

Cabinet Meeting: Monday, 10 February 2025

Question from: Councillor Leigh

Question to: Councillor Dacre

The Report on the infrastructure to support the delivery of the Garden Communities states that the Council will be borrowing £40 million for the project which will cost £7.434 million over the first six years. This is a major concern, especially given the Council's current and future budget situation. In this coming Budget, the council is implementing over £3 million in Budget cuts, increasing once again Council Tax by the maximum amount allowed, and implementing cuts to the Council Tax Reduction Scheme. Labour says that this extra burden on less fortunate residents was to bridge a funding gap of £1m because there are no reserves to use. The portfolio holder for Resources has stated on many occasions that we have very healthy reserves. Please explain. It is also important for the Council to provide a clear and detailed explanation of how it plans to pay for the Garden Communities project without further burdening taxpayers or reducing essential services. Would Cabinet please provide this information.

Response:

The Report clearly outlines in detail how the infrastructure costs required for the Garden Communities development will be funded by the contributions made by the Levy.

It is estimated that the total capital investment required is £40.1m over a 6-year period. The funding sources are as follows:

- NPIF Government Grant - £4.5m
- Garden Community Roof Tariff year 1-6 (developer contributions) - £11.2m
- PWLB Borrowing - £24.4m

The cost of borrowing will be funded by the Garden Community Roof Tariff from year 7 onwards.

The net cost of borrowing in the early years of the development have been factored into the MTFP and the net surplus income from the roof tariff in the latter years, will benefit the net revenue position in later years.

The profiling of the infrastructure expenditure and income from the roof tariff will be closely monitored throughout the project.

Our approach to the Garden Communities is an example of this administration investing in the future of Calderdale. The Communities will encourage families to stay in and move to Calderdale, improving the age profile of the population. The additional houses will enhance our Council Tax base.

I do not believe I have stated that our reserves are very healthy. We are not able to find any record of me doing so. The General Fund Balances, our final line of defence, have improved from £5m to over £7m but our Director of Resources and Transformation has made it clear that we need to maintain this level and look to build the Balances, and our Reserves, further.