

Contact Officer: Andrea Woodside

COUNCIL

KIRKLEES COUNCIL

**At the Meeting of the Council of the Borough of Kirklees held at
Council Chamber - Town Hall, Huddersfield on Wednesday 15 February 2017**

PRESENT

The Mayor (Councillor Jim Dodds) in the Chair

COUNCILLORS

Councillor Masood Ahmed	Councillor Mahmood Akhtar
Councillor Karen Allison	Councillor Bill Armer
Councillor Donna Bellamy	Councillor Martyn Bolt
Councillor Cahal Burke	Councillor Jean Calvert
Councillor Andrew Cooper	Councillor Nosheen Dad
Councillor Eric Firth	Councillor Donald Firth
Councillor Michelle Grainger-Mead	Councillor Charles Greaves
Councillor David Hall	Councillor Steve Hall
Councillor Lisa Holmes	Councillor Erin Hill
Councillor Edgar Holroyd-Doveton	Councillor Judith Hughes
Councillor Mumtaz Hussain	Councillor Christine Iredale
Councillor Paul Kane	Councillor Viv Kendrick
Councillor Musarrat Khan	Councillor John Lawson
Councillor Vivien Lees-Hamilton	Councillor Robert Light
Councillor Gwen Lowe	Councillor Terry Lyons
Councillor Andrew Marchington	Councillor Naheed Mather
Councillor Peter McBride	Councillor Darren O'Donovan
Councillor Marielle O'Neill	Councillor Andrew Palfreeman
Councillor Shabir Pandor	Councillor Nigel Patrick
Councillor Carole Pattison	Councillor Amanda Pinnock
Councillor Andrew Pinnock	Councillor Kath Pinnock
Councillor Hilary Richards	Councillor Mohammad Sarwar
Councillor Cathy Scott	Councillor David Sheard
Councillor Ken Sims	Councillor Elizabeth Smaje
Councillor Mohan Sokhal	Councillor Julie Stewart-Turner
Councillor Amanda Stublely	Councillor John Taylor
Councillor Kath Taylor	Councillor Graham Turner
Councillor Nicola Turner	Councillor Sheikh Ullah
Councillor Michael Watson	Councillor Gemma Wilson
Councillor Linda Wilkinson	Councillor Fazila Fadia
Councillor Gulfam Asif	Councillor Richard Eastwood
Councillor James Homewood	Councillor Manisha Roma Kaushik
Councillor Bernard McGuin	Councillor Mussarat Pervaiz
Councillor Richard Smith	Councillor Rob Walker

116 Announcements by the Mayor and Chief Executive

Council received tributes to Adrian Lythgo, Chief Executive, who was in attendance at his final meeting of Council following 7 years' service at the Authority.

The Mayor announced that, in consultation with the Chief Executive, it had been agreed that Agenda Item 6 would be considered at the meeting, in accordance with Council Procedure Rule 3 as the matter is financial in nature and a decision on the matter was required prior to the next scheduled meeting of Council.

Members of the Council were reminded of the restrictions applying to voting on Agenda Item 5 under Section 106 of the Local Government Finance Act 1992.

117 Apologies for absence

There were no apologies for absence.

118 Minutes of Previous Meeting

RESOLVED – That the Minutes of the Meeting held on 18 January 2017 be approved as a correct record.

119 Declaration of Interests

- 1) That the list of dispensations (as tabled) be noted. (please see attached)
- 2) That the following declarations be recorded;
Councillor Sokhal declared an 'other' interest in Agenda Item 5 on the grounds that his daughter works for Gateway to Care.
Councillor Lowe declared an 'other' interest in Agenda Item 5 on the grounds that her daughter is employed by Kirklees Active Leisure.
Councillor A U Pinnock declared an 'other' interest in Agenda Item 5 on the grounds that she works for a voluntary sector organisation that supports housing tenants.
Councillor E Firth declared 'other' interests in Agenda Item 5 on the grounds that he is (i) a member of Unite (ii) a trustee of Kirklees Community Association (iii) a trustee of Dewsbury Endowed Trust. He also declared a disclosable pecuniary interest in Agenda Item 5 on the grounds that he is Deputy Chair of West Yorkshire Combined Authority Transport Committee.

120 Budget 2017/2018

It was moved by G Turner and seconded by Councillor Pandor;

'(1) Capital

(i) That the Capital Investment Plan be recommended to Council with an intention that the Plan is reviewed as an integral element of the Council's Budget Strategy to support Council priorities (on both capital and revenue budget proposals) and is contained within foreseeable resources (Appendix A, Section 1 and Appendix E refer).

(ii) That Council be advised to determine the Prudential Indicators as referred to in Appendix A (Section 1, para 1.3.19) and Appendix F.

(2) Treasury Management

(i) That the borrowing strategy as outlined in Appendix A (Section 2, para 2.3) be approved.

(iii) That the investment strategy be outlined in Appendix A (Section 2, para 2.4) and Appendix G be approved.

(iv) That the policy for provision of repayment of debt (minimum revenue provision) as outlined in Appendix A (Section 2, para 2.5) and Appendix I be approved.

(3) General Revenue Fund

(i) That the draft Revenue Budget for 2017-2020 and indicative high level funding and cost estimates for 2020-21 be approved (Appendix B refers).

(ii) That the proposed re-direct of £3.3m from rollover reserves to general balances, the proposed 2016-2017 year end transfer of £7.7m to organisational risk reserves (in-year further treasury management saving from the proposed amendment to the Council's minimum revenue provision strategy) , and the proposed re-alignment of £1.4m currently uncommitted resources earmarked for transformation projects totalling £1.4m to the New Council Transformation reserve be approved (Appendix A, Section 3, para 3.16.5 refers).

(iii) That, subject to approval of (3)(ii) above, the forecast levels of general and earmarked reserves as set out at Appendix A (Section 3, para 3.16.6) be noted.

(iv) That the strategy for the use of balances and reserves, as set out in Appendix A (section 3, paras 3.16.7 and 3.16.8 refer) be approved.

(v) That it be acknowledged that for 2017-2018 the minimum level of General Fund balances should be £5.0m (Appendix A, Section 3, para 3.16.6 refers).

(vi) That a further reassessment of reserves requirements be undertaken at year end and reported as part of the 2016-2017 revenue rollover and outturn report.

(vii) That it be noted that the Council's continued participation on the Leeds City Region business rates pool for 2017-2018 (Appendix A, Section 3, para 3.13.6 refers).

(viii) That approval be given to the Council Tax requirement for 2017-2018 (Appendix A, Section 3, para 3.14, and Appendix C; budget motion refer)

(ix) That approval be given to the Council's Pay Policy Statement for 2017-2018 as set out in Appendix D (i-v).

(x) That the Council's Statutory s151 Officer's positive assurance statement, as referred to in para. 4 of the considered report, be noted.

(xi) That the Council's Statutory s151 Officer be given delegated authority to amend how the finally approved precepts are recorded in the Council's revenue budget in line with the final notifications received following decisions by the Office of Police and Crime Commissioner, the Fire and Rescue Authority and Parish Councils should these be received after 15 February 2017.

(4) Housing Revenue Account (HRA)

(i) That the draft HRA Budget for 2017-2020 (as detailed in Appendix B) be approved.

(ii) That the strategy for the use of HRA reserves (as detailed in Appendix A, Section 4, para 4.3.1) be approved.'

Whereupon, it was moved by Councillor Cooper, and seconded by Councillor Allison, by way of AMENDMENT, that the following text be added to the Motion;

'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 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.

- (i) 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.
- (ii) 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.
- (iii) 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
- (iv) 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.

Council - 15 February 2017

- (v) 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.
- (vi) 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.'

The AMENDMENT, on being put to the vote was CARRIED, and therefore became the Substantive Motion.

In accordance with the requirements of Council Procedure Rule 19 (7), the decision was taken by Recorded Vote as follows;
FOR: Councillors Ahmed, Akhtar, Allison, Asif, Calvert, Cooper, Dad, Fadia, E Firth, Greaves, S Hall, Hill, Holroyd-Doveton, Homewood, Hughes, Hussain, Kane, Kaushik, Kendrick, Khan, Lowe, Lyons, Mather, McBride, O'Donovan, O'Neill, Pandor, Pattison, Pervaiz, A U Pinnock, Richards, Sarwar, Scott, Sheard, Sokhal, Stewart-Turner, G Turner, Ullah and Walker (39 votes)
AGAINST: Councillors Armer, Bellamy, Bolt, Dodds, D Firth, Grainger-Mead, D Hall, Holmes, Iredale, Lees-Hamilton, Light, McGuin, Palfreeman, Patrick, Sims, Smaje, Smith, Stubley, J Taylor, K Taylor, Watson and Wilson (22 votes)
ABSTAINED: Councillors Burke, Eastwood, Lawson, Marchington, A Pinnock, K Pinnock, N Turner and Wilkinson.

The Substantive Motion, on being put to the vote, was CARRIED, and it was;

RESOLVED –

'(1) Capital

- (i) That the Capital Investment Plan be recommended to Council with an intention that the Plan is reviewed as an integral element of the Council's Budget Strategy to support Council priorities (on both capital and revenue budget proposals) and is contained within foreseeable resources (Appendix A, Section 1 and Appendix E refer).

Council - 15 February 2017

(ii) That Council be advised to determine the Prudential Indicators as referred to in Appendix A (Section 1, para 1.3.19) and Appendix F.

(2) Treasury Management

(i) That the borrowing strategy as outlined in Appendix A (Section 2, para 2.3) be approved.

(iii) That the investment strategy be outlined in Appendix A (Section 2, para 2.4) and Appendix G be approved.

(iv) That the policy for provision of repayment of debt (minimum revenue provision) as outlined in Appendix A (Section 2, para 2.5) and Appendix I be approved.

(3) General Revenue Fund

(i) That the draft Revenue Budget for 2017-2020 and indicative high level funding and cost estimates for 2020-21 be approved (Appendix B refers).

(ii) That the proposed re-direct of £3.3m from rollover reserves to general balances, the proposed 2016-2017 year end transfer of £7.7m to organisational risk reserves (in-year further treasury management saving from the proposed amendment to the Council's minimum revenue provision strategy) , and the proposed re-alignment of £1.4m currently uncommitted resources earmarked for transformation projects totalling £1.4m to the New Council Transformation reserve be approved (Appendix A, Section 3, para 3.16.5 refers).

(iii) That, subject to approval of (3)(ii) above, the forecast levels of general and earmarked reserves as set out at Appendix A (Section 3, para 3.16.6) be noted.

(iv) That the strategy for the use of balances and reserves, as set out in Appendix A (section 3, paras 3.16.7 and 3.16.8 refer) be approved.

(v) That it be acknowledged that for 2017-2018 the minimum level of General Fund balances should be £5.0m (Appendix A, Section 3, para 3.16.6 refers).

(vi) That a further reassessment of reserves requirements be undertaken at year end and reported as part of the 2016-2017 revenue rollover and outturn report.

(vii) That it be noted that the Council's continued participation on the Leeds City Region business rates pool for 2017-2018 (Appendix A, Section 3, para 3.13.6 refers).

(viii) That approval be given to the Council Tax requirement for 2017-2018 (Appendix A, Section 3, para 3.14, and Appendix C; budget motion refer)

(ix) That approval be given to the Council's Pay Policy Statement for 2017-2018 as set out in Appendix D (i-v).

(x) That the Council's Statutory s151 Officer's positive assurance statement, as referred to in para. 4 of the considered report, be noted.

(xi) That the Council's Statutory s151 Officer be given delegated authority to amend how the finally approved precepts are recorded in the Council's revenue budget in line with the final notifications received following decisions by the Office of Police and Crime Commissioner, the Fire and Rescue Authority and Parish Councils should these be received after 15 February 2017.

(4) Housing Revenue Account (HRA)

(i) That the draft HRA Budget for 2017-2020 (as detailed in Appendix B) be approved.

(ii) That the strategy for the use of HRA reserves (as detailed in Appendix A, Section 4, para 4.3.1) be approved.

(5) That 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 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.

- (i) 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.
- (ii) 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.
- (iii) 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
- (iv) 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.
- (v) 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.

- (vi) 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.'

In accordance with the requirements of Council Procedure Rule 19 (7), the decision was taken by Recorded Vote as follows;

FOR: Councillors Ahmed, Akhtar, Allison, Asif, Calvert, Cooper, Dad, Fadia, E Firth, S Hall, Hill, Holroyd-Doveton, Homewood, Hughes, Hussain, Kane, Kaushik, Kendrick, Khan, Lowe, Mather, McBride, O'Donovan, O'Neill, Pandor, Pattison, Pervaiz, A U Pinnock, Richards, Sarwar, Scott, Sheard, Sokhal, Stewart-Turner, G Turner, Ullah and Walker (37 votes)

AGAINST: Councillors Armer, Bellamy, Bolt, Dodds, D Firth, Grainger-Mead, D Hall, Holmes, Lees-Hamilton, Light, McGuin, Palfreeman, Patrick, Sims, Smaje, Smith, Stubbley, J Taylor, K Taylor, Watson and Wilson (21 votes)

ABSTAINED: Councillors Burke, Eastwood, Greaves, Iredale, Lawson, Lyons, Marchington, A Pinnock, K Pinnock, N Turner and Wilkinson.

121 Arrangement for Selecting an External Auditor for the Year 2018/19 and onwards.

It was moved by Richards, seconded by Councillor J Taylor and;

RESOLVED – That Public Sector audit Appointments Ltd be asked to carry out Auditor Panel duties on behalf of the Council and nominate a proposed External Auditor, and that the Assistant Director (Financial Management and Risk) be requested to inform Public Sector Audit Appointments Ltd accordingly.