience of the district"*. Councillor Peter McBride asks, that Cabinet, note and endorse the officer recommendations as detailed in section 7 above and in addition, delegate authority to the relevant Assistant Directors as stipulated.

9 Contact officer

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10 Background Papers and History of Decisions

A background paper prepared for the local plan by Cushman and Wakefield on land value and viability is available here
<https://www.kirklees.gov.uk/beta/planning-policy/pdf/supportingDocuments/viability/Local-Plan-CIL-Viability-Report.pdf>

11 Assistant Directors responsible

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Attached: Private Appendix 'A'