

8 February 2017

To: Council Distribution

Dear Councillor,

Council (Budget) – Wednesday 15 February 2017

Amendment to the Motion proposed by the meeting of Cabinet on 31 January 2017

Please find enclosed, for your consideration, an amendment to the Budget Motion, which has been received by the Chief Executive in accordance with Council Procedure Rule 19 (3).

Yours sincerely,



Andrea Woodside
Principal Governance Officer

Amendment to the 2017/18 Kirklees Council Budget by the Green Party Group

This Council agrees to develop a Local Housing Development Company as a special purpose vehicle to deliver new housing on land identified for development in the Council's Local Plan. This would be as a minimum cover Kirklees but could be developed at scale with our neighbours. This will ensure this will ensure that we can work with the Homes and Communities Agency and Registered Social Landlords, developers and institutional investors who can lever in additional resources as well as keeping the income generated from new development within Kirklees to help to support local services.

The company would deliver new housing on council land that has been identified for development in their Local Plans.

There are a number of reasons why this may be attractive to Kirklees.

- At a time of diminishing balances Central Government is encouraging Councils to develop new housing to fund local services through the New Homes Bonus and new Council Tax revenue income. If the Council is in partnership with third parties developer profit from new development would be shared amongst the partners involved and could be used to help fund Council Services.
- There are occasions when the Council has granted Planning Permission on land but frustratingly developers with which the Council has no relationship have dragged their feet, sometimes for years, leaving areas blighted. The Council would have more control over development if it was itself part of the development vehicle.
- There is the opportunity to use the newly merged KNH and Building Services as a vehicle for Housing Development utilising existing skills in electrical and gas services
- The standard of new build housing in the private sector is variable and some Councillors have had cause to tackle substandard housing with developers. If the Council can put pressure on the market – control of building will be more effective. Cutting corners and reducing the quality of build to reduce costs will be avoided.
- The opportunity to promote higher energy efficiency standards, such as Passivhaus development could be pursued by such a company. The embedded Quality Assurance in Passivhaus developments will ensure a quality build as well as very high energy efficiency standards. Householders benefiting from very low energy bills will have more money in their pockets to spend locally helping them to pay rents and mortgages more easily.
- With a substantial portfolio of work over a number of years partnerships with educational institutions could provide a rich source of local employment for apprentices working in a range of building jobs.

No income has been put against this budget amendment as it is too early to say how substantial the potential income could be to the Council. However, any revenue income generated above that required for the core purposes of the Housing Development Company would be utilised to support valued services in town and village centres that provide contact and services to people in our communities. This amendment does however show that there are alternatives to simply managing decline at a time when central government is starving the Council of funds.

If this amendment is passed the expectation would be that the Council establishes a Project Team to quickly establish the Local Housing Development Company before the 2018/19 Budget so projected incomes can be factored in to the Councils hard pressed finances.