

# Public Document Pack



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Monday 25 January 2016

## Notice of Meeting

Dear Member

### Cabinet

The **Cabinet** will meet in the **Council Chamber - Town Hall, Huddersfield** at **4.00 pm** on **Tuesday 2 February 2016**.

This meeting will be live webcast. To access the webcast please go to the Council's website at the time of the meeting and follow the instructions on the page.

The items which will be discussed are described in the agenda and there are reports attached which give more details.

A handwritten signature in black ink, appearing to read "Julie Muscroft".

**Julie Muscroft**

**Assistant Director of Legal, Governance and Monitoring**

Kirklees Council advocates openness and transparency as part of its democratic processes. Anyone wishing to record (film or audio) the public parts of the meeting should inform the Chair/Clerk of their intentions prior to the meeting.

## **The Cabinet members are:-**

### **Member**

Councillor David Sheard  
Councillor Jean Calvert

Councillor Steve Hall  
Councillor Erin Hill  
Councillor Viv Kendrick  
Councillor Peter McBride  
Councillor Shabir Pandor  
Councillor Cathy Scott  
Councillor Graham Turner

### **Responsible For:**

The Leader  
Community Development, Councillors involvement in  
a New Council, including Councillor Development  
Place - Planning, Highways and Open Spaces  
Family Support and Child Protection  
Prevention, Early Intervention and Vulnerable Adults  
Transportation, Skills, Jobs and Regional Affairs  
Schools and Learning  
Housing and Relief of Poverty  
Resources and Community Safety

# Agenda

## Reports or Explanatory Notes Attached

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**Pages**

**1: Membership of the Committee**

To receive apologies for absence of Members who are unable to attend this meeting.

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**2: Interests**

1 - 2

The Councillors will be asked to say if there are any items on the Agenda in which they have disclosable pecuniary interests, which would prevent them from participating in any discussion of the items or participating in any vote upon the items, or any other interests.

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**3: Admission of the Public**

Most debates take place in public. This only changes when there is a need to consider certain issues, for instance, commercially sensitive information or details concerning an individual. You will be told at this point whether there are any items on the Agenda which are to be discussed in private.

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**4: Deputations/Petitions**

The Committee will receive any petitions and hear any deputations from members of the public. A deputation is where up to five people can attend the meeting and make a presentation on some particular issue of concern. A member of the public can also hand in a petition at the meeting but that petition should relate to something on which the body has powers and responsibilities.

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**5: Public Question Time**

The Committee will hear any questions from the general public.

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**6: Member Question Time**

To consider questions from Councillors.

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**7: Council budget report 2016-19; General Fund Revenue, Housing Revenue Account, Capital, Treasury Management,**

3 - 164

A report providing information to enable Cabinet to formulate and propose its resolution to Council for Capital, General Fund revenue and Housing Revenue Account and approve the Council Treasury Management strategy.

Officer: David Smith: 01484 221000

**Wards**

**Affected:** All Wards

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<b>KIRKLEES COUNCIL</b>			
<b>COUNCIL/CABINET/COMMITTEE MEETINGS ETC</b>			
<b>DECLARATION OF INTERESTS</b>			
<b>Name of Councillor</b>			
<b>Item in which you have an interest</b>	<b>Type of interest (eg a disclosable pecuniary interest or an "Other Interest")</b>	<b>Does the nature of the interest require you to withdraw from the meeting while the item in which you have an interest is under consideration? [Y/N]</b>	<b>Brief description of your interest</b>

Signed: ..... Dated: .....

## NOTES

### Disclosable Pecuniary Interests

If you have any of the following pecuniary interests, they are your disclosable pecuniary interests under the new national rules. Any reference to spouse or civil partner includes any person with whom you are living as husband or wife, or as if they were your civil partner.

Any employment, office, trade, profession or vocation carried on for profit or gain, which you, or your spouse or civil partner, undertakes.

Any payment or provision of any other financial benefit (other than from your council or authority) made or provided within the relevant period in respect of any expenses incurred by you in carrying out duties as a member, or towards your election expenses.

Any contract which is made between you, or your spouse or your civil partner (or a body in which you, or your spouse or your civil partner, has a beneficial interest) and your council or authority -

- under which goods or services are to be provided or works are to be executed; and
- which has not been fully discharged.

Any beneficial interest in land which you, or your spouse or your civil partner, have and which is within the area of your council or authority.

Any licence (alone or jointly with others) which you, or your spouse or your civil partner, holds to occupy land in the area of your council or authority for a month or longer.

Any tenancy where (to your knowledge) - the landlord is your council or authority; and the tenant is a body in which you, or your spouse or your civil partner, has a beneficial interest.

Any beneficial interest which you, or your spouse or your civil partner has in securities of a body where -

(a) that body (to your knowledge) has a place of business or land in the area of your council or authority; and

(b) either -

the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or

if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you, or your spouse or your civil partner, has a beneficial interest exceeds one hundredth of the total issued share capital of that class.



**Name of meeting:** Cabinet / Council  
**Date:** 2nd / 17<sup>th</sup> February 2016

**Title of report:** Council Budget report 2016-19; incorporating Capital, Treasury Management, General Fund Revenue & Housing Revenue Account.

<b>Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?</b>	Yes
<b>Is it in the <a href="#">Council's Forward Plan</a>?</b>	Yes
<b>Is it eligible for "call in" by <a href="#">Scrutiny</a>?</b>	No
<b>Date signed off by Director and name</b>	David Smith, 21 January 2016
<b>Is it signed off by Director of Resources?</b>	David Smith, 21 January 2016
<b>Is it signed off by the Assistant Director – Legal, Governance &amp; Monitoring?</b>	Julie Muscroft, January 2016
<b>Cabinet member <a href="#">portfolio</a></b>	Corporate

**Electoral [wards](#) affected:** All

**Ward Councillors consulted:** All

**Public or private:** Public

## 1. Purpose of the Report

The purpose of this report is to provide information to enable Cabinet to formulate and propose its resolution to Council and for the other political groups to consider their budget proposals for Capital, General Fund revenue and Housing Revenue Account (HRA), and approve the Council Treasury Management strategy.

The structure of this report begins with an executive summary followed by a range of appendices. These are as follows :

## Appendices

A	Key Points - Background & Information
	Section 1 - Capital
	Section 2 - Treasury Management Strategy
	Section 3 - General Fund Revenue
	Section 4 – Housing Revenue Account
B	General Fund & HRA Medium Term Financial Plan 2016-19 (revenue budget book)
C	Motion to Council (current draft)
D	Pay Policy Statement
E	Capital Investment Plan; spend and funding summary 2016-21
F	Prudential Indicators
G	Treasury Management ; Investment Policy for 2016-17
H	Treasury Management ; Credit Ratings
I	Treasury Management Statement of Policy ;minimum revenue provision
J	Corporate Risk Matrix Summary

Key revenue budget proposals also make explicit reference to accompanying evidence available to members; namely officer led equalities impact assessments which have been undertaken on a range of budget proposals. This is to ensure that decision makers have due regard to the Council's equalities duties on key decisions taken through the budget process.

These are available on the Council's website as per the link below :

<http://www.kirklees.gov.uk/you-kmc/deliveringServices/impactAssessments/impactassessments.asp>

These individual assessments have been reviewed and analysed to better understand the emerging theme.

In summary the two groups with the most significant identified impact are Age (37%) and Disability (32%). It is worth noting that this data will change as service reviews take place and EIA's are updated following consultation processes.

### RESTRICTIONS ON VOTING

Members should be aware of the provisions of Section 106 of the Local Government Finance Act 1992, which applies to members where –

- (a) they are present at a meeting of the Council, the Cabinet or a Committee and at the time of the meeting an amount of council tax is payable by them and has remained unpaid for at least two months, and
- (b) any budget or council tax calculation, or recommendation or decision which might affect the making of any such calculation, is the subject of consideration at the meeting.

In these circumstances, any such members shall at the meeting and as soon as practicable after its commencement disclose the fact that Section 106 applies to them and shall not vote on any question concerning the matter in (b) above. It should be noted that such members are not debarred from speaking on these matters.



Failure to comply with these requirements constitutes a criminal offence, unless any such members can prove they did not know that Section 106 applied to them at the time of the meeting or that the matter in question was the subject of consideration at the meeting.

The report will:-

- (i) review the multi-year Plan for Capital Investment. The Cabinet is required under Financial Procedure Rules to recommend to the Council a multi-year Plan for Capital Investment;
- (ii) review the Treasury Management Strategy 2016-17, which the Council must consider before the start of the financial year to comply both with the Chartered Institute of Public Finance & Accountancy (CIPFA) Code of Practice on Treasury Management, and with Department for Communities and Local Government (DCLG) guidance on local authority investments issued in March 2010, requiring the Council to approve an Investment Strategy before the start of each financial year;
- (iii) review general fund revenue budget strategies over the medium term financial plan (MTFP), and budget proposals to achieve a balanced general fund revenue budget in 2016-17, and revenue budget plans for the following 2 years;
- (iv) incorporate the Government's announcement on the Local Government Finance Settlement for 2016-17 including indicative government funding forecasts for the following 3 years to 2019-20, and consider the level of general fund revenue budget needed for Treasury Management and Central Contingencies;
- (v) review the Council's financial position in 2015-16, and give early consideration to general fund revenue 'rollover';
- (vi) make recommendations on the Council tax requirement for 2016-17;
- (vii) review the current levels of general fund revenue reserves and balances and make recommendations on the level of reserves ;
- (viii) review Housing Revenue Account (HRA) budget proposals to achieve a balanced general fund revenue budget in 2016-17, and indicative revenue budget plans for the following 2 years;
- (ix) review the current levels of housing revenue account reserves, and make recommendations on the level of reserves;
- (x) incorporate the Council's Pay Policy Statement for 2016-17;
- (xi) incorporate a statement of assurance from the Director of Resources in relation to the adequacy of general fund and HRA reserves and the robustness of budget estimates

## **2. Key Points**

- 2.1 The draft budget plans set out in this report reflect the continuing scale of the financial challenge facing the Council. This Council is relatively dependent on Government funding. Over the lifetime of the previous Parliament, there was an overall reduction

of more than 40% in Government funding to the Council, and following the recent December 2015 Autumn Statement and spending review, and detail of the funding settlement for 2016-17, it is anticipated that Government funding will reduce by a further 34%, by 2020.

- 2.2 Last year’s multi-year budget plans marked an essential stage towards a New Council, and the budget proposals set out at Appendix B largely reflect a continuation of existing year 2 and 3 plans rolled forward. Below is a high level summary of the overall budget plans presented at Appendix B.

**Table 1 – high level summary; general fund revenue budget plans 2016-20**

	Current budgets 2015-16 £M	Proposed budgets 2016-17 £M	Proposed budgets 2017-18 £M	Proposed budgets 2018-19 £M	Indicative budgets 2019-20 £M
Directorates budgets	265.1	252.1	243.6	221.5	221.2
Directorate net budget reduction proposals	(13.0)	(8.5)	(22.1)	(0.3)	-
Social care budget increase – precept	-	2.9	6.0	9.3	12.8
Central budgets	62.0	64.3	73.6	80.3	84.2
Total (Net) Spend	314.1	310.8	301.1	310.8	318.2
Funding available	(301.8)	(295.1)	(285.0)	(280.8)	(280.2)
Budget gap	12.3	15.7	16.1	30.0	38.0
Use balances	(12.3)	(15.7)	-	-	-
Remaining Budget gap	nil	nil	16.1	30.0	38.0

- 2.3 Table 1 illustrates that the Council plans to make net budget reductions at Directorate level of £30.9m largely over the next 2 years, and apply available “one- off” balances and reserves of £15.7m in 2016-17, to achieve a balanced budget. However, there remains an underlying budget gap of £16m in 2017-18, increasing to £30m in 2018-19 and £38m in 2019-20, which will need to be addressed through future budget rounds.

- 2.4 Annual HRA rents for 2016-17 were approved by Cabinet on 12 January 2016 – see link below to the relevant report :

[Decision - Housing Revenue Account \(HRA\) Rent and Service Charge Setting Report and Key Housing Challenges - Kirklees Council](#)

- 2.5 The rent setting report set out the overarching financial context for the HRA budget for the next 4 years; specifically, a change in national government social housing rent policy resulting in annual 1% rent reductions each year for the next 4 years. This compares to pre-existing national rent policy which was based on CPI+1% per annum. Appendix A, Section 4 sets out in more detail the impact of future year 1% rent reductions on the longer term self-financed HRA business plan.

### 3. Implications for the Council

- 3.1 Formal Resolution

- 3.1.1 It is necessary for the motion to Council on 17th February 2016, set out at Appendix C, and for the final resolution to include certain statutory declarations. The motion to be put forward by the Cabinet will be incomplete, because the precepts for the Fire and Police Authorities and Parish Councils will not be determined until after Cabinet. The Cabinet motion will include estimated precepts based on best available information at the time.
- 3.1.2 It may be necessary therefore for an amended motion to be moved, as in previous years, to correct the motion, where there is any change between the estimated and actual precepts. This assumes that the precepting bodies will have determined their precepts before 17th February.
- 3.1.3 It is requested that the Director of Resources 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 & Rescue Authority and Parish Councils should these be received after 17th February 2016.
- 3.1.4 The office of Police and Crime Commissioner, Fire & Rescue Authority and Parish Council precepts included in the Council motion do not affect the Council budget, and neither will any subsequent amendment to the precept figures, delegated to the Director of Resources.
- 3.1.5 Cabinet is asked to consider whether it wishes to recommend to the Council that the Rollover rules should be changed.
- 3.2 Special Expenses
- 3.2.1 The expenditure of parish councils is funded by way of a precept which is levied only on the area of the individual parish councils. There are, however, occasions when parish councils provide services which would otherwise be provided by district councils if there were no parish council in existence. The result is that residents of a parish council can pay twice for some services. This is known as "double taxation".
- 3.2.2 The Local Government Finance Act 1992 provides for expenditure incurred by district councils which ranks as double taxation to be treated as special expenses, which are not charged to the residents of the parish councils concerned unless the district council resolves otherwise. This special expense arrangement applies to certain services provided by Holme Valley parish council.
- 3.3 Pay Policy Statement 2016-17
- 3.3.1 Local Authorities are required under section 38(1) of the Localism Act 2011 (the Act) to prepare an annual Pay Policy Statement. The statement must articulate the Council's policy towards the pay of the workforce, particularly senior staff and lowest paid employees. The Council's 2016-17 Pay Policy Statement is attached at Appendix D.
- 3.3.2 The provisions of the Act do not apply to the employees of local authority schools and therefore unless they are centrally employed, teaching staff are not within the scope of the policy.

### 3.4 Positive Assurance Statement

3.4.1 Under Section 25 of the Local Government Act (2003) the statutory Chief Financial Officer is required to give positive assurance statements in relation to the adequacy of reserves and balances and the robustness of budget estimates.

#### Statement from the Council's Section 151 Officer – Director of Resources

3.4.2 If members approve the recommendations in this report on the retention of reserves and on the minimum level of General Fund and HRA balances, I can give the Council positive assurance on the adequacy of reserves and balances. I can also give you positive assurance on the reliability and robustness of all the forecasts and estimates in the budget proposals, although it should be noted that there are still some areas of uncertainty in relation to funding which await resolution by Government departments.

In giving these assurances I have, in particular, considered the following matters:-

- (i) The internal control environment and in particular the checks and balances within our budget process and our arrangements for budgetary control. In addition, I am satisfied that the Council's financial systems provide a sound basis for reliable financial information. This will also be reported in the annual Statement of Corporate Governance, included in the statutory Statement of Accounts;
- (ii) The detailed work on risk assessments, the key parts of which are attached to this report;
- (iii) The track record of the Council in managing its overall budget;
- (iv) The supporting information 'behind' the budget, which provide quality assurance on the budget figures;
- (v) The assurance of professional responsibility for, and support as appropriate from, Assistant Director; Financial Management, Risk, Performance & IT, Strategic Council Finance Managers and their staff in preparing budgets and giving financial advice to Directors and Assistant Directors; and the budget as presented to Cabinet is accurate to a level of detail to enable it to be delegated to budget holders;
- (vi) Consideration of the likely net saving available from the work on the themes identified in the budget and led by the New Council programme board which is chaired by the Director of Economy, Environment and Skills and after taking account of the costs of implementation and the risks to be managed in implementation;
- (vii) Acknowledgement that there is a significant underlying general fund revenue budget gap of £15.7m in 2016-17, (before use of available balances and reserves to achieve a balanced budget). The underlying budget gap increases to £16m in 2017-18, £30m in 2018-19 and £38m in 2019-20, even after taking account of the forward budget plans contained within this report, and this will need early consideration, and the formulation of plans in readiness for next year's budget round.

- (viii) In relation to the HRA, a budget strategy has been developed to start to address the significant reductions in annual rental income over the next 4 years compared to existing budget plan assumptions. However, further savings will be required and again, will need early consideration in readiness for next year's budget round.

#### **4. Consultees and their opinions**

Following on from the MTFP update report 2016-19 to full Council on 7 October 2015, initial draft budget proposals for 2016-19 were included as part of a wider public budget consultation exercise. The website link to the draft budget proposals is below :

<https://kirklees.gov.uk/involve/doc.aspx?ref=zmgrlndg&e=810>

Feedback from the above public budget consultation was reported to Cabinet on 12 January 2016 and is available as per the link below :

[Decision - Findings from the Public Budget Consultation - Kirklees Council](#)

Feedback from the public consultation will be considered by members, and final decisions made on the revenue budget proposals at full Council on 17 February.

Housing Revenue Account budget proposals were presented to the December 2015 Tenants & Residents Committee cycle, and comments received incorporated at Appendix A, Section 4 (para 4.4.1)

The Capital Investment Plan proposals have been prepared by the Director of Resources following discussions at the Assistant Director Strategic Investment Group.

The Treasury Management Strategy has been prepared by the Director of Resources after consultation with Arlingclose Limited Treasury Management Consultants.

#### **5. Officer recommendations and reasons**

Having read this report and the accompanying Appendices, and having regard to the consultation process and equality impact assessments, Cabinet are asked to recommend the following for approval by Council:

##### Capital

- 5.1 That the Capital Investment Plan as presented to the meeting 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 our foreseeable resources (Appendix A, Section 1 and Appendix E)
- 5.2 That the Council should be advised to determine the Prudential Indicators as referred to in Appendix A (Section 1, paras 1.3.17-1.3.19) and again in Appendix F.

##### Treasury Management

- 5.3 That the borrowing strategy outlined in Appendix A, Section 2, para 2.3, be approved;
- 5.4 That the investment strategy outlined in Appendix A Section 2, para 2.4, and Appendix G , be approved;
- 5.5 That the policy for provision of repayment of debt outlined in Appendix I, be approved;

#### General Fund Revenue

- 5.6 That the Cabinet's draft Revenue Budget for 2016-19 be approved and submitted to the meeting of Council on 17 February 2016 for consideration (Appendix B)
- 5.7 That the strategy for the use of balances and reserves, as set out in Appendix A, Section 3, para 3.16.2, is reaffirmed
- 5.8 That members acknowledge that for 2016-17 the minimum level of General Fund balances should be £5.0m (Appendix A, Section 3, para 3.16.3)
- 5.9 That the estimated general and earmarked reserves should be maintained, and that a further reassessment of reserves requirements will be undertaken at year end and reported to members as part of the 2015-16 revenue rollover and outturn report; (Appendix A, Section 3 , para 3.16.5)
- 5.10 That members approve the Council Tax requirement for 2016-17 (Appendix A, Section 3, para 3.14.1 and Appendix C; budget motion)
- 5.11 That members note the Council's continued participation on the Leeds City Region business rates pool for 2016-17 (Appendix A, Section 3, para 3.13.5)
- 5.12 That members consider whether they wish to change the rollover rules for the 2015-16 financial year
- 5.13 That members approve the Council's Pay Policy Statement for 2016-17 as set out in Appendix D (i-v)
- 5.14 That members note the Director of Resources' positive assurance statement; section 3.4 above
- 5.15 That the Director of Resources 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 & Crime Commissioner, the Fire & Rescue Authority and Parish Councils should these be received after 17th February 2016
- 5.16 That members receive the high level forecast financial position in relation to 2019-20 with a view to formulating proposals over the forthcoming period to achieve a balanced general fund budget.

#### Housing Revenue Account (HRA)

- 5.17 That the Cabinet's draft HRA Budget for 2016-19 be approved and submitted to the meeting of Council on 17 February 2016 for consideration (Appendix B).

- 5.18 That members note the high level forecast financial position with a view to formulating proposals over the forthcoming period to achieve a balanced HRA budget at the same time as maintaining decent homes standard.
- 5.19 That the strategy for the use HRA reserves, as set out in Appendix A, Section 4, para 4.3.2, is reaffirmed;

Other

- 5.20 That this report be referred to the Council as advice and background information, on which the other political groups can base their budget proposals.

**6. Cabinet Portfolio Holder Recommendation**

The Leader recommends that the attached draft Capital Investment Plan, Treasury Management Strategy, General Fund revenue budget and HRA budget, should be presented to the Council meeting on 17th February 2016.

In presenting the draft Budget to the above full Council meeting, Cabinet members have taken due regard to the Council's public sector equalities duties in consideration of a range of key budget proposals, their impacts, and mitigating actions.

The Leader recommends that unspent resources within District Committee budgets (including any capital allocations remaining from the old Area Committees and unspent HRA capital budgets managed through District Committees) be rolled over into 2016-17. The Leader further recommends that to assist District Committees in spending their allocations for 2016/17, Cabinet issues guidance prior to the start of the financial year with a report brought back for their approval in March 2016.

**7. Next Steps**

- 7.1 This report and the draft Budget will respectively form the background and the formal motion to the Council on 17th February 2016. The political parties and/or the Cabinet will need to decide if they are to propose amendments to the draft Budget.
- 7.2 Following Council approval of the Capital Investment Plan, schemes will be released subject to Financial Procedure Rules.

**8. Contact Officer and Relevant Papers**

David Smith	Director of Resources	01484 221000
Debbie Hogg	Assistant Director	01484 221000
Eamonn Croston	Strategic Council Finance Manager	01484 221000
Philip Deighton	Strategic Council Finance Manager	01484 221000
Tim Mitchell	Finance Manager	01484 221000

Background Papers

- Provisional Local Government Finance Settlement 2016-17 (government website link below) :

<https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2016-to-2017>

- Equalities Impact Assessments on key budget proposals and impacts
- Budget Consultation exercise



## SECTION 1 – CAPITAL

1.1 Key Points

- 1.1.1 The government introduced the Prudential Code for the management of local authority borrowing on 1<sup>st</sup> April 2004. Under these arrangements the Council is free to determine its own borrowing levels providing it can demonstrate that the level of borrowing proposed is **affordable, prudent and sustainable**. A set of performance indicators is used to help the Council make the necessary judgements on affordability, prudence and sustainability.
- 1.1.2 In 2012, the Council endorsed an approach to develop a targeted and integrated Capital Investment Plan that was structured between strategic priorities, risks and pressures and baseline work programmes.
- 1.1.3 Council authorised officers to compile the Capital Plan from the 5 Year Investment Plan using the financial envelope arising through application of an agreed prudential indicator (PI) limit. The proposed PI measures the ratio of financing costs to net revenue stream and indicates what percentage of available revenue resources are spent on debt charges.
- 1.1.4 The proportion of the revenue budget absorbed by repaying debt and interest is a matter of local decision. However, as borrowing grows as a proportion of the revenue budget, the Council's ability to provide day to day services is restricted as repayment of debt is a first call on the Council's finances. An appropriate PI target or ratio of debt to revenue budget was considered to be 12.3 pence per £ (or 12.3%) However, the amount of historical debt coupled with the decline in Council revenue funding meant we have not been able to identify savings that would enable the Council to reach this target PI. As direct grant support to the capital programme from government has reduced, prudential borrowing or un-supported borrowing is forming a greater proportion of the total funding which has placed further strain on our budget.
- 1.1.5 When the 2014-15 Capital Outturn and Rollover report was approved at Council on 29<sup>th</sup> July 2015, the proportion of overall general fund budget taken up with interest and debt repayment was estimated to reach 13.80% by 2019-20. This equates to spending 13.8p out of every available £1 revenue funding on meeting the costs of borrowing.
- 1.1.6 For this budget round, the Assistant Director (AD) Strategic Investment Group has reviewed the Plan to identify areas where potential exists to reduce capital allocations in order to lower the Council's borrowing costs. The proposals contained in this report recommend removal of £2.3 million of borrowing; substituted by grant (see also para 1.3.10).
- 1.1.7 The AD Strategic Investment Group also re-appraised risks and pressures to identify areas where capital investment may need to be recognised in the next 5 years. At this point, there is no additional recommendation to Cabinet for extra investment over and above the recommended plan for 2016-17 to 2020-

21. Capital risks and pressures will continue to be scrutinised and Cabinet will be updated on the Council's exposure as part of the year end reporting.

1.1.8 The acceptance of the recommendation to remove some borrowing together with updated assumptions around interest rates, use of balances, future levels of funding, profiling of expenditure and slippage results in a PI of 12.81% by 2020-21 (see also, para 1.3.18, Table 6).

## 1.2 Updated Capital Investment Plan

1.2.1 The Capital Investment Plan makes provision for investment of £420.8 million over 5 years. The outcome of a review conducted by the AD Strategic Investment Group has been incorporated into the Plan. The new 5 year plan is summarised below (see Appendix E for detail).

**Table 1 - Overall Expenditure Summary 2016-17 to 2020-21**

	<b>2016-17 £000</b>	<b>2017-18 £000</b>	<b>2018-19 £000</b>	<b>2019-20 £000</b>	<b>2020-21 £000</b>	<b>Total £000</b>
<b>Strategic Priorities</b>	21,649	37,678	33,532	34,632	4,132	131,623
<b>Baseline</b>	35,759	35,426	30,023	29,788	29,916	160,912
<b>Risks &amp; Pressures</b>	2,500	2,500	2,500	2,500	2,500	12,500
<b>Total General Fund</b>	<b>59,908</b>	<b>75,604</b>	<b>66,055</b>	<b>66,920</b>	<b>36,548</b>	<b>305,035</b>
<b>HRA</b>	21,022	22,366	26,391	21,115	24,907	115,801
<b>Council Total</b>	<b>80,930</b>	<b>97,970</b>	<b>92,446</b>	<b>88,035</b>	<b>61,455</b>	<b>420,836</b>

### *General Fund Capital Investment Plan*

1.2.2 The AD Strategic Investment Group reviewed the existing Capital Plan to identify areas where opportunity exists to reduce/remove capital in order to lower the Council's borrowing costs. As part of this review existing profiling of schemes were also reviewed.

1.2.3 The main change is £18.4 million of capital investment in 2016-17 being re-profiled into later years of the 5 year capital plan. Spend profiles for Huddersfield Town Centre Action Plan, Spensborough Pool and HD-One within Strategic Priorities have been revised. Proposals relating to strategic priorities to be funded via the West Yorkshire Transport Fund (WYTF) are still at different stages of development and details are still to be confirmed, therefore no amendments have been made to WYTF strategic priority assumptions at this time. For similar reasons, allocations for Pioneer House remain consistent with original assumptions made in last year's Capital Investment Plan.

1.2.4 The Plan shows a net increase in Baseline allocations of £1.7 million which includes increases of £3.3 million grant and £0.7 million of capital allowances, offset by a reduction in borrowing levels of £2.3 million (see 1.3.10). The

table below provides a high level summary of the main changes in the Capital Plan:

**Table 2 – Summary General Fund Changes**

<b>Expenditure</b>	<b>2016-17 £000</b>	<b>2017-18 £000</b>	<b>2018-19 £000</b>	<b>2019-20 £000</b>	<b>2020-21 £000</b>	<b>Total £000</b>
<b>Strategic Priorities</b>	(19,512)	4,262	13,750	1,500	0	0
<b>Baseline</b>	1,070	1,359	(300)	(416)	12	1,725
<b>Risks &amp; Pressures</b>	0	0	0	0	0	0
<b>TOTAL</b>	<b>(18,442)</b>	<b>5,621</b>	<b>13,450</b>	<b>1,084</b>	<b>12</b>	<b>1,725</b>
<b>Funding</b>						
<b>Grant</b>	1,409	1,051	418	97	320	3,295
<b>Borrowing</b>	(19,851)	3,804	13,032	987	(308)	(2,336)
<b>Capital Allowance</b>	0	766	0	0	0	766
<b>TOTAL</b>	<b>(18,442)</b>	<b>5,621</b>	<b>13,450</b>	<b>1,084</b>	<b>12</b>	<b>1,725</b>

1.2.5 A number of other minor changes have been incorporated into the new Plan. Firstly, with the exception of Strategic Asset Utilisation, all Baseline capital programmes have had an allocation provided for the new fifth year i.e. 2020-21. Secondly, the residual Basic Need grant (after £0.5 million is allocated to the Baseline work programme) for 2020-21 is recorded against Strategic Priorities until spending plans are firmed up and funds are allocated to specific schemes.

1.2.6 The 5 Year Investment Plan continues to include a contingency of £2.5 million per annum for risks and pressures.

1.2.7 As part of the AD Strategic Investment Group review of the Capital Plan, risks and pressures were re-appraised to identify issues that may materialise in the next 5 years. At this point, there is no additional recommendation to Cabinet for extra investment over and above the recommended plan for 2016-17 to 2020-21.

*HRA - Capital Investment Plan*

1.2.8 The overall HRA Plan of £115.8 million , is split:

- £82.8 million in delivering baseline works to the existing housing stock over the next 5 years.
- £33.0 million of Strategic HRA priorities i.e. ongoing scheme to install PV panels on HRA properties plus several new build housing projects.

1.2.9 The main baseline capital programmes include:

- **Maintaining Decency (£50.2 million)** - Works to ensure that all properties are maintained to the Kirklees Decent Homes standard. Work

could include replacement kitchens and bathrooms, central heating and re-wires.

- **Heating Programme (£9.5 million)** - Planned boiler replacements based on the age, condition and reliability of the system plus urgent replacements of central heating boilers and systems identified by Building Services when they are no longer economical to repair.
- **Adaptations (£13.7 million)** - Funds essential adaptations to give disabled people better freedom of movement into and around their homes and to give access to essential facilities within the home. It enables people to live safely and independently and prevents or delays the need for residential care.

1.2.10 The Strategic HRA priority budget helps address growing housing needs in Kirklees. The proposals are intended to prioritise housing growth. They are currently outline proposals and would be subject to more detailed business cases to be considered by Cabinet. In particular, business case proposals will need to give consideration of how they link to New Council strategic priorities and themes; in particular, early intervention and prevention.

### 1.3 Capital Resources

1.3.1 Table 3 below shows how the Capital Plan is funded (Appendix E shows the detail).

**Table 3 – Overall Funding of Capital Plan**

	<b>Grants</b>	<b>Ring-fenced Receipts</b>	<b>Borrowing/ non ring-fenced receipts</b>	<b>Capital Reserves/ Revenue</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Strategic Priorities</b>	85,128	0	46,495	0	131,623
<b>Baseline</b>	78,932	4,176	77,804	0	160,912
<b>Risks &amp; Pressures</b>	0	0	12,500	0	12,500
<b>Total General Fund</b>	<b>164,060</b>	<b>4,176</b>	<b>136,799</b>	<b>0</b>	<b>305,035</b>
<b>HRA</b>	1,225	8,134	0	106,442	115,801
<b>Council Total</b>	<b>165,285</b>	<b>12,310</b>	<b>136,799</b>	<b>106,442</b>	<b>420,836</b>

1.3.2 Over the 5 year period of the General Fund Capital Plan, £136.8 million (45%) is funded from borrowing and non ring-fenced capital receipts. Of this total, £46.5 million borrowing relates to schemes within Strategic Priorities, £77.8 million relates to Baseline investment and £12.5 million for Risks and Pressures.

#### Government Grants

1.3.3 It is proposed that the government grant allocated to service areas is as listed below:-

**Table 4 - Proposed External Resource Allocation**

	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000
<b>Housing Private – Disabled Facilities</b>	1,362	1,362	1,362	1,362	1,362
<b>CHYPs – Basic Need, Capital Maintenance, Devolved Formula Capital</b>	10,577	13,938	9,717	9,717	9,717
<b>Highways – Local Transport Plan</b>	8,185	7,395	6,639	6,434	6,229
<b>Total</b>	<b>20,124</b>	<b>22,695</b>	<b>17,718</b>	<b>17,513</b>	<b>17,308</b>

- 1.3.4 The Department for Communities and Local Government confirmed the Disabled Facilities Grant (DFG) allocation for 2015-16 was £1.4 million. The DFG is now part of the Better Care Fund and from 2016-17 onwards there will be no specific determination for DFG. Grant allocations shown from 2016-17 onwards continue to be indicative and assume a constant level is maintained.
- 1.3.5 The Department for Education confirmed the basic need capital grant allocation of £5.2 million for 2016-17. The allocation for 2017-18 was announced on 12 February 2015 and is set as £8.6 million. The grant allocations of £4.6 million from 2018-19 onwards are indicative and remain consistent with original assumptions made in last year’s Capital Investment Plan.
- 1.3.6 Last February, the Department of Education announced allocations for school funding for the 3 year period covering financial years 2015-18. These allocations are based on a new approach to investing in the condition of the education estate. The budget for School Condition allocations has been set for the 3 years from 2015-16. The allocation for 2015-16 is fixed at £4.2 million and the indicative allocations for 2016-17 and 2017-18 are at the same level but will be revised by the Department of Education, to reflect new or closing schools or where a school moves to a new responsible body. Once received, the Capital Plan will adopt the updated allocations. From 2018-19 onwards, the Capital Plan assumes an indicative allocation of £4.0 million, representing a 5% reduction in grant level.
- 1.3.7 The Devolved Formula Capital (DFC) allocation for 2016-17 onwards is indicative but it is assumed to remain consistent with 2015-16 levels i.e. £1.1 million, as the method of calculation will be the same as in previous years.
- 1.3.8 In line with the outcome of the Department for Transport review, the funding package for Highways Maintenance has been top sliced to create two new funds over and above the traditional ‘Needs’ element which are subject to separate bids and assessments. Highways Maintenance grant allocation is split into three elements:
- **“Needs”** – based on length of roads (all classifications), number of highway bridges, number of street-lights etc.

- “**Incentive**” – evidence of how efficiently allocations are used and Highways asset management procedures are followed.
- **Challenge Fund** – competitive element where authorities can bid for major maintenance projects

1.3.9 Last year, the Department for Transport announced the LTP (Local Transport Plans) maintenance ‘**Needs**’ element grant allocations. The grant is set for years 2016-17 at £5.6 million and 2017-18 at £5.4 million and assumes an indicative allocation of £4.9 million per annum for 2018-19 to 2020-21.

1.3.10 The Plan now recognises the Council’s aim to achieve a Band 2 level of ‘**Incentive**’ grant from 2016-17 onwards which increases grant assumptions by an additional £2.3 million across 5 years. AD Strategic Investment Group recommends that £2.3 million of borrowing is removed from the Plan, so that the impact on Highways baseline capital allocation remains neutral.

1.3.11 The first tranche of bids for funding under the **Challenge Fund** pot were submitted in February 2015 for 2015-16 to 2017-18. Grant allocations of £0.7 million and £0.5 million have been built into the plan for 2016-17 and 2017-18 respectively. A second tranche of bids will be submitted in 2017-18 for the period 2018-19 to 2020-21.

1.3.12 Assumptions on LTP Integrated Transport grant levels remain consistent with last year’s Capital Investment Plan.

#### Capital Receipts

1.3.13 In terms of the general programme of asset sales, it is believed that receipts of £5.5 million can be delivered in 2016-17, rising to £6.0 million in 2017-18 and being maintained at that level for the remainder of the Plan. There are risks associated with the achievability of these levels – the general appetite and capacity in the property market; progress towards New Council; possible asset transfers without receipts (to community groups, for example). The table below forecasts the level of ring-fenced capital receipts as well as general asset sales generated over the 5 year period.

**Table 5 - Forecast Capital Receipts 2016-17 to 2020-21**

	<b>General Fund Capital Receipts £000</b>
2016-17	5,908
2017-18	6,412
2018-19	6,416
2019-20	6,420
2020-21	6,420

[N.B. the profile of when capital receipts are applied to fund the Plan can differ from the profile of when they were received.]

1.3.14 It should be noted that non ring-fenced capital receipts are netted off against the investments in order to estimate the Council’s borrowing requirements.

The affordability of the Plan is therefore strongly linked with the achievability of the capital receipt funding assumptions.

### Direct Revenue Funding

- 1.3.15 No direct revenue funding of General Fund capital expenditure is proposed. It is planned that revenue funding of £46.4 million will be made by the Housing Revenue Account to support capital investment in the public sector housing stock over the 5 year period.

### Borrowing

- 1.3.16 Under the current arrangements local authorities can borrow without restriction to fund capital investment providing that they can demonstrate that the borrowing **is affordable, prudent and sustainable**. To be able to demonstrate that they have given proper consideration to these issues there is a Code of Practice which has statutory backing in the Regulations issued under the Local Government Act 2003. The Code sets out various performance indicators (PIs) and requires the Council to set and monitor these (see Appendix F).
- 1.3.17 To enable the build-up of more accurate PIs and treasury management costs, officers have built into the estimates assumptions around slippage on expenditure based on historical trends (see Appendix E for detail). It has been assumed that all underspends will be carried forward into future years, but in reality these will be thoroughly reviewed to identify any 'uncommitted' resources that could be used to reduce overall corporate borrowing costs.
- 1.3.18 The impact on borrowing through adoption of the proposed 5 Year Capital Plan (including assumed slippage) is as below:

**Table 6 - Borrowing details (General Fund)**

	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000
Debt charges	33,071	34,017	35,471	36,197	35,878
Gross new borrowing	29,184	37,798	36,982	24,350	18,389
Less capital receipts	6,181	7,449	6,681	6,683	6,682
Net borrowing	23,003	30,349	30,301	17,667	11,707
Repayment in year	22,679	22,737	23,858	24,517	24,046
Debt Outstanding (excl. PFI)	429,967	437,579	444,022	437,172	424,833
Debt Outstanding (excl. PFI and ext loans)	404,914	409,832	417,341	411,594	400,352
Net Revenue Stream (excl. PFI)	291,336	285,002	280,807	280,179	280,179
<b>Ratio of Financing Costs (excl. PFI)</b>	<b>11.35</b>	<b>11.94</b>	<b>12.63</b>	<b>12.92</b>	<b>12.81</b>

- 1.3.19 The proposed Capital Plan results in a PI of 12.81% by 2020-21. PI trends across years reflect previous capital spend decisions. As revenue resources are under considerable pressure, close scrutiny will need to continue to

ensure borrowing fulfils the criteria of being affordable, prudent and sustainable.

- 1.3.20 It should be noted that, had the Council not begun a strategic review of investment in 2010 which culminated in the development of a new format 5 Year Capital Strategic Investment Plan, performance against the PI would be over 3% higher. (This calculation is approximate because it is based on assumptions relating to interest rates, timing of expenditure, funding levels etc. but is nevertheless a useful indicator of progress).



## SECTION 2 – TREASURY MANAGEMENT STRATEGY

2.1 Outlook for the economy, credit risk and interest rates

2.1.1 Domestic demand has grown robustly, supported by sustained real income growth, low inflation and falling unemployment. The Monetary Policy Committee held policy rates at 0.5% for the 83rd consecutive month at its meeting in January 2016. The outcome of the forthcoming referendum on the UK's relationship with the EU could put downward pressure on UK growth and interest rates. China's growth has slowed, reducing global demand for commodities and contributing towards emerging market weakness. However, US growth remains strong and stateside interest rates made their first upward movement just before Christmas. In contrast, the European Central Bank finally embarked on Quantitative Easing in 2015 in order to counter the perils of deflation.

2.1.2 The varying fortunes of different parts of the global economy are reflected in market indicators of credit risk. UK Banks operating in the Far East and parts of mainland Europe have seen their perceived risk increase, while those with a more domestic focus continue to show improvement. The sale of most of the government's stake in Lloyds and the first sale of its shares in RBS have generally been seen as credit positive.

2.1.3 Bail-in legislation, which ensures that large investors including local authorities will rescue failing banks instead of taxpayers in the future, has now been fully implemented in the European Union and USA. Australia, Canada and Switzerland are well advanced with their own plans. Meanwhile, recent changes to compensation schemes in the UK and Europe mean that most private sector investors are partially or fully exempt from contributing to a bail-in. The credit risk associated with making unsecured bank deposits has therefore increased relative to the risk of other investment options available to the Council.

2.1.4 The Council's Treasury Management Advisor (Arlingclose) forecasts the first rise in UK official rates in the third quarter of 2016, rising by 0.5% a year thereafter finally settling between 2% and 3% in several years' time. Their forecast for interest rates for the next three years is as follows:

**Table 1: Interest Rate Forecasts**

	<b>Average Base Rate</b>	<b>20 Year PWLB Rate</b>
2016-17	0.75%	3.5%
2017-18	1.25%	3.7%
2018-19	1.75%	3.9%

2.2 Borrowing and Investment – General Strategy for 2016-17

2.2.1 As at 31 March 2016, the Council is expected to have £594 million of external debt liabilities and £30 million of investments. Forecast changes in these sums for the next three years are shown in the balance sheet analysis below:

**Table 2: Balance Sheet Forecast**

	2015-16 £m	2016-17 £m	2017-18 £m	2018-19 £m
General Fund CFR - Non PFI	429.6	430.0	437.6	444.0
PFI	58.1	55.4	52.2	49.2
HRA CFR - Non PFI	192.4	186.2	182.8	175.3
PFI	58.9	57.0	55.3	53.7
Total CFR	739.0	728.6	727.9	722.2
Less: Other debt liabilities*	121.3	116.7	111.7	107.0
Borrowing CFR	617.7	611.9	616.2	615.6
Less: External borrowing	473.1	505.2	537.0	545.4
Internal Borrowing	144.6	106.7	79.2	69.8
Investments	30.0	30.0	30.0	30.0

\*mainly PFI liabilities

- 2.2.2 The Capital Financing Requirement (CFR) represents the Council's underlying need to finance capital expenditure by borrowing or other long-term liability arrangements. An authority can choose to borrow externally to fund its CFR. If it does this, it is likely that it would be investing externally an amount equivalent to its total reserves, balances and net creditors. Alternatively, an authority can choose not to invest externally but instead use these balances to effectively "borrow internally" and minimise external borrowing. In between these two extremes, an authority may have a mixture of external and internal investments / external and internal borrowing.
- 2.2.3 Prior to 2009-10 the Council's policy had been to borrow up to its CFR, investing externally the majority of its balances. With the onset of instabilities in the financial markets and the economic downturn, the policy changed to one of ensuring the security of the Council's balances. This coincided with dramatic falls in investment returns making the budgetary benefit of maximising external borrowing more marginal. Thus, the Council has chosen to steadily reduce monies invested externally and instead has used balances to offset new borrowing requirements.
- 2.2.4 The proposed borrowing and investment strategy is predicated on the security of the Council's balances. As noted in section 2.1, credit conditions have been steadily improving but the global recovery is still fragile and regulation changes have increased local authority exposure in the event of a possible default of any financial institutions. Until there is further improved confidence in the financial markets, it is recommended that balances should only be invested to a level which is perceived to be reasonably secure and which is needed to meet the day-to-day cash flow requirements of the Council (around £30 million). The remainder of the balances will be effectively invested internally, that is used to offset borrowing requirements.

2.2.5 In terms of the Council investing more balances and trying to make a return to help budgetary concerns, this would be both difficult and increase risk. To increase investment balances, the Council would have to borrow. To make a material return on investments, the Council would have to invest for longer periods than the borrowing period and/or invest with lower rated bodies.

## 2.3 Borrowing Strategy

2.3.1 The Council is forecast to hold around £594.4 million of external borrowing and other long-term liabilities as at 31 March 2016. This is analysed as follows:

**Table 3: Estimated external borrowing and other long-term liabilities as at 31 March 2016**

	£m	%
PWLB fixed loans	309.1	52
PWLB variable loans	0	0
Loan stock	7.0	1
LOBOs	106.6	18
Temporary borrowing	50.4	8
<b>Total external borrowing</b>	<b>473.1</b>	
Other It liabilities (mainly PFI)	121.3	21
<b>Total external debt liabilities</b>	<b>594.4</b>	

2.3.2 Table 2 showed that it is anticipated that the Council's total external borrowing levels over the next three years will grow by £72.3 million. Most of this external borrowing will be needed to replace internal borrowing (levels falling as balance and reserves are used). With short-term rates forecast to stay low over the next three years, it is proposed that new borrowing be kept to relatively short periods (up to 10 years).

2.3.3 The approved sources of borrowing are:

- Public Works Loan Board (PWLB) and any successor body
- Any bank or building society authorised to operate in the UK
- Other local authorities
- Capital market bond investors
- Local Capital Finance Company and other special purpose companies created to enable local authority bond issues
- UK public and private sector pension funds

2.3.4 Historically, the biggest source of borrowing for local authorities has been PWLB loans. These Government loans have offered value for money and also flexibilities to restructure and make possible savings. The Council also has LOBO (Lender's Option, Borrower's Option) loans, where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. All of the LOBOs have options during 2016/17, and although the Council understands that lenders are unlikely to exercise their options in the current low interest rate environment, there remains an element of refinancing risk. The Council will take the option to repay at no cost, if it has the opportunity to do so.

The Council's current limit on LOBO borrowing is set at 30% of long-term debt.

- 2.3.5 The Local Capital Finance Company was established in 2014 by the Local Government Association as an alternative source of local authority finance. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for two reasons: borrowing authorities may be required to provide bond investors with a joint and several guarantee over the very small risk that other local authority borrowers default on their loans; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. The Company is not yet operational and officers will continue to monitor developments.
- 2.3.6 The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. The Council may take advantage of this and replace some of the higher rate loans with new loans at lower interest rates where this will lead to an overall saving or reduce risk.
- 2.3.7 Borrowing policy and performance will be continuously monitored throughout the year and will be reported to Members.

## 2.4 Investment Strategy

- 2.4.1 Investment guidance issued by DCLG requires that an investment strategy, outlining the authority's policies for managing investments in terms of risk, liquidity and yield, should be approved by full Council or equivalent level, before the start of the financial year. This strategy can then only be varied during the year by the same executive body.
- 2.4.2 The guidance splits investments into two types – specified and non-specified.
- Specified investments are those offering high security and liquidity. All such investments should be in sterling with a maturity of no more than a year. Investments made with the UK Government and a local authority automatically count as specified investments, as do investments with bodies or investment schemes of "high credit quality". It is for individual authorities to determine what they regard as "high credit quality".
  - Non-specified investments have greater potential risk, being either investments of "lower credit quality" or investments made for longer than one year.
- 2.4.3 As stated in 2.2.4 above, it is recommended that the investment strategy for 2016-17 maintain a low risk strategy giving priority to security and liquidity, and as such invest an average of around £30 million externally, largely for the purpose of managing day-to-day cash flow requirements. The remaining balances will be invested "internally", offsetting borrowing requirements.

2.4.4 The Council's investment criteria are detailed in Appendix G. They contain specified and non-specified investment opportunities, recognising through the limits proposed, the slightly higher risk of non-specified investments.

2.4.5 It is proposed to make the following amendments to last year's strategy with regards specified investments:

- The policy allowing the Council to invest up to £10 million with part-nationalised UK banks with mid "medium grade" credit ratings has been removed. With the Government steadily divesting themselves of their stake in these banks and the recent bail-in legislation, it is now considered unlikely that the Government would bail these banks out if they got into further trouble. Lloyds have strong enough ratings to meet the Council's criteria for specified investments. RBS's current ratings would mean that the bank only meets the non-specified criteria, but the Council has not invested with RBS for some time anyway as the rates of return offered have been relatively poor;
- The maximum investment period for UK banks and building societies has been extended to three months from two. A few good quality counterparties only offer investments for three months plus because these specifically bolster the quality of their balance sheet in stress tests. Investments up to three months will only be placed when the Council is particularly cash rich, but this amendment to the strategy will potentially allow further diversification of investments amongst counterparties.

2.4.6 Council on 7<sup>th</sup> October 2015 passed a motion that:

"This Council recognises;

- (i) the challenge and threat of climate change to residents and global community.
- (ii) that to keep global warming below 2oC we must operate within a global carbon budget. 80% of existing fossil fuel reserves cannot be burned if we are to keep below the internationally agreed climate change goal of keeping below 2 degrees.
- (iii) the growing movement to divest from fossil fuels in order to, in the words of Desmond Tutu, "break their ties with corporations financing the injustice of climate change."
- (iv) that there is also a strong financial case for divestment, with recent concerns raised by the Bank of England about 'unburnable carbon' and significant financial risks posed by fossil fuel equities.
- (v) that governments are increasingly controlling carbon emissions to meet international targets; a large proportion of fossil-fuel reserves which companies expect to extract will become stranded assets: a "carbon bubble". Funds which are exposed to fossil-fuel equities when this bubble bursts can expect to suffer considerable losses.
- (vi) that Pension Fund Trustees owe fiduciary duties to scheme employers and scheme members, and must act in the best long-term interests of fund members.

This Council believes that;

The Director of Resources is requested to review the existing Treasury Management Strategy, and present a report to Corporate Governance and Audit Committee, Cabinet and Council giving consideration to an additional principle of avoiding direct investment in institutions with material links to fossil fuel extraction as defined by the Carbon Underground 200 – the top 200 companies with the largest known carbon reserves (oil, gas and coal) by June 2016.

Kirklees Council will encourage other local authorities to similarly review their Fossil Fuel industry investments, by sharing this decision through the Local Government Association and the West Yorkshire Combined Authority.

Kirklees Council will use its influence to call on West Yorkshire Pension Fund and other Funds where the Council appoints Trustees to review investments in the fossil fuel industry (as defined by the Carbon Underground 200). Specifically, Kirklees will ask our representatives on the West Yorkshire Pension Fund - Investment Advisory Panel to call on all Pension Trustees to exercise their fiduciary duty and to call for a review of WYPF fossil fuel investments in the light of climate risk posed by fossil fuel equities.

Kirklees Council request that WYPF makes a commitment to wind down exposure to the carbon underground top 200 fossil fuel companies over a 5 year period.”

- 2.4.7 In addition, the Council has received a petition of some 350 signatures requesting that “Kirklees Council should immediately freeze any new investments in fossil fuels, and divest from direct public ownership and any commingled funds that include fossil fuel public equities and corporate bonds.”
- 2.4.8 The Director of Resources has therefore reviewed the Council’s existing investment policy. The Council currently has no direct investments in fossil fuel companies and it is suggested that in response to the resolution, the Treasury Management Strategy is amended to exclude such direct investments in companies as defined by the Carbon Underground 200 on 1 February each year. Indirect investment through Money Market Funds (MMFs) is more of a challenge. MMFs are a type of collective investment scheme that invest in very short-term, high quality and highly diversified debt securities with the primary objectives of principal preservation and liquidity, while providing a market-based rate of return. Having reviewed the Council’s latest holdings for the MMFs in conjunction with our advisors Arlingclose, in the main, there was no exposure to the companies in the Carbon Underground 200.
- 2.4.9 Some funds have an exposure to Bank of Tokyo Mitsubishi and Mitsubishi Financial Group at end September 2015, which are part of the Mitsubishi group of companies. Mitsubishi group contains Mitsubishi Corporation, which is on the above Carbon 200 list. Although part of the same group, there is no controlling parent company and they are not owned by Mitsubishi in the traditional company structure manner.

2.4.10 Most of these Carbon 200 companies would not meet the investment criteria for the Funds and/or do not issue the right kind of debt that the Funds can purchase. From our advisors' previous experience, oil company debt is sometimes present in the Funds, but relatively rarely. Our advisors have also contacted a number of the Funds to ask whether they have an ethical policy (not specifically mentioning the above list). Due to the function of MMFs (investment in short term money market instruments to maintain capital security and liquidity), most do not.

2.4.11 On balance therefore, the Director of Resources does not recommend the Council include MMFs in this restriction – given their limited exposure to the Carbon 200 and the technical issues that would be faced in monitoring the activities of investment products not directly managed by the Council. To exclude MMFs completely would restrict the Council's range of investments and more than likely lead to either increase the risk exposure by forcing the Council to concentrate on a short list of institutions or reduce the income it receives. It is suggested though that this approach be reviewed annually.

2.4.12 For illustrative purposes, the end column in the table of Appendix G lists which banks and building societies, the Council could invest with based on credit ratings as at the beginning of January 2016.

2.4.13 The Council uses credit ratings from the three main rating agencies - Fitch, Moody's and Standard & Poor's to assess the risk of investment defaults (Appendix H). The lowest credit rating of an organisation will be used to help determine credit quality. Long term ratings are expressed on a scale from AAA (the highest quality) through to D (indicating default). Ratings of BBB- and above are described as investment grade, while ratings of BB+ and below are described as speculative grade.

2.4.13 Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria:

- No new investments will be made;
- Any existing investments that can be recalled at no cost will be recalled;
- Full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

2.4.14 Where a credit rating agency announces that a rating is on review for possible downgrade ("negative watch") so that it is likely to fall below the required criteria, then no further investments will be made in that organisation until the outcome is announced. This policy will not apply to negative outlooks.

2.4.15 Full regard will be given to other available information on the credit quality of banks and building societies, including credit default swap prices, financial statements and rating agency reports. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the approved criteria.

2.4.16 Annual cash flow forecasts are prepared which are continuously updated. Investment policy and performance will be monitored continuously and

be reported to Members during the year and as part of the annual report on Treasury Management.

## 2.5 Statement of Policy on the Minimum Revenue Provision

2.5.1 The Local Authorities (Capital Finance and Accounting) (England) Regulations 2008, which came into effect on 31 March 2008, replaced the former statutory rules for calculating MRP with a requirement for each local authority to determine a “prudent” provision. The regulations require authorities to draw up a statement of their policy on the calculation of MRP which requires approval by full Council in advance of the year to which it applies. The recommended policy statement is detailed at Appendix I and is a continuation of previous years.

## 2.6 Policy on the Use of Financial Derivatives

2.6.1 Local authorities (including this Council) have in the past made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans). The Localism Act 2011 includes a general power of competence that appears to remove the uncertain legal position over local authorities’ use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment). The latest CIPFA Code requires authorities to clearly detail their policy on the use of derivatives in the annual strategy.

2.6.2 The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where it is confident it has the powers to enter into such transactions. They will only be used for the prudent management of its financial affairs and never for speculative purposes and where it can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

## 2.7 Treasury Management Indicators

2.7.1 The Council is asked to approve certain treasury management indicators, the purpose of which is to contain the activity of the treasury function within certain limits, thereby reducing the risk or likelihood of an adverse movement in interest rates or borrowing decision impacting negatively on the Council’s overall financial position. However, if these are set to be too restrictive they will impair the opportunities to reduce costs. The proposed indicators are set out in Appendix F.

## 2.8 Other Matters

2.8.1 The DCLG Investment Guidance also requires the Council to note the following matters each year as part of the investment strategy:

(i) Investment Consultants



The Council's adviser is Arlingclose Limited. However, the contract expires at the end of January and officers are currently evaluating quotes from treasury management consultancy firms. The services received include:

- Advice and guidance on relevant policies, strategies and reports;
- Advice on investment and debt management;
- Notification of credit ratings and other information on credit quality;
- Reports on treasury performance;
- Forecasts of interest rates and economic activity; and
- Training courses.

The quality of the service is monitored on a continuous basis by the Council's treasury management team.

(ii) Investment Training

The needs of the Council's treasury management staff for training in investment management are assessed on a continuous basis, and formally on a 6-monthly basis as part of the staff appraisal process. Additionally training requirements are assessed when the responsibilities of individual members of staff change. Staff attend training courses and seminars as appropriate.

(iii) Investment of money borrowed in advance of need

The Council may, from time to time, borrow in advance of need, where this is expected to provide the best long term value for money. However, as this would involve externally investing such sums until required and thus increasing exposures to both interest rate and principal risks, it is not believed appropriate to undertake such a policy at this time.

2.8.2 Policy on charging interest to the Housing Revenue Account (HRA)

Following the reform of housing finance, the Council is free to adopt its own policy on sharing interest costs and income between General Fund and the HRA. The CIPFA code recommends that authorities state their policy each year in the strategy report. On 1 April 2012, the Council notionally split each of its existing long term loans into General Fund and HRA pools. New long term loans borrowed will be assigned in their entirety to one pool or the other. Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance which may be positive or negative. Interest will be charged/given on this balance using the authority's average investment rate.



**KEY IMPLICATIONS FOR THE COUNCIL****SECTION 3 – GENERAL FUND REVENUE BUDGET****3.1 Introduction**

- 3.1.1 A robust Medium Term Financial Plan (MTFP) and budget strategy is a key element of financial and service planning. The annual budget strategy (or MTFP) update report to full Council sets a framework for the development of draft spending plans by officers and Cabinet, for consideration by all members at full Council the following February.

The relevant link to the MTFP update report 2016-19, to full Council on 7 October 2015, can be found here:

[Decision - Council Budget Strategy Update 2016/17 - 2018/19 \(Reference from Cabinet\) - Kirklees Council](#)

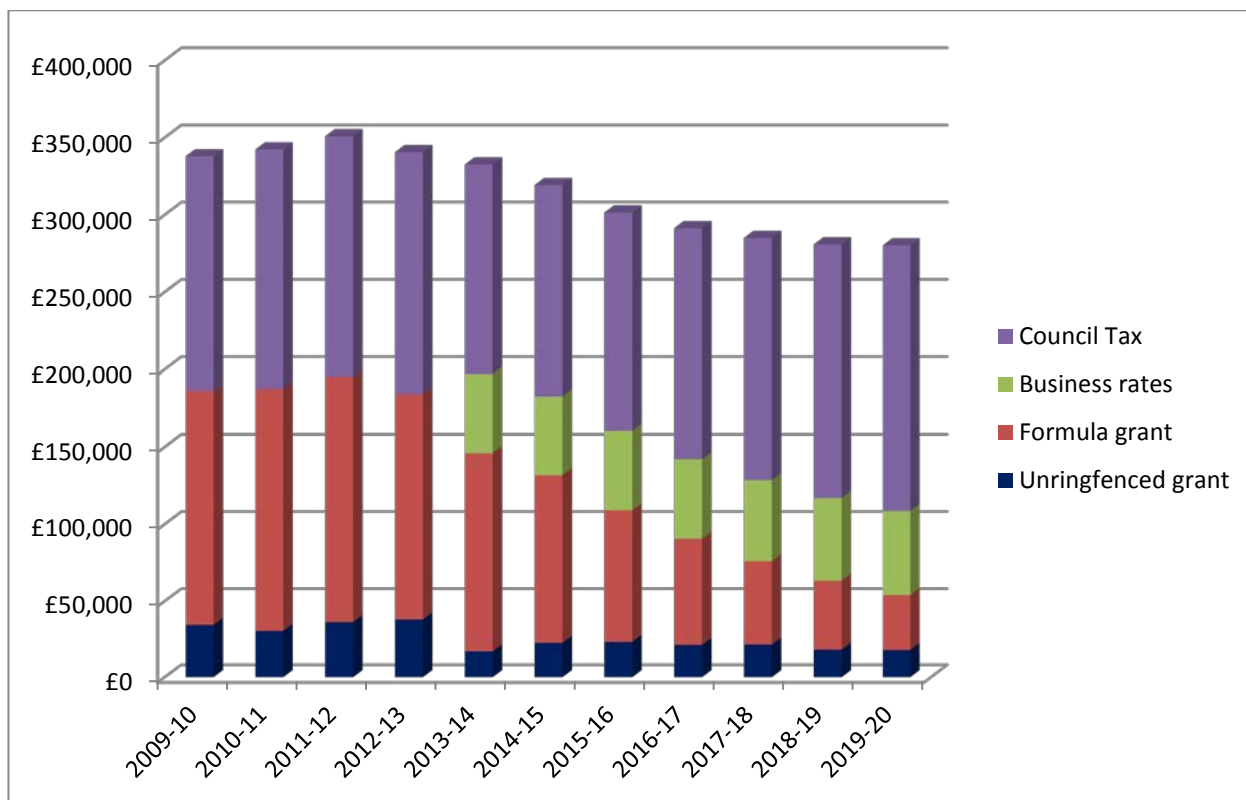
- 3.1.2 The annual MTFP update report reviews the resource forecasts underpinning existing budget plans and any emerging pressures, and highlights where there might be significant changes from pre-existing assumptions to help inform the updated draft budget proposals.
- 3.1.3 These resource forecasts are further reviewed following the government funding settlement which is finalised each January, setting out government funding allocations to the Council for the next financial year, plus indicative funding allocations for future years.

**3.2 National Government Funding – Impact on overall Council budget position**

- 3.2.1 National government, over successive parliaments, has committed to reducing the national debt burden, and generating a national surplus by 2020. As part of this approach, there have been significant funding reductions across a number of public services, including Local Government. The impact of this locally has been a reduction in national funding to the Council over the 2010-16 period in excess of 40%. The December 2015 Autumn Statement and Spending Review, which set out indicative public expenditure spending plans for the next 4 years, includes further funding reductions to the Council of 34% over the 2016-20 period.
- 3.2.2 Councils are funded by a number of sources, and many Councils including Kirklees are relatively dependent on national government funding, as illustrated in the following graph:

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**Graph 1 – Council Funding sources and trends 2009-10 to 2019-20**



3.2.3 Graph 1 above shows trends over time of the relative proportions of the following Council funding sources; Council Tax, Business Rates, Government Formula Grant and Government un-ringfenced grants.

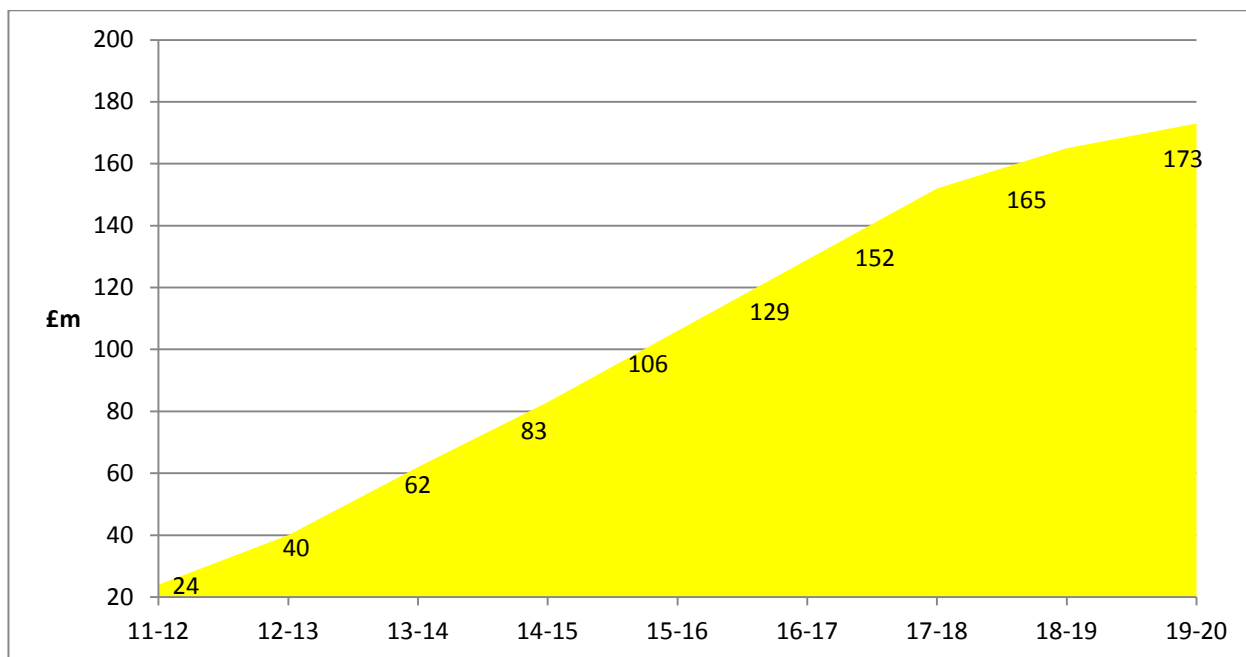
3.2.4 As the graph illustrates, relative dependency on Formula Grant and the impact of actual and forecast Formula Grant reductions over the 2009-20 period, has had a direct adverse impact on overall Council funding, relative to other funding sources highlighted.

3.2.5 The scale of national funding reductions over successive parliaments has been a significant factor in terms of determining overall target savings over the period, to address a significant budget gap.

3.2.6 The 2016-19 MTFP update report to full Council on 7 October 2015 reviewed a number of expenditure and income forecasts in the existing 3 year plan. This resulted in an updated forecast budget gap of £59m (cumulative) over the 2016-19 period, to inform future year spending plans. Graph 2 below illustrates this, and as well, the overall (cumulative) £173m target saving requirement for the Council over the 2011-20 period.

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**Graph 2 – Council Budget Gap 2011-20**



3.2.7 The following sections 3.3 to section 3.8 set out in more detail, specific national government funding impacts on the Council budget position resulting from the December 2015 Autumn Statement and Spending Review, and subsequent Finance Settlement announcement.

### 3.3 Local Government Finance Settlement

3.3.1 The finance settlement sets out the detail of annual government funding allocations to each Council, for the following year. This is based on government's assessment of individual Council baseline funding needs, referred to as the 'settlement funding assessment'.

3.3.2 The national settlement funding assessment for 2016-17 is £18.6 billion (which includes an assumed £11.4 billion of locally retained business rates). Kirklees settlement funding assessment is £123.5m and, via a number of detailed calculations, this is converted by government into the business rates retention scheme. The constituent parts for the Council are business rates (Council local share), top up grant, and revenue support grant.

3.3.3 Table 1 below summarises the Finance Settlement amounts for the Council for 2016-17, and estimates for the following 3 Years:

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**Table 1 – Business Rates Retention Scheme**

	2015-16 Approved Budget	2016-17 MTFP	2017-18 MTFP	2018-19 MTFP	2019-20 Indicative Budget
	£m	£m	£m	£m	£m
<b>Business Rates Retention Scheme</b>	51.4	51.4	52.5	53.5	54.6
Kirklees estimated Local Share (50%)					
Top Up Grant from Government	21.3	21.4	21.8	22.5	23.2
Estimated Retained Rates Income	72.7	72.8	74.3	76.0	77.8
Add Revenue Support Grant (RSG)	64.6	47.9	32.8	22.8	12.8
<b>Total</b>	<b>137.3</b>	<b>120.7</b>	<b>107.1</b>	<b>98.8</b>	<b>90.6</b>
<i>Settlement Funding Assessment</i>	139.6	123.5	109.9	102.2	94.8
<i>Difference</i>	2.3	2.8	2.8	3.4	4.2

- 3.3.4 The difference between the settlement funding assessment figure and the actual business rates retention figure in the above table reflects the difference between government forecasts for Kirklees business rates, and the Council's own forecasts over the period (see also section 3.13 below).
- 3.3.5 Business rates are inflated annually; uplifts set nationally by government. The 2016-17 uplift is 0.8%. The following 3 years assume a default inflationary uplift of 2% per year. Government has confirmed the continuation of the small business rates relief scheme for a third consecutive year, 2016-17, compensated by un-ringfenced grant. The budget proposals assume a continuation of the scheme for the following 3 years as well, but this will be subject to Government confirmation later in the year.
- 3.3.6 Government has announced a national review of the current business rates retention scheme, with the intention for 100% business rates to be retained locally. The detail behind this proposal will be subject to a national consultation. It is unlikely that this will be implemented before April 2020. This represents a significant change to the current business rates retention scheme. At this stage the draft budget plans make no specific assumption regarding the impact of the proposal on future funding forecasts, pending further clarification on the detail of the proposals.
- 3.3.7 Government uses "spending power" as the measure of the support they provide to local authorities and what Councils raise locally through the Council Tax. Government has revised the basis of the calculation, including a re-base of 2015-16. The revised measure of spending power factors in the 2% social care precept (see also, sections 3.5 and 3.14 below), and additional Better Care Fund allocations (see also section 3.7 below).
- 3.3.8 Overall, a comparison of the re-based 2015-16 Council spending power with 2016-17 indicates a change for Kirklees of -3.8% (-2.8% nationally). Over the spending review period to 2020, the change in spending power for Kirklees is -2.5% (-0.5%

nationally) i.e. net of assumed add backs for additional BCF and 2% social care precept.

3.3.9 Government intends the finance settlement to be a four-year settlement to 2020. However the figures for 2017-2018 and beyond are part of an offer to any council that wishes to take it up. This will be conditional on councils publishing an efficiency plan. No details are available of what this entails as yet. It is likely that if a Council does not produce a plan it may receive a lower grant settlement on an annual basis. A plan is also likely to require a balanced budget over 4 years.

### 3.4 Un-ringfenced grants

3.4.1 The finance settlement also includes the detail of the un-ringfenced grant allocations for each Council. While these grants are separately identifiable, the Council can apply this funding flexibly to meet overall Council spend priorities. These are summarised in Table 2 below :

**Table 2 – Un-ringfenced grants allocation**

Un-ringfenced grants	Annual allocation incl. indicative figures for 2019-20 £m				
	2015-16	2016-17	2017-18	2018-19	2019-20
Education Services Grant (ESG)	5.3	4.7	4.7	4.7	4.7
New Homes Bonus (NHB)	7.9	9.0	9.1	5.7	5.5
Housing & CT Admin Grant	2.5	2.2	2.2	2.2	2.2
New Burdens Grant (care act duties)	2.0	-	-	-	-
Business rates related grants	4.8	4.9	5.0	5.0	5.0
Other	0.7	0.4	0.4	0.4	0.4
<b>Total</b>	<b>23.2</b>	<b>21.2</b>	<b>21.4</b>	<b>18.0</b>	<b>17.8</b>

3.4.2 The reduction in New Burdens grant reflects the fact that it has been rolled into general revenue support grant from 2016-17 onwards.

3.4.3 Government has announced that Education Services Grant funding beyond 2016-17 will be subject to a separate consultation, and this will include a review of a range of current statutory Council education functions. The outcome of the consultation, including the implications for the statutory functions currently provided, will be considered in due course.

3.4.4 Government also intends to undertake a review of the New Homes Bonus Grant. the figures included in Table 2 above reflects Government headline amounts included in the financial settlement. The NHB grant reduction from 2018-19 in Table 2 above reflects Government's intention to re-direct £0.8 billion of existing NHB Grant nationally, to the Better Care Fund, from 2018-19 onwards, as part of the £1.5 billion 'additional' national BCF funding allocation announced in the financial settlement (see also section 3.7 below).

### 3.5 Council tax flexibilities – social care precept

3.5.1 In response to increased pressure on Council budgets from growing demand for adult social care, Government has announced that for the rest of the current

Parliament, local authorities responsible for adult social care "...will be given an additional 2% flexibility on their current council tax referendum threshold to be used entirely for adult social care." (extract from Government letter to Chief Executives dated 17 December 2015).

3.5.2 The council tax determination set out further below in section 3.14 of this report assumes take up of the 2% social care precept over the next 4 years; additional annual income of £2.9m in 2016-17, increasing to £12.8m by 2019-20, and there is a matching increase in annual adult social care budget over the same period, to reflect the financial pressures associated with the national minimum wage over and above the existing MTFP. The service calculation of annual nursing and residential fees for 2016-17 will factor in the impact of the Government's national minimum wage increase.

### 3.6 National Government Minimum Wage Uplift

3.6.1 Government is committed to a national minimum wage for employees aged 25 and over, rising from £6.70 per hour current, to £7.20 from April 2016 and further proposed increases to £9 per hour from April 2020. Government also refers to this proposal as a 'National Living Wage'. Nationally, Local Government Association has estimated that the cost to adult social care providers alone would be in the region of £1billion by 2020. Locally, the Council has estimated that the additional cost to adult social care providers could be in excess of £3m in 2016-17, increasing year on year to £13m by 2019-20.

### 3.7 Better Care Fund

3.7.1 The Better Care Fund (BCF) nationally was originally established at £3.5 billion in 2015-16; comprising existing health and council funding to form a pooled budget. Kirklees pooled budget share is currently £30m which includes existing health and council revenue and capital funding.

3.7.2 Government also intends to allocate 'additional' £1.5 billion BCF funding nationally, over the 2017-20 period, and it is expected that this will be earmarked for adult social care activity. Government has included illustrative profiled allocations for Kirklees at £0.8m in 2017-18, increasing to , £7.1m in 2018-19 and £12.8m in 2019-20, noting that the distribution formula underpinning these indicative allocations, and associated conditions will be subject to a forthcoming government consultation.

3.7.3 At this stage, the budget proposals do not include provision for the additional BCF, pending the outcome of the Government consultation. As noted in para 3.4.4 earlier, Government intend that nationally £0.8 billion of the £1.5 billion funding contribution will come from a re-direct of existing New Homes Bonus Grant.

### 3.8 Public Health Specific Grant

3.8.1 The current draft budget proposals include a base budget specific grant for 2016-17 and the following three years of £29.6m.

3.8.2 Government has stated its intention to reduce the national Public Health grant over the next 4 years up to 2019-20. The existing distribution formula



underpinning the grant calculation is currently subject to a government consultation.

3.8.3 At this stage the budget proposals make no assumptions about the scale of any reductions, pending future government clarification. It is anticipated that any future grant reduction would require a corresponding service spend reduction to match the grant reduction in 2016-17 and the following three years, and that this will involve a re-negotiation of current contracts with health partners.

### 3.9 Addressing the Council Budget Gap

3.9.1 Sections 3.2 to 3.8 above set out the national government funding context and impact on the Council's budget position.

3.9.2 The draft revenue budget plans for 2016-19, as set out at Appendix B reflect the roll forward of existing year 2 and 3 budget plans, which are key to the delivery of a New Council. These include proposed net savings totalling £31m across Directorate (including cross-Directorate) activity, and the use of available one-off balances in 2016-17 of £15.7m, to achieve a balanced annual budget.

3.9.3 The budget plans presented at Appendix B also reflect the fact that there is a remaining or 'underlying' budget gap, even after taking account of the proposals in this report, which also includes the use of available "one-off" balances of £15.7m to produce a balanced budget in 2016-17. The forecast underlying budget gap is £16m in 2017-18, increasing to £30m in 2018-19 and £38m in 2019-20, and this will need to be addressed through future budget rounds.

3.9.4 The budget proposals set out at Appendix B include an assessment of key budget and service impacts and mitigating actions.

3.9.5 In addition, Equalities Impact Assessments have been prepared where appropriate, and these are available on the Council's website (refer also to budget report - Section 4)

3.9.6 The following sections 3.10 to 3.16 set out in more detail, specific Council approaches to addressing the budget challenges it continues to face at least to 2020.

### 3.10 New Council

3.10.1 The budget proposals set out in Appendix B need to be seen in the context of the continuation of the Council's medium term strategy set out as part of last year's approved budget plans, informed by a more fundamental review and re-shaping of existing Council spend, to achieve the following :

- i) The Council will use available resources to best effect/support the Council priorities and;
- ii) The Council will live within its means for the foreseeable future

(source, Director of Resources report to Cabinet 13 August 2013 'budget principles & timetable';)

- 3.10.2 The context for the above approach was the continued scale of national government funding reductions over the medium term. Target savings requirements had largely been met over the 2010-15 period through a combination of efficiency and incremental savings measures, whilst at the same time protecting existing front line services as far as possible. However, this was considered to be not sustainable going forward, hence the New Council approach.
- 3.10.3 The New Council approach was embedded into last year's approved 3 year budget plans, and rolled forward into updated budget proposals for 2016-19.
- 3.10.4 The New Council approach includes a Cross-Directorate review of Council priorities to inform current and future multi-year budget strategies, guided by the Council's two key strategies; the Economic Strategy and the Joint Health & Wellbeing Strategy.
- 3.10.5 The New Council approach is based around specific priorities on Early Intervention and Prevention, and Economic Resilience. Action continues to be co-ordinated by the New Council Programme Board chaired by the Director of Economy, Environment and Skills. Formal budget accountability at Director level for the theme work rests with the Chair of this Board.
- 3.10.6 The above is also underpinned by Social Action; helping people to help other people, and, improving the health and wellbeing of the people of Kirklees.
- 3.10.7 The Council's Corporate Plan 2016-17, which is presented to Cabinet/Council alongside the full suite of Council budget reports, also provides a useful reference in terms of the political and organisational leadership of the Council's approach to delivering on these priorities and strategies over the forthcoming 12 months and beyond.

### 3.11 Current year (2015-16) financial performance

- 3.11.1 The most recent Quarterly revenue monitoring forecast (quarter 2) was presented to Cabinet on 17 November 2015, and is available at the attached website link below:

[Decision - Corporate Revenue Financial Monitoring Report, Quarter 2, 2015-16 - Kirklees Council](#)

- 3.11.2 Quarter 2 revenue monitoring reported a forecast net underspend of £0.9m (0.3%) against a net budget of £314m, made up of the following :

- i) service pressures of £9.8m against a net budget of £258m (3.8%); key highlights include demand led pressures on Adult Social Care £5.4m (net of £2.2m Better Care Funding applied in-year), Children's at £3.8m, and Waste Services at £0.9m;
- ii) approved reserves drawdowns in-year totalling £6.3m to offset specific service pressures in Adults and Children's demand led activity; reflects the fact that Council budget plans 2015-18, approved last year, represents an increase in

budget risk, to the extent that in-year drawdown of earmarked reserves is now part of the approved Council budget strategy;

- iii) central budgets forecast underspend of £4.3m against £58m net budget (7.4%); includes treasury management at £1.8m and central contingency budgets set aside to offset Directorate pressures, at £1.9m;

3.11.3 Budget proposals set out at Appendix B acknowledge the continued budget risks associated with demand led activity, and the continued availability of one-off earmarked reserves to mitigate in-year ('budget risk') service pressures.

3.11.4 As noted in para 3.11.2 i) above, £2.2m of the existing pooled budget resource has been used to support adult social care spend. The budget proposals assume continued availability of this £2.2m funding contribution in future years, with a matching increase in service budget.

3.11.5 Budget proposals also include the annual allocation of 10% of the New Homes Bonus (NHB) grant to District Committees. The Financial Settlement confirmed the Council NHB Allocation for 2016-17 at £9.0m. District Committees' share is 10%, or £0.9m.

3.11.6 Relative allocations to the District Committees will be revised in future years in line with the overall amount of NHB, which is calculated on the relative increase in the number of properties. However, future consideration will need to be given to the impact of the intended Government review of NHB from 2017-18 onwards (see para 3.4.4 earlier).

### 3.12 Review of Central Budgets

#### i) Treasury Management

3.12.1 The costs of financing borrowing for capital investment are budgeted centrally except for new service funded schemes. The treasury management budget covers the cost of repaying debt and interest payments, net of any income earned on balances.

3.12.2 The net budget reflects the costs of financing both past borrowing and new borrowing to fund the Capital Investment Plan. Most of the debt portfolio is on fixed interest rates. It has been assumed that new borrowing over the next 4 years will be a combination of relatively short-dated fixed rate loans and temporary borrowing. The average interest rate of total new borrowing has been estimated to be 2% in 2016-17, 2% in 2017-18, 2.1% in 2018-19 and 2.2% in 2019-20. It is proposed that around £30m in investment balances will be held to help manage the day to day cash flow requirements of the Council.

3.12.3 The budget proposals factor in the sustainability of in-year treasury management budget savings of £1.8m reflected as part of overall central budget forecast underspend reported at Quarter 2 monitoring 2015-16 (see para 3.11.2 earlier).

3.12.4 Under prudential guidelines, local authorities are able to borrow without restriction to fund capital investment, providing they can demonstrate that the borrowing is affordable, prudent and sustainable. To be able to demonstrate that they have

given proper consideration to these issues, there is a Code of Practice which has statutory backing in the regulations issued under Local Government Act 2003. The Code sets out various performance indicators and requires the Council to set and monitor these. The details of these are set out at Appendix F.

3.12.5 The Cabinet and the Council will need to consider the affordability of the Capital Plan before making decisions on the Revenue Budget.

ii) Contingencies

3.12.6 Contingencies includes provision for inflation for the next 4 years, and this is set out in Table 3 below :

**Table 3 – budget provision for inflation**

Heading	2016-17		2017-18		2018-19		Indicative Figures 2019-20	
	£000s	%	£000s	%	£000s	%	£000s	%
Pay	2,005	1.0	4,005	1.0	6,005	1.0	8,005	1.0
Prices	5,090	1.0	13,061	1.8	19,666	1.9	24,266	2.0
Income	(3,606)	2.0	(7,206)	2.0	(10,806)	2.0	(14,406)	2.0
<b>Budget provision</b>	<b>3,489</b>		<b>9,860</b>		<b>14,865</b>		<b>17,865</b>	

3.12.7 Pay inflation provision reflects government expectations over the next 4 years. At the time of this report, the national employer 2 stage pay award offer for 2016-17 and 2017-18 was still under consideration. The Council implemented a local living wage entry point for Council staff at £7.88 per hour, from April 2015, and the national pay award offer would uplift this to £8.04 per hour from April 2016 and £8.19 from April 2017.

3.12.8 This is already significantly higher than the proposed Government national minimum wage (also referred to by government as national living wage) uplift to £7.20 per hour from April 2016, and it is anticipated at this stage that the Council local living wage will continue to exceed the equivalent national minimum wage hourly rate, at least to April 2020; therefore, no impact on current staff budget provision for pay.

3.12.9 Price inflation is consistent with current Office of Budget Responsibility inflation forecasts over the next 4 years, which formed the basis of Government spending plans set out in the December 2015 Autumn Statement and spending review.

3.12.10 Elsewhere, there will be a forthcoming actuarial review of employer contributions to the West Yorkshire Pension Fund, and at this stage, the budget plans include a prudent set aside of £1.6m in central contingencies, for an assumed increase in employer contributions by 1% from 2017-18, to 16.1%. The set aside has been identified from a review of existing inflation contingencies.

3.12.11 Contingencies budget provision for 2015-16 includes £1.97m; additional budget funded from a Government New Burdens Grant and allocated to Councils in 2015-16, in anticipation of additional costs arising from the implementation of the 2014 Care Act. Government announced that Phase 2 of the Care Act has now been delayed to April 2020. There has been a corresponding reduction to contingency budget by £0.9m from 2016-17 to reflect this; the £0.9m relates to the additional care assessment element (Phase 2) of the grant allocation. The balance of £1m budget provision has been re-allocated to adult social care, reflecting recurrent Phase 1 Care Act cost commitments in-service.

iii) Joint Committees

3.12.12 Kirklees, in common with all other West Yorkshire Councils, pays a levy to the West Yorkshire Integrated Transport Authority (ITA) to fund transport services. The proposal is for a levy in 2016-17, at £18.9m. Council budget plans reflect further increases in levy contributions of £0.4m in 2017-18, £0.5m in 2018-19 and £0.5m in 2019-20.

3.12.13 The levy increases reflect funding contribution towards financing costs to support a major regional Transport Fund Capital Investment Programme, run through the Combined Authority. There are similar, proportionate levy increases across the West Yorkshire Councils. All transport levy figures included in Council budget plans remain subject to ongoing region wide discussions.

3.13 Business Rates

3.13.1 While government estimates each Council's local share of business rates (50%) as part of its overall baseline settlement funding assessment, in practice each Council will provide its own estimate, based on a range of local factors.

3.13.2 Business rates estimates over the next 4 years continue to reflect a prudent assessment of backdated rating appeals currently outstanding, and likely successful settlement through the Valuation Office, based on current trends.

3.13.3 If local shares of business rates plus top up grant falls below the safety net threshold, Government will compensate Councils for the difference, to be paid for by levying Councils. This is intended to ensure no significant shocks in the system. Kirklees is a 'top up' authority. Some Councils are tariff Councils, and these are allowed to retain a proportionate share (50%) of business rates growth.

3.13.4 The business rates retention scheme also allows for a pooled approach to safety net and levies. Cabinet on 15 January 2013 approved that Kirklees become part of a Leeds City Region (LCR) Pool from 2013-14, which consists of Kirklees, Bradford, Calderdale, Leeds, Wakefield, Harrogate and York. Leeds are the lead authority for the LCR Pool.

3.13.5 The Pool is established for one year at a time, and the member authorities, including Kirklees, have confirmed their continued participation in the Pool in 2016-17. The advantage of the Pool since it has been formed is that Leeds, Harrogate and York are levying Councils, and the Pooled arrangement allows for the proportion of business rates growth generated by these Councils, that would

otherwise be paid over to Government, to be retained by the Pool, and spent on regional initiatives agreed by the Pool members.

3.13.6 As noted in para 3.3.6 earlier, the forthcoming Government review of the business rates retention scheme will potentially negate the requirement to have a Pool, at the point that Councils are allowed to keep 100% of the business rates locally, and as well retain 100% of any subsequent growth.

### 3.14 Council Tax

3.14.1 The draft budget proposals reflect an increase in council tax bills to Kirklees residents in 2016-17, by 3.95%, comprised of the following :

i) 1.95% in respect of the amount of the increase that falls within the referendum threshold of 2% or above for English authorities (excludes Parish Councils). This will raise an additional £2.8m council tax income in 2016-17. Budget plans assume similar annual council tax uplifts over the following 3 years.

ii) 2% in respect of a 'social care' precept. Government has made this available for Councils (up to 2%) and the precept falls outside the referendum threshold requirement. This will raise an additional £2.9m in-year, and will be wholly hypothecated to adult social care spend (see also, section 3.5 earlier). Budget plans assume similar annual precept uplifts over the following 3 years.

3.14.2 Government has also confirmed that there will be no freeze grant offer to compensate any Councils considering zero council tax increase from 2016-17 onwards.

3.14.3 Council tax bills also include precepts which are charges raised by the Council on behalf of precepting bodies; namely Fire and Rescue Authority, the Office of Police and Crime Commissioner and 5 Parish Councils. These bodies have yet to formally approve their precepts for 2016-17 at the time of writing this report. The Council will be notified by the precepting bodies of their formal precept approvals for 2016-17, either by 17 February Council meeting, or soon after, to be included in the council tax bills sent out to residents.

3.14.4 At the full Council meeting on 17 January 2016, members approved the continuation of the existing council tax support scheme, which is based on a reduction in local support at 20%.

3.14.5 The change from Council Tax benefit to the Council Tax Reduction Scheme also impacts on the Council's Collection Fund contribution to the 5 parish councils. In acknowledgement of this, a proportionate share of the overall Council tax Support grant has been allocated to the parish councils in 2016-17; £71.7k grant applied proportionately across the 5 Parish Councils, the same as the grant amount applied in 2015-16.

3.14.6 The Council tax income figures included in the budget plans contained in this report reflect 3.95% annual uplifts based on the Council Tax base figures approved at full Council on 20 January 2016. The relevant website link to this report is shown below:

## Decision - Calculation of Council Tax Base 2016/17 - Kirklees Council

### 3.15 Collection Fund (Council Tax & Local Share of Business Rates)

- 3.15.1 The forecast balance on the Collection Fund at the end of 2015-16, and planned repayments in 2016-17, are set out in Table 4 below, based on Quarter 2 2015-16 revenue monitoring:

**Table 4 - Forecast Collection Fund Movements (Council share)**

<b>Collection Fund</b>	<b>Council Tax £000</b>	<b>Business Rates £000</b>
(Surplus)/Deficit as at 1 April 2015	(4,342)	5,234
Planned re-payments to/(from) general fund in 2015-16	1,200	(5,200)
In-year forecast	(1,600)	2,000
<b>Council's share of Collection Fund at 31 March 2016</b>	<b>(4,742)</b>	<b>2,034</b>
Planned re-payments to/(from) general fund in 2016-17	4,000	(2,000)
<b>Estimated balance at 31 March 2017</b>	<b>(742)</b>	<b>34</b>

- 3.15.2 Council tax and business rates are treated as separate accounts within the overall Collection Fund, with no cross-subsidisation of surpluses or deficits allowable between the two accounts. This reflects the fact that both the precepting bodies for the respective accounts, and the basis of the precept calculation for each, are different.
- 3.15.3 The forecast deficit on Business Rates largely reflects continuing volatility on outstanding rating valuation appeals. Successful appeals include backdated payments mainly to 2010, which was the date of the most recent valuation. Some successful appeals have been backdated further, to reflect settlement on appeals outstanding from the previous 2005 valuation. Draft budget plans reflect a planned re-payment from the general fund of £2m in 2016-17, in respect of the forecast year end deficit.
- 3.15.4 In-year council tax forecasts for 2015-16 indicate a surplus position at year end of £4.7m, and the draft budget plans reflect a planned re-payment to the general fund of £4m in 2016-17.
- 3.16 Reserves & Balances
- 3.16.1 The Council uses the term "reserves" to mean accumulated one-off resources built up over time, that have been set aside or earmarked for specific purposes under 3 broad categories; statutory, earmarked, and risk based. Remaining reserves not set aside are referred to as general reserves, or balances.

3.16.2 The annual update of the Council's forward budget plans continues to be based on a medium term and sustainable use of Council revenue reserves, which is also informed by the Council's corporate risk assessment (see also section 3.17 below). The reserves position is summarised in Table 5 below;

**Table 5 – Summary Reserves position**

	Reserves as at 1 April 2015	Reserves commitments over period 2015-20	Remaining reserves	Comments
	£m	£m	£m	
Statutory	(24.0)	-	(24.0)	Schools related reserves
Earmarked	(63.4)	56.0	(7.4)	Profile of drawdown across years to some extent dependent on Council budget position
Risk based	(10.0)	-	(10.0)	Contingency reserve
General Reserves (balances)	(38.0)	33.0	(5.0)	Remaining £5m reflects minimum balances held
<b>Grand Total</b>	<b>(135.4)</b>	<b>89.0</b>	<b>(46.4)</b>	

3.16.3 The general reserves commitments over the 2015-20 period reflect both current and future year proposals to support the MTFP, leaving a working balance of £5.0m.

3.16.4 Use of reserves over the period includes planned drawdowns to fund spend commitments on approved rollover at £12m and service specific grant related activity at £15m. Reserves commitments over the period also includes funding for transformation spend at £3m and £13m set aside for Council wide severance costs over the period.

3.16.5 It is recommended that Council reserves should be retained for their agreed purposes as set out above, but that further assessment of reserves requirements will be undertaken as part of the final accounts process, and will be reported as part of the revenue outturn and rollover report later in the year.

### 3.17 Corporate Risk Assessment

3.17.1 The Council's requirement to hold reserves is also informed by the corporate risk assessment which highlights a range of key budget and other risks. This is refreshed annually. Key risks highlighted from the current corporate risk assessment are summarised at Appendix J attached.

3.17.2 Individual risks vary over time, and the need to set aside reserves changes depending on the underlying budget provisions. The risk assessment reflects the



provisional budget proposals put forward by officers. Subsequent changes to these proposals may affect the risk assessment.



## KEY IMPLICATIONS FOR THE COUNCIL

### SECTION 4 – HOUSING REVENUE ACCOUNT (HRA)

#### 4.1 Background

4.1.1 The HRA is a statutory ring-fenced account. All income streams and costs relating to the provision of landlord services to Council tenants, are wholly accounted for in a separate statutory account. It can not be used to subsidise other services provided through the Council's general fund; neither can the general fund subsidise landlord services to tenants. Similar to the general fund, the HRA has to live within its means.

4.1.2 HRA self-financing was implemented in April 2012. The intention was to give Councils with HRA's more confidence in being able to forecast what were intended to be more sustainable future rental income streams to help with business planning, than was possible under the previous housing subsidy system.

4.1.3 The above was underpinned by Government rent policy which allowed for annual rent uplifts at Consumer Price Index +1%. The longer term outlook for tenants was a financially viable HRA which would enable the Council working in partnership with its arms length management partner, Kirklees Neighbourhood Housing, to:

- i) service HRA debt; (self-financing debt settlement figure was £216m)
- ii) maintain current Council housing stock at decency standard over the long term (23,000 tenancies including 466 excellent Homes for Life)
- iii) provide a high quality housing management & housing repair service
- iv) explore opportunities for additional investment e.g. Council new build

4.1.4 The 8 July 2015 Government budget announcement, now enacted through the Welfare & Work Reform Act, includes an absolute 1% annual rent reduction each year for the next 4 years, for social housing rents. Rental income accounts for 90% of total HRA income. The financial impact was set out in a report to Cabinet on 12 January 2016, which also incorporated Cabinet approval for the 1% rent reduction in 2016-17.

4.1.5 The report summarised the financial impact on the HRA, comparing forecast annual rental income streams under pre-existing national rent policy (CPI+1%), to revised rental income streams as a result of annual rent reductions of 1% each year for the next 4 years. The financial impact is a forecast annual rental income loss to the HRA of £1.6m in 2016-17, rising thereafter for each of the next 3 years, to £10.5m by 2019-20 ;equivalent to 11.6% loss in annual rental income by 2020, compared to existing plans.

4.1.6 Current Government indications are that rents will increase by CPI+1% again from 2020-21 onwards, but this would be from a much lower rent base. The scale of overall rental income loss to the HRA has longer term implications for the financial viability of the HRA. The Council's budget approach to this is set out in the following sections.

#### 4.2 HRA Budget Proposals

4.2.1 HRA outturn 2014-15 reflected a year end surplus of £4.2m, and Quarterly

corporate revenue monitoring 2015-16, reported to Cabinet earlier this year, continues this trend with a forecast in-year surplus of £3.7m.

4.2.2 A review of HRA budgets across a range of activity suggests that annual savings of £3.7m can be achieved in 2016-17; mainly by re-aligning existing budgets to match current spend, based on the above. Annual HRA debt repayments over the next 3 years adds a further £963k annual savings by 2018-19.

4.2.4 HRA budget proposals over the 2016-19 period are set out at Appendix B. The £3.7m budget re-alignment savings in particular represent early measures intended to manage the impact of the annual 1% rent reduction loss to the HRA at least over the following 2 years, and it is anticipated that these budget proposals will not significantly change current services delivered to tenants. However, this is a short-term strategy in the context of the forecast rental income loss of £10.5m by 2020 referred to in para 4.1.5 above, and further budget savings would need to be identified in order to achieve a balanced Housing Revenue Account at the same time as maintaining decent homes standard.

4.2.5 Appendix E sets out HRA baseline and strategic Council capital plan proposals over the 2016-21 period, as part of the overall draft capital plan proposals. Baseline HRA capital plan proposals reflect fairly consistent annual spend over the period.

4.2.6 HRA strategic capital plan priorities over the next 5 years total £33m. This includes a number of new build proposals, and continuation of the photovoltaic panel scheme, with a matching contribution from HRA capital resources over the period, to fund these proposals. A number of the strategic priority new build schemes are outline capital scheme proposals, and would be subject to more detailed business cases to be considered by Cabinet; in particular, business case proposals will need to give consideration of how they link to New Council strategic priorities and themes; in particular, early intervention and prevention.

4.2.7 The draft HRA budget plans set out at Appendix B indicate that from 2018-19, the level of resources available to support capital investment through revenue contributions/planned transfer to HRA balances, reduces significantly. While savings have been identified in early years, a consequence of recurring annual 1% rent reductions is a real reduction in resources available in later years to transfer to HRA reserves to support longer term capital investment needs, compared to existing plans. Para 4.3.2 ,Table 1 below shows the effect of this on reducing levels of HRA reserves over time.

4.2.8 It is intended that the current HRA business plan will be re-freshed through early 2016 in conjunction with consideration of further savings options required to start to build up HRA reserves going forward to continue to meet longer term capital investment needs, and this will inform future budget rounds. This includes consideration of opportunities that could achieve significant efficiency savings over the medium term; in particular a proposed merger option between Building Services & the Council's Arms Length Management Organisation partner, Kirklees Neighbourhood Housing (KNH), which will be subject to a forthcoming report to Cabinet on 9 February 2016.

4.2.9 The scale of the financial challenge however will also require exploration of other actions as strategies such as efficiency measures are unlikely to deliver the full scale of savings required to maintain the financial viability of the HRA over the longer term.

4.2.10 At this stage, there are no plans to review Corporate treasury management

with regard to HRA, which is based on a prudent annual provision for HRA debt repayment, and no current proposals for new HRA borrowing. The current HRA borrowing headroom potential against a £247m borrowing 'cap', is £52m, subject to HRA being able to afford to service new debt taken on.

4.2.11 New HRA borrowing may be considered in the future, but this may depend on the detail of specific business cases for the strategic priority schemes; in particular the potential for any new rental income streams to fund new borrowing costs.

### 4.3 HRA Reserves

4.3.1 The HRA ring-fence applies equally to HRA reserves built up over time. In-year surpluses or deficits, at each year end transfer to or from HRA general reserves, and any planned appropriations in-year, are also transferred to HRA general reserves each year end. HRA general reserves roll forward over time and can be drawn down to fund future capital and revenue spend commitments.

4.3.2 In addition, there is also a major repairs reserve. The annual depreciation charge to HRA is transferred to this reserve, which can only be statutorily used for capital debt repayment or capital investment. The current and forecast HRA reserves position and commitments is summarised at Table 1 below:

**Table 1 – summary HRA reserves forecast over 2015-21 period**

HRA reserves	Forecast Reserves Over 2015-21 period £m	Commitments over 2015-21 period			Remaining reserves £m
		Debt repayment £m	Capital Investment £m	Revenue £m	
<b>General reserves as at 1 April 2015</b>	(35.8)	-	14.6	10.0	(11.2)
Forecast surplus 2015-16	(3.7)	-	-	-	(3.7)
Planned appropriations from HRA 2016-18	(3.7)	-	-	-	(3.7)
<b>Total HRA general Reserves</b>	<b>(43.2)</b>	<b>-</b>	<b>14.6</b>	<b>10.0</b>	<b>(18.6)</b>
<b>Major Repairs Reserve (MRR) as at 1 April 2015</b>	-	-	-	Can't be applied for revenue purposes	-
Depreciation transfer from HRA; 2015-21	(81.0)	26.5	54.5		-
<b>Total MRR</b>	<b>(81.0)</b>	<b>26.5</b>	<b>54.5</b>	<b>-</b>	<b>nil</b>

4.3.3 HRA general reserves revenue commitments includes a set aside of £8.5m for business risks; in particular, with regard to a number of welfare reform changes such as universal credit, and potential impact on the HRA bottom line. The balance of commitments includes £1.5m working balance, and support to the HRA capital plan. The remaining reserves at £18.6m rolls forward to support future capital investment i.e. maintaining decency, in line with the asset management plan that informs the longer term HRA business plan. As noted in para 4.2.7 above, current projections result in a significant reduction in remaining reserves to roll forward from

April 2021 to support future capital investment needs.

- 4.3.4 The major repairs reserve is fully used in-year, and the £81m commitments above reflect a combination of drawdown for capital debt repayment at £26.5m, and capital investment over the period, at £54.5m.
- 4.3.5 Government proposals for the sale of high value Council housing are currently out to consultation, and at the time of writing this this report, are still under consideration. It is likely that the preferred option will be for government to charge an annual levy to Council HRA's, from 2016-17 onwards, which will then be re-directed to private registered providers to compensate them for loss of housing stock through the introduction of right to buys in this sector.
- 4.3.6 The annual levy for Kirklees Council's HRA has yet to be determined, and it is anticipated that short-term, drawdown from existing HRA reserves can absorb the impact in-year in 2016-17, acknowledging that longer term, this will present a further budget pressure on the HRA ring-fenced account.

#### 4.4 Budget Consultation

- 4.4.1 The HRA budget proposals set out in Appendix B were discussed at Tenants & Residents Committees (TRC's) through December 2015. TRC's were supportive of early proposals to review base budgets. There was also a clear understanding of the financial challenges still, facing the HRA in light of the continuing 1% annual rent reductions to 2020, and a desire for officers to continue to engage and involve TRC's when considering more difficult or challenging options going forward.

#### 4.5 Risk Assessment

- 4.5.1 The annual 1% rent reduction each year for the next 4 years presents a significant financial risk to the HRA. There are also a number of identified business risks potentially impacting on HRA, including the impact of universal credit on income collection, and the levy proposal as noted in para 4.3.6 above. These business risks will continue to be reviewed in conjunction with the regular re-refresh of the HRA business plan financial modelling, in-year.

KIRKLEES COUNCIL

Medium Term Financial Plan

2016-2019

Draft Budget

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## **INTRODUCTION**

The Council has to set a balanced annual budget and medium term financial plan (MTFP) that ensures it can live within its means. Last year the Council set out a medium term budget strategy to re-shape to a New Council.

This approach is informed in particular by national government's continuing policy on reducing the national debt burden through significant public expenditure reductions.

This in turn has significantly reduced the amount of funding the Council has received from national government since 2010, and is forecast to reduce further by 2020.

This document sets out updated draft options and proposals and budget impact overview statements for the 2016-19 Medium Term Financial Plan (MTFP). The overall Budget Summary at page 4 also includes an indicative budget gap forecast for 2019-20.

The draft options and proposals set out in this document takes existing year 2 and 3 approved budget plans, and rolls them forward into years 1 and 2 of the updated MTFP 2016-19

This approach reflects the Council's continuing commitment to a genuine medium term budget strategy and direction of travel to a New Council.

Even after taking account of the draft options and proposals in this document, and use of available one-off balances of £15.7m to produce a balanced budget in 2016-17, current Council funding forecasts over the following 3 years to 2020 suggest a remaining underlying budget gap of £16m in 2017-18, increasing to £30m in 2018-19 and £38m in 2019-20, which will need to be addressed through future budget rounds.

## **NEW COUNCIL**

As set out in the introduction, continued and significant national reductions in our funding from government mean we are having to change what we do so that we can live within our means for the foreseeable future.

We have completed a Comprehensive Spending Review which fundamentally reviewed our priorities. Our two Strategies – the Economic Strategy and the Joint Health and Wellbeing Strategy – guide our services to deliver a shared aim.

Against this background we have examined very carefully everything we do, and continue to focus on developing a range of "priority led" options to deliver a New Council model which includes Early Intervention and Prevention, and Economic Resilience.

Social Action – helping people to help other people – and improving the health and wellbeing of the people of Kirklees underpins all of this.

## **Early Intervention and Prevention:**

- Shift resources to early intervention and prevention
- A managed collaboration between sectors and services
- A single approach to families and individuals
- Build community capacity using the skills, resources and assets of communities
- Sponsor a new relationship with citizens

## **Economic Resilience:**

- Implement the Kirklees Economic Strategy Action Plan
- Implement the Kirklees Joint Health and Wellbeing Strategy
- Support and maintain vibrant towns and neighbourhoods
- Tackle local environmental, cultural and leisure priorities
- Address community safety, anti-social and nuisance behaviour
- Build capacity in the community and unlock innovation at a local level
- Enhanced employment, prospects, skills and income
- Provide a general web-based advice service for welfare benefits

## **How did we develop this documentation**

- Existing year 2 and 3 Directorate budget plans roll forward into years 1 and 2 of the updated 2016-19 MTFP. In some instances, these are different when compared to updated plans are slightly different when compared to the equivalent figures included in last year's budget book due to minor technical corrections.
- While revenue budgets are set annually before the start of each financial year, there is some limited flexibility for revenue budgets to be transferred between service activities in-year.

The updated budget plans in this document take account of the fact that some budgets have transferred between service activities.

- Profiling of savings proposals, in particular with regard to budgeted activity that is to be re-shaped by the theme work, are indicative at this stage. These proposals will continue to be developed over the MTFP as part of our more detailed implementation re-shaping of services to a New Council.
- The document refers to "controllable budgets": These are budgets that the budget holder can directly influence. Controllable expenditure includes direct operational costs including overheads which are specific to that department.

Examples of controllable expenditure are staff costs, premises, supplies & services, and payments to contractors. Controllable income includes schools income, other traded income, fees & charges, and specific government grants.

- For a small number of services all the controllable expenditure is entirely funded by income. These services have £0 in the net controllable expenditure column.
- The column labelled “2015-16 net controllable budget” provides the baseline or starting point for savings or increases proposed in the following three years to the financial year 2019-20.
- Provision for inflation is held within central budgets across the three years. The inflation provision for 2016-17 will be allocated across service activity budgets for the start of the financial year.
- The columns labelled “Minuses” are proposed reductions in net expenditure. This can be because of:
  - planned savings
  - reduced demand for that service, or
  - a planned increase in associated income.
- The columns labelled “Pluses” are proposed increases in net expenditure. This can be because of:
  - proposed increased spending, or
  - a planned reduction in associated income.
- The “pluses” and “minuses” are supported by a Budget Impact Overview for each Directorate. There are specific budget impact overviews for budgeted activity within Directorates which is in scope as part of wider Council re-shaping, informed by Early Intervention and Economic Resilience.

To support the budget process, we have published equality impact assessments.

## GLOSSARY

**Controllable budgets:** Budgets that the budget holder can directly influence. Controllable expenditure includes direct operational costs including departmental specific management overheads (e.g. staff, premises, supplies & services, payments to contractors). Controllable income includes schools income, other traded income, fees & charges, specific government grants.

**2015-16 net controllable budgets** provide the baseline or starting point for savings or increases proposed in subsequent years.

**Minuses:** are reductions in spending, because of planned savings or a reduced demand for that service, or because of planned increase in associated income. At this stage, the profiling of the minuses is indicative.

**Pluses:** are increased spending or reduced income. At this stage the profiling of the pluses is indicative.

Overall Summary By Directorate

	15-16 CONTROLLABLE GROSS EXPENDITURE £000	15-16 CONTROLLABLE INCOME £000	15-16 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSES £000	16-17 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	17-18 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	18-19 BUDGET PROPOSAL £000	19-20 INDICATIVE BUDGET £000
<b>DIRECTORATE</b>													
Children & Young People	345,165	(273,578)	71,587	(3,178)	1,547	69,956	(16,661)	110	53,405			53,405	53,405
Adults, Commissioning & Public Health	168,597	(74,793)	93,804	(8,721)	5,943	91,026	(6,529)	3,138	87,635		3,317	90,952	94,510
Place	178,288	(138,386)	39,902	(4,750)	1,059	36,211	(1,405)	1,010	35,816			35,816	35,816
Resources	174,476	(135,106)	39,370	(1,829)	45	37,586	(2,472)		35,114	(300)		34,814	34,814
Communities Transformation & Change	16,571	(3,043)	13,528	(1,926)	160	11,762	(3,369)		8,393			8,393	8,393
<b>CROSS-DIRECTORATE ACTIVITY</b>													
Public Health grant	0	(5,983)	(5,983)	(20)	3,646	(6,003)	(49)		(6,052)			(6,052)	(6,052)
Economic Resilience	441		441		2,505	4,087		600	4,687			4,687	4,687
Early Intervention, Prevention & Social Productivity	495		495			3,000		7,000	10,000			10,000	10,000
Council-wide Senior Management Review	0		0	(122)		(122)	(367)		(489)			(489)	(489)
<b>Sub Total</b>	<b>884,033</b>	<b>(630,889)</b>	<b>253,144</b>	<b>(20,546)</b>	<b>14,905</b>	<b>247,503</b>	<b>(30,852)</b>	<b>11,858</b>	<b>228,509</b>	<b>(300)</b>	<b>3,317</b>	<b>231,526</b>	<b>235,084</b>
Central Budgets	72,946	(11,988)	60,958	(4,785)	7,160	63,333	(690)	9,904	72,547	(106)	6,806	79,247	83,147
<b>Total Budgets</b>	<b>956,979</b>	<b>(642,877)</b>	<b>314,102</b>	<b>(25,331)</b>	<b>22,065</b>	<b>310,836</b>	<b>(31,542)</b>	<b>21,762</b>	<b>301,056</b>	<b>(406)</b>	<b>10,123</b>	<b>310,773</b>	<b>318,231</b>

	15-16 CONTROLLABLE GROSS EXPENDITURE £000	15-16 CONTROLLABLE INCOME £000	15-16 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSES £000	16-17 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	17-18 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	18-19 BUDGET PROPOSAL £000	19-20 INDICATIVE BUDGET £000
<b>Funding Available:</b>													
Local Share of Business Rates			(51,441)			(51,441)			(52,470)			(53,519)	(54,589)
Top Up			(21,252)			(21,430)			(21,850)			(22,500)	(23,210)
Revenue Support Grant			(64,556)			(47,850)			(32,760)			(22,820)	(12,823)
Unringfenced Grants			(23,249)			(21,259)			(21,456)			(18,056)	(17,856)
Council Tax			(140,975)			(149,356)			(156,466)			(163,912)	(171,701)
Earmarked Reserves			(4,366)			(1,800)							
Collection fund balance:													
Business Rates Local Share			5,200			2,000							
Council Tax			(1,200)			(4,000)							
<b>Total Funding Available</b>			<b>(301,839)</b>			<b>(295,136)</b>			<b>(285,002)</b>			<b>(280,807)</b>	<b>(280,179)</b>

<b>Budget Gap Before Use of Balances</b>			12,263			15,700			16,054			29,966	38,052
<b>Use of Balances</b>			(12,263)			(15,037)							
<b>Use of Reserves</b>			(663)										
<b>Remaining Budgets Gap</b>			<b>0</b>			<b>0</b>			<b>16,054</b>			<b>29,966</b>	<b>38,052</b>

	Reserves as at 01.04.15 £m	Reserves commitments over MTFP period 15-20 £m	Remaining reserves £m
<b>Summary Reserves Position</b>			
Statutory	(24.0)	0.0	(24.0)
Earmarked	(63.4)	56.0	(7.4)
Risk based	(10.0)	0.0	(10.0)
General reserves (balances)	(38.0)	33.0	(5.0)
<b>Grand Total</b>	<b>(135.4)</b>	<b>89.0</b>	<b>(46.4)</b>

**Overall Summary By Directorate - Revenue Budget Proposals 2016-19**

	FTEs			
	2015-16 Controllable	2016-17 MTFP	2017-18 MTFP*	2018-19 MTFP*
<b>DIRECTORATE</b>				
Children & Young People adjust for delegated schools budgets	6,347.2 (5,017.0)	6,347.2 (5,017.0)		
Service Changes	1,330.2	1,330.2 (18.2)		
Economic Resilience				
Early Intervention, Prevention & Social Action		0.7		
	1,330.2	1,312.7		
Adults, Commissioning & Public Health	1,248.8	1,248.8		
Service Changes		(163.8)		
Economic Resilience				
Early Intervention, Prevention & Social Action				
	1,248.8	1,085.0		
Place	2,912.9	2,912.9		
Service Changes		(93.1)		
Economic Resilience		(0.3)		
Early Intervention, Prevention & Social Action				
	2,912.9	2,819.5		
Resources	1,121.8	1,121.8		
Service Changes		(39.8)		
Economic Resilience				
Early Intervention, Prevention & Social Action		0.6		
	1,121.8	1,082.6		
Communities Transformation & Change	270.8	270.8		
Service Changes		(25.9)		
Economic Resilience				
Early Intervention, Prevention & Social Action		(0.3)		
	270.8	244.6		
Council Wide Senior Management Review		(1.0)		
<b>Total FTEs excluding Delegated Schools Budgets</b>	<b>6,884.5</b>	<b>6,543.4</b>	<b>6,159.4</b>	<b>6,149.4</b>

<b>Summary excluding Delegated Schools Budgets</b>		<b>6,884.5</b>	<b>6,543.4</b>	<b>6,159.4</b>
Service Changes		(340.8)	(145.1)	(10.0)
Economic Resilience **		(0.3)	(20.9)	
Early Intervention, Prevention & Social Action **		1.0	(215.0)	
<b>Total FTEs excluding Delegated Schools Budgets</b>	<b>6,884.5</b>	<b>6,543.4</b>	<b>6,159.4</b>	<b>6,149.4</b>

\* Year 2 and 3 FTE totals are shown as a Council overall total at this stage, as a number of planned MTFP changes reflect Cross-Directorate service re-design, the outcome of which is anticipated to change the way the Council structures its Directorates, over the 3 years of the MTFP, compared to current.

\*\* These headings and associated FTE reductions reflect Council wide activity in view as part of the budget proposals for Cross-Directorate service re-design. Pending completion of the service re-design work, the FTE reductions shown above are illustrative reductions proportionate to the overall budget reductions in view as part of the service re-design work across the 3 years of the MTFP.

## EARLY INTERVENTION, PREVENTION AND SOCIAL PRODUCTIVITY BUDGET IMPACT OVERVIEW 2016-19

Ref	Service activity, proposal and current budget	Main aim and outcomes of service area	2016-17 Budget change £'000	2017-18 Budget change £'000	2018-19 Budget change £'000	Who is affected by the proposal?	Is there any relevant historical or demographic information?	Is there any indication the proposal will disproportionately affect any single group of people?
<p>The council proposes to fund a new model to promote Early Intervention, Prevention and Social Productivity. The new model builds on existing Early Intervention, Prevention and Social Productivity activity. The model currently exists in outline form only as it is still under development. For this reason the profiling of the budget changes are indicative only at this stage.</p>								
	<p><b>Early Intervention, Prevention and Social Productivity</b></p> <p>New model</p>	<p>Shifting resources to early intervention and prevention.</p> <p>A single approach to families and individuals.</p> <p>Building community capacity using the skills resources and assets of communities.</p> <p>Sponsoring a new relationship with citizens.</p>	2,505	7,000		<p>Kirklees residents, in particular vulnerable individuals and families.</p> <p>Council partners.</p> <p>Communities and faith groups.</p>		<p>As yet uncertain as the model is still in development.</p>
<p>The following proposed budget reductions show a set of options to provide the new funding referred to above, whilst still trying to match our overall spending to our reducing available funding. The new model referred to above currently exists in outline form only as it is still under development. For this reason the profiling of the budget changes are indicative only at this stage.</p>								
EPS1	<p><b>Early Years Special Educational Needs (SEN) Support including Portage service</b></p> <p>Review and reduce existing service as part of developing new</p>	<p>To identify as early as possible the needs of children aged 0-4 who have additional educational needs, developmental delay or disability.</p>		(579)		<p>Children aged 0-4 who have additional educational needs, developmental delay or disability in schools and learning settings.</p>	<p>There are an increasing number of children requiring support as medical advancements mean a higher survival rate.</p>	<p>Yes</p> <p>Children and their families as well as learning settings to agree learning and developmental objectives and Individual Education</p>



**EARLY INTERVENTION, PREVENTION AND SOCIAL PRODUCTIVITY BUDGET IMPACT OVERVIEW 2016-19**

Ref	Service activity, proposal and current budget	Main aim and outcomes of service area	2016-17 Budget change £'000	2017-18 Budget change £'000	2018-19 Budget change £'000	Who is affected by the proposal?	Is there any relevant historical or demographic information?	Is there any indication the proposal will disproportionately affect any single group of people?
	model. Current budget £579,000							Plans as well as review and monitor these plans.
EPS2	<b>International New Arrivals</b> Review and reduce existing service as part of developing new model. Current budget £76,000	To support vulnerable children who have come to England for the first time to access a learning place.		(76)		Children and young people who are new to the country and require additional support i.e. them and their families have little or no English in order to access learning as quickly as possible.	There are an increasing number of young people and their families with little or no English who arrive in Kirklees that are new to the country and require a learning place because of borders now being open.	Children at risk of missing education and therefore a safeguarding issue as well as impacting on longer term prospects and life chances.
EPS3	<b>Young People's Service</b> Review and reduce existing service as part of developing new model. Current budget £4,297,000	To support vulnerable children and young people through a range of targeted and preventative interventions.		(4,297)		All young people aged 8-19 years (to 25 with a disability) who currently receive a service (approximately 13,000). 3 <sup>rd</sup> sector organisations in receipt of funding. Social work, Anti-Social Behaviour, Health, Learning (and Not in Education, Employment or Training) and	The youth demographics will stand still over the next three years, though the junior numbers will increase. The dip is in the south of the district: the north shows an increase in the proportion of BME within the target population. Current numbers using Integrated Youth Support Service (excluding Youth Offending Team): targeted – 1,700 prevention – 14,300 (6,500 junior / 7,800 senior).	Young people, particularly those in most need. Those with funds and access may find some alternatives to the preventative services.



**EARLY INTERVENTION, PREVENTION AND SOCIAL PRODUCTIVITY BUDGET IMPACT OVERVIEW 2016-19**

Ref	Service activity, proposal and current budget	Main aim and outcomes of service area	2016-17 Budget change £'000	2017-18 Budget change £'000	2018-19 Budget change £'000	Who is affected by the proposal?	Is there any relevant historical or demographic information?	Is there any indication the proposal will disproportionately affect any single group of people?
EPS4	<p><b>Early Intervention and Targeted Support</b></p> <p>Review and reduce existing service as part of developing new model.</p> <p>Current budget £8,510,000</p>	<p>Provision of Family Support Interventions identified as part of a social work assessment.</p> <p>Implementation of Early Help Assessment and multi-agency support plans across all services and sectors.</p> <p>To undertake Early Help Assessments and provide targeted family support interventions to children and families identified as part of the assessment.</p> <p>To oversee the transition for children and families who have received a statutory intervention into universal community based services.</p>		(8,510)		<p>partner agencies such as police, will see an increase in demand on their services.</p> <p>Many children, young people and families across Kirklees.</p> <p>Increasingly, the services which are provided have become more focused and targeted at those assessed as most in need.</p> <p>Other social care services could also be affected by increased referrals into duty and assessment, and higher numbers of Looked After Children (LAC).</p>	<p>79% of children aged 0-4 years are registered at a children's centre</p> <p>83% of children living in the 30% most deprived areas are registered</p> <p>49% of children aged 0-4 years access targeted activities.</p> <p>54% of children living in the 30% most deprived areas access targeted activities</p> <p>314 Early Help Assessments authored.</p> <p>282 Early Help Assessments progressed and supported as part of a multi-agency support plan.</p> <p>382 children have received Family Support.</p>	<p>Children and families in need of support.</p>

**EARLY INTERVENTION, PREVENTION AND SOCIAL PRODUCTIVITY BUDGET IMPACT OVERVIEW 2016-19**

Ref	Service activity, proposal and current budget	Main aim and outcomes of service area	2016-17 Budget change £'000	2017-18 Budget change £'000	2018-19 Budget change £'000	Who is affected by the proposal?	Is there any relevant historical or demographic information?	Is there any indication the proposal will disproportionately affect any single group of people?
EPS5	<p><b>Gateway to Care: children</b></p> <p>Review and reduce existing service as part of developing a new model.</p> <p>Current budget £51,000</p>	<p>Delivery of Children's Centre core purpose in line with guidance.</p> <p>Support to referral of children's cases through Gateway to Care.</p>		(24)		Children and families in need of help.		No
EPS6	<p><b>Children with Disability – Young People's Activity Team (YPAT)</b></p> <p>Review and reduce existing service as part of developing a new model.</p> <p>Current budget £584,000</p>	<p>A bespoke short break and respite service which is part of the 'Local Offer' required to meet the needs of children with complex needs.</p>		(584)		Children, young people and their families who are currently accessing the service. Those who are assessed as requiring support. This may increase demands on other services from parents and carers who are struggling without respite provision.	<p>There are currently 60 places available for 38 weeks of the year for children with a range of complex needs plus a range of support options in the school holidays.</p>	<p>Yes</p> <p>Children and young people with disabilities who have the most complex needs.</p>
EPS7	<p><b>Assessment and care management (Adults)</b></p> <p>Current budget £7,807,000</p>	<p>Meeting our legal duty to assess those with a certificate of visual impairment.</p> <p>Offer of assessment</p>		(76)		<p>Staff working in sensory services.</p> <p>People with sensory impairments.</p>	<p>Demographic demand for services is increasing.</p> <p>The Care Act will have an impact on demand.</p>	<p>People referred for social care and existing service users.</p> <p>People with sensory impairments.</p>

**EARLY INTERVENTION, PREVENTION AND SOCIAL PRODUCTIVITY BUDGET IMPACT OVERVIEW 2016-19**

Ref	Service activity, proposal and current budget	Main aim and outcomes of service area	2016-17 Budget change £'000	2017-18 Budget change £'000	2018-19 Budget change £'000	Who is affected by the proposal?	Is there any relevant historical or demographic information?	Is there any indication the proposal will disproportionately affect any single group of people?
EPS8	<p><b>Gateway to Care (Adults)</b></p> <p>Re-align resources to create multi-skilled early intervention.</p> <p>Current budget £1,291,000</p>	<p>and equipment to deaf people.</p> <p>Provide early intervention, support and signposting to community alternatives to statutory provision, including support for volunteers across wellbeing and social care.</p>		(172)		<p>Early intervention and prevention staff in wellbeing and social care for adults.</p>	<p>Whilst still maintaining a specialism the service will become part of a wider early intervention and prevention model.</p>	No
EPS9	<p><b>Supporting People</b></p> <p>Review and reduce Supporting People budget as part of the development of a new model.</p> <p>Current budget £5,931,000</p>	<p>A comprehensive and diverse range of support for vulnerable people to maintain tenancies and reduce the risk of homelessness (e.g. refuge and other support for domestic abuse and accommodation-based support for all client groups).</p>	(2,000)	(1,000)		<p>Vulnerable people across all client groups: some eligible for services, some with lower levels of need but with significant risk of escalating need.</p>	<p>Supporting People funding was a historical budget to prevent people becoming homeless. It has been significantly reduced over recent years.</p> <p>All Supporting People schemes will be reviewed to determine what can be provided. Some schemes will stop and some will change.</p>	<p>Vulnerable people at risk of needing services.</p>

**EARLY INTERVENTION, PREVENTION AND SOCIAL PRODUCTIVITY BUDGET IMPACT OVERVIEW 2016-19**

Ref	Service activity, proposal and current budget	Main aim and outcomes of service area	2016-17 Budget change £'000	2017-18 Budget change £'000	2018-19 Budget change £'000	Who is affected by the proposal?	Is there any relevant historical or demographic information?	Is there any indication the proposal will disproportionately affect any single group of people?
EPS10	<b>Community Liaison (including grants)</b> Review and reduce funding.  Current budget £1,567,000	Grant and seed funding for community schemes as part of a preventative approach to people needing statutory services.		(1,567)		Community Liaison staff.  Grant funded voluntary sector organisations. People using grant funded community activities.	A new approach to community capacity building will review current schemes and determine how best to arrange community activity across the council.	Grant funded voluntary sector organisations.
EPS11	<b>Access to Services - Customer Service Centres</b>  Review and reduce community contact resource centre (CCRC).  Review and reduce Kirklees Passport discount scheme: channel shift to the web.  Current budget £1,327,000	CCRC provides advice and information for customers whose first language is not English.  Face to face administration of the council's Kirklees Passport scheme	(113)			People whose first language is not English.  The public.  Staff in Customer and Exchequer.	4,700 CCRC contacts per annum.  Annual number of Kirklees Passport applications 6,000 - to switch to the web.	Low income households in Kirklees.
EPS12	<b>Engaging Communities and Building Community Capacity</b>  Review and reduce existing service as part of developing new	Compliance with Health Watch statutory requirements, community engagement and support, community cohesion, community		(582)		All communities.	These functions will be considered in a new approach to community capacity building and early intervention.	No, but probable loss of Holocaust Memorial activity will affect BME, refugee and asylum seeker communities.

**EARLY INTERVENTION, PREVENTION AND SOCIAL PRODUCTIVITY BUDGET IMPACT OVERVIEW 2016-19**

Ref	Service activity, proposal and current budget	Main aim and outcomes of service area	2016-17 Budget change £'000	2017-18 Budget change £'000	2018-19 Budget change £'000	Who is affected by the proposal?	Is there any relevant historical or demographic information?	Is there any indication the proposal will disproportionately affect any single group of people?
	model. Current budget £594,000	capacity building and preventing violent extremism.						
EPS13	<b>Voluntary Sector Support</b> Review and reduce existing service as part of developing new model. Current budget £248,000	To have a thriving voluntary community sector in all our communities.		(248)		Voluntary Community Organisations and their users / members.	Not applicable.	No, but has impact on voluntary and community sector.

## ECONOMIC RESILIENCE BUDGET IMPACT OVERVIEW 2016-19

Ref	Service activity, proposal and current budget	Main aim and outcomes of service area	2016-17 Budget change £'000	2017-18 Budget change £'000	2018-19 Budget change £'000	Who is affected by the proposal?	Is there any relevant historical or demographic information?	Is there any indication the proposal will disproportionately affect any single group of people?
<p>The council proposes to fund a new model to help secure Economic Resilience for the people of Kirklees. The new model currently exists in outline form only as it is still under development. For this reason the profiling of the budget changes are indicative only at this stage.</p>								
	<p><b>Economic Resilience -</b> New Model Budget - new</p>	<p>To implement Kirklees Economic Strategy Action Plan which will identify a number of specific targeted interventions designed to achieve the greatest impact on businesses, communities and individuals throughout the district.</p> <p>Provision of a general web based advice service for welfare benefits, including a new model for support to people.</p>	3,646	600		<p>All Kirklees residents. Most businesses in Kirklees.</p>	<p>Data which supports Kirklees Economic Strategy. Current data on Welfare Benefit Advice caseloads.</p>	<p>As yet uncertain as the model is still in development.</p>
<p>The following proposed budget reductions show a set of options to provide the new funding referred to above, whilst still trying to match our overall spending to our reducing available funding. The new model referred to above currently exists in outline form only as it is still under development. For this reason the profiling of the budget changes are indicative only at this stage.</p>								
ER1	<p><b>Learning and skills: post 16 services</b> To integrate the approach to employment skills and adult learning.</p>	<p>Learning and skills for adults and young people over the age of 16</p>	(59)			<p>Current service users</p>	No	No

**ECONOMIC RESILIENCE BUDGET IMPACT OVERVIEW 2016-19**

Ref	Service activity, proposal and current budget	Main aim and outcomes of service area	2016-17 Budget change £'000	2017-18 Budget change £'000	2018-19 Budget change £'000	Who is affected by the proposal?	Is there any relevant historical or demographic information?	Is there any indication the proposal will disproportionately affect any single group of people?
	Current budget £725,000							
ER2	<p><b>Connexions</b></p> <p>Review and reduce function to deliver statutory duty.</p> <p>Current budget £2,003,000</p>	Provision of Careers Advice.	(283)			Those seeking careers advice.	No	No
ER3	<p><b>Streetscene Environmental</b></p> <p>Review and reduce: Enforcement of environment legislation to control littering and dumping;</p> <p>Dealing with dangerous/stray dogs;</p> <p>Tackling neighbourhood nuisance issues, patrolling major parks;</p> <p>Maintaining minor Public Rights of Way;</p> <p>Liaising with police and others to reduce anti-social behaviour;</p> <p>Support to town centre events.</p> <p>Current budget part of £1,767,000</p>	Working with the community to raise awareness, promote involvement and to look after the local environment.	(744)			All Kirklees residents and visitors, councillors, council staff.	The impact of these reductions will be felt across the whole district, particularly in our densely populated housing estates and in our parks and green spaces.	No



**ECONOMIC RESILIENCE BUDGET IMPACT OVERVIEW 2016-19**

Ref	Service activity, proposal and current budget	Main aim and outcomes of service area	2016-17 Budget change £'000	2017-18 Budget change £'000	2018-19 Budget change £'000	Who is affected by the proposal?	Is there any relevant historical or demographic information?	Is there any indication the proposal will disproportionately affect any single group of people?
ER4	<p><b>PCSOs Streetscene Environmental</b></p> <p>Remove the council's contribution to Police Community Support Officers across Kirklees.</p> <p>Review and reduce some of the existing function as part of developing new model.</p> <p>Current budget part of £1,767,000</p>	<p>Prevention, coordination and enforcement of issues related to community safety and anti-social behaviour.</p>	(629)			<p>Kirklees residents, businesses and visitors.</p>	<p>The police manage the day to day operation of the PCSOs with the council only involved in contributing to their overall funding.</p>	<p>No</p>
ER5	<p><b>CCTV Streetscene Highways</b></p> <p>Significant reduction of CCTV across the district.</p> <p>Review and reduce some of the existing function as part of developing new model.</p> <p>Current budget part of £9,051,000</p>	<p>Provision of a network of closed circuit television cameras, shop radio systems and operators who work to enhance community safety.</p>	(246)			<p>Kirklees residents and visitors.</p> <p>People who work in the night time economy.</p>	<p>The council works in close partnership with the police, the Community Safety Partnership, Tenants and Residents and Neighbourhood Watch groups to ensure that our towns, villages and neighbourhoods are as safe as possible.</p> <p>Over the last 5 years CCTV has been used in 21,437 incidents leading to 4,315 arrests.</p>	<p>No</p>



**ECONOMIC RESILIENCE BUDGET IMPACT OVERVIEW 2016-19**

Ref	Service activity, proposal and current budget	Main aim and outcomes of service area	2016-17 Budget change £'000	2017-18 Budget change £'000	2018-19 Budget change £'000	Who is affected by the proposal?	Is there any relevant historical or demographic information?	Is there any indication the proposal will disproportionately affect any single group of people?
ER6	<p><b>School Crossing Patrols</b></p> <p><b>Streetscene Highways</b></p> <p>Review and reduce school crossing patrols across the district.</p> <p>Current budget part of £9,051,000</p>	<p>Provision of school crossing patrols to help children and adults get to and from school safely at 74 sites across the district.</p>	(340)			<p>Young people, parents and others using roads in these locations.</p>	<p>In 2014-15 budget reductions meant that 10 school crossing patrols were de-established where the Service had been unable to fill the vacant positions.</p>	<p>Children and young people will be most affected by this service reduction, as will people with mobility impairment.</p>
ER7	<p><b>Strategic Regeneration</b></p> <p>Review and reduce capacity to undertake regeneration, economic, housing, transportation, carbon/energy reduction and green infrastructure development.</p> <p>Current budget £1,779,000</p>	<p>Provision of:</p> <p>Economic Development;</p> <p>Transportation Planning; Housing Regeneration;</p> <p>Environment Unit; Countryside Unit; Regeneration Development.</p>	(890)	(889)		<p>All residents and businesses in Kirklees.</p> <p>Those people who are:</p> <p>Unemployed; starting work; developing work skills; in need of improved or specialist housing; looking to expand their business; reduce their energy costs.</p> <p>Council partners with an economic focus.</p>	<p>The last 5 years have seen a slowdown in the Kirklees economy and across the whole of the North.</p> <p>Recent council initiatives around skills, apprenticeships and business engagement together with a general national improvement in the economy ,and improved consumer confidence is helping our local economy to start to pick up.</p> <p>The launch of the council's Economic Strategy will support this upturn in activity.</p> <p>There is a significant</p>	<p>All unemployed people but particularly young people who are looking for a job and to start their working life.</p> <p>Low paid / low skilled workers where jobs are still hard to secure.</p> <p>Developers.</p> <p>New and existing companies who want to grow their business.</p> <p>Vulnerable people living in poor quality housing and those requiring specialist supported housing.</p>

**ECONOMIC RESILIENCE BUDGET IMPACT OVERVIEW 2016-19**

Ref	Service activity, proposal and current budget	Main aim and outcomes of service area	2016-17 Budget change £'000	2017-18 Budget change £'000	2018-19 Budget change £'000	Who is affected by the proposal?	Is there any relevant historical or demographic information?	Is there any indication the proposal will disproportionately affect any single group of people?
ER8	<p><b>Community Safety and Anti-Social Behaviour</b></p> <p>Review and reduce existing Service as part of developing new model.</p> <p>Current budget £352,000</p>	<p>People to have safe places to live.</p>	(189)			Kirklees residents.	<p>The Safer Stronger Partnership Board regularly re-prioritises based on community safety intelligence and community feedback.</p>	No
ER9	<p><b>Arts and Creative Economy</b></p> <p>Review and reduce arts provision, including reduction of concert programmes and cessation of arts and events grants.</p> <p>Reduce grant for Lawrence Batley Theatre.</p> <p>Current budget £979,000</p>	<p>Health and Wellbeing of communities, town centre vibrancy, creative economy.</p>	(293)	(314)		<p>Kirklees residents.</p> <p>Staff in the Creative Economy Team</p>	N/A	<p>The orchestral concerts particularly impact on older people.</p>

**ECONOMIC RESILIENCE BUDGET IMPACT OVERVIEW 2016-19**

Ref	Service activity, proposal and current budget	Main aim and outcomes of service area	2016-17 Budget change £'000	2017-18 Budget change £'000	2018-19 Budget change £'000	Who is affected by the proposal?	Is there any relevant historical or demographic information?	Is there any indication the proposal will disproportionately affect any single group of people?
ER10	<p><b>Museums and Galleries</b></p> <p>Review and reduce the number of museums and galleries to no more than three, and reduce opening hours.</p> <p>Current budget £1,057,000</p>	<p>Currently operate five museums and one Art Gallery. Provides services to the Visitor Economy and Health and Wellbeing of local people.</p>		(531)		<p>Current service users.</p> <p>Staff in Museums and Galleries.</p>	N/A	No
ER11	<p><b>Sport and Physical Activity and Grant to Kirklees Active Leisure</b></p> <p>Review and reduce the grant to Kirklees Active Leisure (KAL) which will require them to adopt a more commercial model.</p> <p>Reduce the Sport &amp; Physical Activity Team, and remodel to a more enabling role rather than direct delivery.</p> <p>Current budget £2,805,000</p>	<p>Health and Physical Activity of local people (3 million visits a year to KAL sites) and support to the sports Voluntary Community Support</p>	(329)	(879)		<p>Service users across all areas and population groups.</p> <p>Sport &amp; Physical Activity Team staff.</p>	N/A	No

## WHAT DOES EACH DIRECTORATE DO?

### Children and Young People Directorate

This Directorate is responsible for ensuring that the full range of the council's statutory responsibilities for children and young people are met, and for providing efficient and effective services to improve outcomes for them.

The Directorate is responsible for:

- Championing educational outcomes for all children and young people, overseeing of the performance of schools
- Holding schools accountable, monitoring, challenging and intervening in unsatisfactory schools and learning settings
- Giving strategic leadership to the education system
- Managing early learning and post-16 learning services, ensuring a population that has the skills and attributes to develop self-serving and self-sufficient citizens
- Building capacity in the school system to become a self-sustaining system
- Providing a child protection service, to ensure the safety of vulnerable children and young people
- Providing and monitoring placements for children and young people who are unable to be cared for by their families
- Supporting children and families where the children and young people are involved in offending behaviour
- Supporting disabled children and their families to enable children/young people who are disabled to achieve their potential
- Ensuring effective multi-agency arrangements are in place to safeguard children and young people through Safeguarding Boards

### Adults, Commissioning & Public Health Directorate

This Directorate is responsible for Adult Social Care and Health Partnerships, including integrated commissioning of outcomes in social, community and primary care with Clinical Commissioning Groups (CCGs) and Public Health.

It ensures that the council's statutory responsibilities for adults are met, and commissions or provides efficient and effective services to improve outcomes for them. It also works to protect and improve health and wellbeing and reduce inequalities for everyone.

The Directorate is responsible for:

- Creating and consolidating a culture that enables the new system of public sector policy makers, commissioners/planners and providers to think in terms of populations

- Identifying outcomes – what difference is being made for whom across the ‘rainbow’ of health and wellbeing, from individual conditions through to wider determinants of health such as work, income and housing
- Working in partnership with the NHS commissioning system, the council and other partners to share resources effectively to deliver outcomes, based on the Joint Strategic Needs Assessment and Joint Health and Wellbeing Strategy
- Delivering sexual health services, elements of health protection, tobacco control, alcohol and drug misuse services, and self-care
- Providing public health advice to NHS commissioners
- Emergency Planning, Health and Safety, and Employee Healthcare
- Targeting support for families who are experiencing a range of problems
- Providing information, advice and low level support for adults that reduces dependency on services
- Assessing the needs of vulnerable adults
- Providing or arranging provision to meet assessed needs of individuals
- Commissioning and contracting a range of support to meet the needs of adults
- Ensuring effective multi-agency arrangements are in place to safeguard adults through Safeguarding Boards

## **Place Directorate**

The Directorate is responsible for:

- Investment and Regeneration, which includes:
  - Car parking
  - Markets
  - Environmental Health
- Streetscene, which includes:
  - Collection and disposal of waste
  - Highways maintenance
  - Parks and Open Spaces
- Housing, including responsibility for the Housing Revenue Account
- Physical Resources and Procurement, which includes:
  - Building Services (maintenance of council housing)
  - Corporate Landlord (asset management)
  - Schools Facilities Management
  - Capital Development and Delivery
  - Procurement (the Kirklees £)

At a strategic level the Directorate focuses on the economic competitiveness of Kirklees as a district and our ability to attract investment and create the opportunities needed to be successful in the future. At a local level this means creating attractive and vibrant places where people are proud to live and work and where communities have a sense of ownership and involvement.

The Directorate looks after the council's physical resources, including catering and cleaning services as well as the council's procurement processes.

## **Resources Directorate**

The Resources Directorate provides a combination of front line customer services and support to other services across the council.

The Directorate is responsible for:

- Collecting council tax and business rates, and for paying welfare and other benefits
- Managing the first point of contact for our customers through:
  - Kirklees Direct
  - Customer Service Centres
  - Libraries and Information Centres
- Running elections and maintaining the electoral register
- Town halls and public halls
- Registration services
- Providing Information Technology, financial and legal advice, governance and members' services and support to the rest of the council
- Auditing and monitoring the council's performance
- Leading on transforming the way we provide payroll, Human Resources and finance, changing our processes, further embedding and developing the SAP IT system, and operational delivery and development of standardised and integrated transactional and related processes through a centralised shared service (HD-One) which leads on processing accounts payable, sundry debtors & payroll.
- Co-ordination and management of information requests regarding Freedom of Information and Data Protection Act etc. legislation

## **Communities, Transformation and Change Directorate**

This Directorate is responsible for:

- Providing policy support to the council including research and consultation, geographical information and systems and support to partnership activity
- Community safety strategic planning and co-ordination including response to anti-social behaviour, hate crime and preventing violent extremism
- Museums and Galleries
- Arts, events and creative economy support
- Physical activity and sports opportunities including sports centres and swimming pools provided via a grant to Kirklees Active Leisure, and public health funded work with people with long term conditions
- Strengthening communities including support for the voluntary and community sector, managing the government's Duty to Prevent agenda at a local level,

building capacity in communities and provision of a Local Area Committee function and neighbourhood working, and the equality and diversity strategy

- Organisational development, including learning and development and workforce development
- Communications and marketing – including internal communications and community languages
- Professional human resources advice and support, including change management, casework, recruitment, performance and pensions

In addition to the council we also have commercial relationship with schools, partner organisations and regional bodies. These customers include the NHS, Kirklees Neighbourhood Housing, Kirklees College, West Yorkshire Police, West Yorkshire Fire and Rescue Service, Local Government Yorkshire and Humber and local businesses.

### **Central Budgets**

Central Budgets are those amounts of money that are not within the control of any particular Directorate. Because of this, we hold them centrally rather than allocate to individual Directorates. For example, we use the central budgets to ensure that we build in reasonable assumptions about inflation in later years.

Central Budgets also include:

- Treasury Management costs, which include the costs of managing the council's investments, cash and borrowing
- Money paid to joint committees – such as West Yorkshire Combined Authority – and the Environment Agency
- Other budgets held centrally because they are based on annual expenditure commitments that don't fall on any specific Directorate. Examples include carbon reduction tax and payments to pension bodies.



CHILDREN & YOUNG PEOPLE DIRECTORATE

SERVICE ACTIVITY	15-16 CONTROLLABLE GROSS EXPENDITURE £000	15-16 CONTROLLABLE INCOME £000	15-16 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSSES £000	16-17 BUDGET PROPOSAL £000	MINUSES £000	PLUSSES £000	17-18 BUDGET PROPOSAL £000	MINUSES £000	PLUSSES £000	18-19 BUDGET PROPOSAL £000
<b>LEARNING &amp; SKILLS</b>												
<b>Strategic Leadership</b>												
Statutory Responsibility for the Education System	1,549	(34)	1,515			1,515			1,515			1,515
Music Service	319	0	319	(296)		23			23			23
School Forum allocations	450	(450)	0			0			0			0
<b>Total</b>	<b>2,318</b>	<b>(484)</b>	<b>1,834</b>	<b>(296)</b>		<b>1,538</b>			<b>1,538</b>			<b>1,538</b>
<b>Schools Organisation, Planning and Admissions</b>												
Schools Organisation & Planning	562	(131)	431			431			431			431
School Admissions	398	(413)	(15)			(15)			(15)			(15)
<b>Total</b>	<b>960</b>	<b>(544)</b>	<b>416</b>			<b>416</b>			<b>416</b>			<b>416</b>
<b>Education for Vulnerable Children Services incl Special Educational Needs</b>												
Primary Pupil Referral Unit	1,406	(1,406)	0			0			0			0
Secondary Pupil Referral Unit	3,233	(3,231)	2			2			2			2
Other Local Authorities (OLA) Specialist Education Placements	2,513	(2,513)	0			0			0			0
Kirklees Special Educational Needs (SEN) pupils in OLA Mainstream	405	(260)	145			145			145			145
Specialist Provision Co-ordination	223	(194)	29			29			29			29
Behavioural, Emotional & Social Difficulties & Exclusions	1,461	(1,461)	0			0			0			0
SEN Assessment & Commissioning team (statutory)	378	(165)	213			213			213			213
Education of Looked After Children	365	(65)	300			300			300			300
Attendance & Pupil Support	1,099	(271)	828	(100)		728			728			728
Psychology Services	1,014	(173)	841			841			841			841
Early Years SEN Support - Portex and ICAN services	172	(179)	(7)			(7)			(7)			(7)
Early Years SEN Support including Portage service	599	(20)	579			579	(579)		0			0
International New Arrivals	157	(81)	76			76	(76)		0			0
Further Education High Needs	805	(805)	0			0			0			0
<b>Total</b>	<b>13,830</b>	<b>(10,824)</b>	<b>3,006</b>	<b>(100)</b>		<b>2,906</b>	<b>(655)</b>		<b>2,251</b>	<b>0</b>		<b>2,251</b>
<b>Early Learning</b>												
Private Voluntary & Independent Formula Funding (3 & 4 year olds)	10,787	(10,787)	0			0			0			0
Two year old funding	4,713	(4,713)	0			0			0			0
Early Years Quality Improvement, Workforce & Sufficiency	1,512	(603)	909			909			909			909
Direct Delivery of Daycare	705	(474)	231	(100)		131	(131)		0			0
<b>Total</b>	<b>17,717</b>	<b>(16,577)</b>	<b>1,140</b>	<b>(100)</b>		<b>1,040</b>	<b>(131)</b>		<b>909</b>	<b>0</b>		<b>909</b>
<b>Post 16 services</b>												
	725	0	725	(59)		666			666			666
<b>Learning Services Trading</b>												
Traded School Improvement, Swimming, Cliffe House, Booksplus, Management Information Systems, Kirklees Supply Service, Nexus, Governors services and Headteacher well-being	3,511	(3,511)	0			0			0			0
<b>Total</b>	<b>3,511</b>	<b>(3,511)</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>		<b>0</b>



CHILDREN & YOUNG PEOPLE DIRECTORATE

SERVICE ACTIVITY	15-16		15-16 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSSES £000	16-17		17-18 BUDGET PROPOSAL £000	MINUSES £000	PLUSSES £000	18-19	
	CONTROLLABLE GROSS EXPENDITURE £000	CONTROLLABLE INCOME £000				BUDGET PROPOSAL £000	MINUSES £000				PLUSSES £000	BUDGET PROPOSAL £000
<b>Management &amp; Regulatory Functions</b>	614	(439)	175			175		175			175	
<b>TOTAL LEARNING &amp; SKILLS</b>	<b>39,675</b>	<b>(32,379)</b>	<b>7,296</b>	<b>(555)</b>	<b>0</b>	<b>6,741</b>	<b>(786)</b>	<b>5,955</b>	<b>0</b>	<b>0</b>	<b>5,955</b>	<b>0</b>
<b>SAFEGUARDING &amp; FAMILY SUPPORT</b>												
<b>Youth Offending Team</b>	1,611	(757)	854	(60)		794	(60)	734			734	
<b>Early Intervention &amp; Prevention</b>	4,604	(307)	4,297			4,297	(4,297)	0			0	
Young People's Service	8,510	0	8,510			8,510	(8,510)	0			0	
Early Intervention and Targetted Support												
<b>Total</b>	<b>13,114</b>	<b>(307)</b>	<b>12,807</b>	<b>0</b>	<b>0</b>	<b>12,807</b>	<b>(12,807)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Assessment &amp; Care Management</b>												
Assessment Service	2,260	1	2,261	(50)		2,211	(50)	2,161			2,161	
Care Management Service	3,236	0	3,236	(50)		3,186	(50)	3,136			3,136	
Emergency Duty Service	625	(354)	271			271		271			271	
Family Assessment/Young Carers	703	0	703			703		703			703	
Gateway to Care	51	0	51			51	(24)	27			27	
<b>Total</b>	<b>6,875</b>	<b>(353)</b>	<b>6,522</b>	<b>(100)</b>	<b>0</b>	<b>6,422</b>	<b>(124)</b>	<b>6,298</b>	<b>0</b>	<b>0</b>	<b>6,298</b>	<b>0</b>
<b>Children's Demand Led Activity</b>												
Children with Disability	3,126	(4)	3,122			3,122		3,122			3,122	
Children with Disability - Young People's Activity Team (YPAT)	584	0	584			584	(584)	0			0	
Family Placement Unit (including Help Desk)	1,264	0	1,264			1,264		1,264			1,264	
Fostering Service (including Recruitment)	1,749	0	1,749			1,749	0	1,749		0	1,749	
Adoption Service	1,392	(416)	976	(2)		976	(110)	976		110	976	
Looked After Children/Leaving Care Team	2,685	(31)	2,654	(400)		2,654		2,654			2,654	
Contact Team	1,128	0	1,128			1,128		1,128			1,128	
Internal Residential Placements	4,598	(111)	4,487			4,487		4,487			4,487	
External Residential Placements	4,655	(183)	4,472			4,496		4,496			4,496	
Internal Foster Placements	4,925	0	4,925	(12)		4,913		4,913			4,913	
External Foster Placements	4,418	0	4,418			4,535		4,535			4,535	
Leaving Care Supported Accommodation/Supported Lodgings	945	0	945			995		995			995	
Guardianship and Residency Orders	2,252	0	2,252			2,590		2,590			2,590	
Adoption Allowances	1,416	0	1,416			1,500		1,500			1,500	
Persons from Abroad	217	(149)	68			68		68			68	
Overall Demand Led Activity - savings to be identified	0	0	0	(1,180)		(1,180)		(3,360)			(3,360)	
<b>Total</b>	<b>35,354</b>	<b>(894)</b>	<b>34,460</b>	<b>(1,594)</b>	<b>1,015</b>	<b>33,881</b>	<b>(2,874)</b>	<b>31,117</b>	<b>110</b>	<b>0</b>	<b>31,117</b>	<b>0</b>
<b>Management &amp; Regulatory Functions</b>	4,213	(777)	3,436	(542)	532	3,426	(10)	3,416			3,416	
<b>TOTAL SAFEGUARDING &amp; FAMILY SUPPORT</b>	<b>61,167</b>	<b>(3,088)</b>	<b>58,079</b>	<b>(2,296)</b>	<b>1,547</b>	<b>57,330</b>	<b>(15,875)</b>	<b>41,565</b>	<b>110</b>	<b>0</b>	<b>41,565</b>	<b>0</b>

CHILDREN & YOUNG PEOPLE DIRECTORATE

SERVICE ACTIVITY	15-16 CONTROLLABLE GROSS EXPENDITURE £000	15-16 CONTROLLABLE INCOME £000	15-16 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSES £000	16-17 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	17-18 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	18-19 BUDGET PROPOSAL £000
<b>COMMISSIONING &amp; HEALTH PARTNERSHIPS</b>												
Stronger Families	1,799	(1,799)	0			0			0			0
Connexions Service	2,003	0	2,003	(283)		1,720			1,720			1,720
Other Commissioned Services	794	(81)	713			713			713			713
Targeted Mental Health Service Contracts	461	(96)	365			365			365			365
Substance Misuse Contracts (part funded by Clinical Commissioning Groups)	423	(247)	176			176			176			176
Service Data Management	243	0	243			243			243			243
Service Specialist Training (Children)	248	(25)	223	(44)		179			179			179
<b>Total</b>	<b>5,971</b>	<b>(2,248)</b>	<b>3,723</b>	<b>(327)</b>	<b>0</b>	<b>3,396</b>	<b>0</b>	<b>0</b>	<b>3,396</b>	<b>0</b>	<b>0</b>	<b>3,396</b>
<b>Management &amp; Regulatory Functions</b>												
	417	0	417			417			417			417
<b>TOTAL COMMISSIONING &amp; HEALTH PARTNERSHIPS</b>	<b>6,388</b>	<b>(2,248)</b>	<b>4,140</b>	<b>(327)</b>	<b>0</b>	<b>3,813</b>	<b>0</b>	<b>0</b>	<b>3,813</b>	<b>0</b>	<b>0</b>	<b>3,813</b>
<b>SCHOOLS BUDGETS</b>												
Delegated School Budgets	230,317	(228,339)	1,978	0	0	1,978	0	0	1,978	0	0	1,978
SEN support including Further Education (FE) Post 16	3,351	(3,351)	0			0			0			0
Centrally Managed School Budgets	4,267	(4,173)	94			94			94			94
<b>TOTAL SCHOOLS</b>	<b>237,935</b>	<b>(235,863)</b>	<b>2,072</b>	<b>0</b>	<b>0</b>	<b>2,072</b>	<b>0</b>	<b>0</b>	<b>2,072</b>	<b>0</b>	<b>0</b>	<b>2,072</b>
<b>TOTAL CHILDRENS</b>	<b>345,165</b>	<b>(273,578)</b>	<b>71,587</b>	<b>(3,178)</b>	<b>1,547</b>	<b>69,956</b>	<b>(16,661)</b>	<b>110</b>	<b>53,405</b>	<b>0</b>	<b>0</b>	<b>53,405</b>

**CHILDRENS & YOUNG PEOPLE DIRECTORATE - MINUSES**

Service Activity	Proposed Change	Impact Overview Reference	£000			
			2016-17	2017-18	2018-19	Total
<b>LEARNING AND SKILLS</b>						
Music Service	Cease all financial support to the music service.	CH1	(296)			(296)
Attendance & Pupil Support	Income Generation - Stop providing free support for non statutory advice and guidance. This will be offered on a commercial basis to schools and learning settings.	CH2	(100)			(100)
Early Years Special Educational Needs (SEN) Support incl Portage service	Review & reduce service. See Early Intervention, Prevention & Social Productivity impact overview	EPS1		(579)		(579)
International New Arrivals	See above	EPS2		(76)		(76)
Direct Delivery of Daycare	Removal of Council subsidies for remaining day nurseries and day care on maintained school sites and implementation of an open, transparent childcare market management framework.	CH3	(100)	(131)		(231)
Post 16 services	Review & reduce service - see Economic Resilience	ER1	(59)			(59)
			(555)	(786)		(1,341)
<b>SAFEGUARDING &amp; FAMILY SUPPORT</b>						
Youth Offending Team	Service efficiencies	CH4	(60)	(60)		(120)
Young People's Service	Review & reduce service - See Early Intervention, Prevention & Social Productivity impact overview	EPS3		(4,297)		(4,297)
Early Intervention and Targetted Support Gateway to Care	See above	EPS4		(8,510)		(8,510)
Assessment & Care Management	See above	EPS5		(24)		(24)
	Re-profile Care and Assessment management workforce	CH5	(100)	(100)		(200)
Children with Disability - Young Peoples Activity Team (YPAT)	Review & reduce service - See Early Intervention, Prevention & Social Productivity impact overview	EPS6		(584)		(584)
Adoption Service	Adoption Reform grant-see corresponding entry for expenditure in pluses		(2)			(2)
Adoption Service	Reduction in Adoption Reform programme expenditure as not enough grant to sustain a full programme through to 2017-18-see corresponding entry for reduction in grant in pluses			(110)		(110)
Looked After Children/Leaving Care Team	Ending of expenditure on mentoring project for Looked After Children and Children Leaving Care children due to the Transformation Challenge grant being one-off funding-see corresponding entry for fall out of grant in pluses		(400)			(400)
Internal Foster Placements	On-going impact of 2014-15 budget proposals to continue to shift the balance of care provision towards more cost effective local care.		(12)			(12)
Demand Led Activities - savings to be identified	Medium risk savings.	CH6	(530)	(530)		(1,060)
Demand Led Activities - savings to be identified	High risk savings.	CH6	(650)	(650)		(1,300)
Demand Led Activities - savings to be identified	Very high risk savings.	CH6		(1,000)		(1,000)
	Reduction of legal costs.	CH7	(10)	(10)		(20)
	Reduction of 15ftes across the Service due to Social Worker Improvement Grant running out-see corresponding entry for fall out of grant in pluses		(532)			(532)
			(2,296)	(15,875)		(18,171)
<b>COMMISSIONING &amp; HEALTH PARTNERSHIPS</b>						
Connexions Service	Review & reduce service - See Economic Resilience impact overview	ER2	(283)			(283)
Service Specialist Training (Children)	Reduction in social worker specialist training	CH8	(44)			(44)
			(327)			(327)
<b>TOTAL MINUSES FOR CHILDREN'S DIRECTORATE</b>			<b>(3,178)</b>	<b>(16,661)</b>	<b>0</b>	<b>(19,839)</b>

**CHILDREN & YOUNG PEOPLE DIRECTORATE - PLUSES**

Service Activity	Proposed Change	Impact Overview Reference	£000		
			2016-17	2017-18	2018-19
<b>SAFEGUARDING &amp; FAMILY SUPPORT</b>					
Adoption Service	Adoption Reform programme of expenditure including 6 ftes-see corresponding entry for grant in minuses		2		2
Adoption Service	Reduction in Adoption Reform grant-see corresponding entry for expenditure in minuses			110	110
Looked After Children/Leaving Care Team	Fall out of Transformation Challenge grant-see corresponding entry for expenditure in minuses		400		400
External Residential Placements	Continue to shift the balance of care provision towards more cost-effective local care		24		24
External Foster Placements	Continue to shift the balance of care provision towards more cost-effective local care		117		117
Leaving Care Supported Accommodation/Supported	Continue to shift the balance of care provision towards more cost-effective local care		50		50
Guardianship and Residency Orders	Continue to shift the balance of care provision towards more cost-effective local care		338		338
Adoption Allowances	Continue to shift the balance of care provision towards more cost-effective local care		84		84
Management & Regulatory Functions	Fall out of Social Worker Improvement grant-see corresponding entry for expenditure in minuses		532		532
			1,547	110	1,657
<b>TOTAL PLUSES FOR CHILDREN'S DIRECTORATE</b>			<b>1,547</b>	<b>110</b>	<b>1,657</b>
				<b>0</b>	<b>1,657</b>

**CHILDRENS DIRECTORATE BUDGET IMPACT OVERVIEW 2016-19**

Ref	Service activity, proposal and current budget	Main aim and outcomes of service area	2016-17 Budget change £'000	2017-18 Budget change £'000	2018-19 Budget change £'000	Who is affected by the proposal?	Is there any relevant historical or demographic information?	Is there any indication the proposal will disproportionately affect any single group of people?
CH1	<p><b>Music Service</b></p> <p>Cease all financial support to the Music Service.</p> <p>Current budget £319,000</p>	<p>To offer music hubs across the district to enable all children to access music</p>	(296)			<p>Children and young people across the district.</p> <p>Staff in the Music Service.</p>	<p>Central government is likely to make funding available to music hubs, according to recent announcements.</p>	<p>Children and young people whose parents do not have the financial resources to contribute.</p>
CH2	<p><b>Move to Income Generation</b></p> <p>We will no longer provide free financial support for non-statutory advice and guidance. This will be offered on a commercial basis to schools and learning settings</p> <p>Includes non-statutory aspects of:</p> <p>Curriculum and subject support; strategic support for schools and learning; attendance and pupil support; psychological support services; Early Years quality and improvement services.</p> <p>Other previously traded services to schools</p>	<p>To offer timely, high quality support, advice and guidance to schools and parents to enable children and young people to achieve the best possible outcomes and to ensure that our children are educated in good or outstanding schools and learning settings.</p>	(100)			<p>Children and young people in schools and learning settings.</p> <p>Reputational risk if schools/settings fall into Ofsted categories or standards dip/fall.</p>	<p>The local authority has a strong relationship with the majority of schools and learning settings, and services are bought. Our outcomes and standards in the region put us in a position of strength in terms of trading beyond Kirklees.</p> <p>Only high quality provision improves outcomes for children and families</p>	<p>Children in schools and learning at risk of receiving a limited offer in terms of curriculum breadth, impacting on longer term prospects.</p> <p>Small/medium Private, Voluntary and Independent (PVI) providers of early education and childcare.</p>

## CHILDRENS DIRECTORATE BUDGET IMPACT OVERVIEW 2016-19

Ref	Service activity, proposal and current budget	Main aim and outcomes of service area	2016-17 Budget change £'000	2017-18 Budget change £'000	2018-19 Budget change £'000	Who is affected by the proposal?	Is there any relevant historical or demographic information?	Is there any indication the proposal will disproportionately affect any single group of people?
	<p>becoming fully self-supporting</p> <p>Current budget £828,000</p>							
CH3	<p><b>Direct Delivery of Day Care</b></p> <p>Removal of council subsidies for remaining day nurseries and day care on maintained school sites and implementation of an open, transparent childcare market management framework.</p> <p>Current budget £231,000</p>	<p>To meet the statutory duty to secure sufficient early education places for eligible children and childcare for working parents for children aged 0-5.</p>	(100)	(131)		<p>The day care transformation programme is part of the childcare market management approach intended to secure sufficiency of places and minimise the need for subsidy.</p> <p>Since 2011-12 the transformation programme has delivered £595k in savings with minimal disruption to children, families, staff and communities.</p> <p>There is increasing levels of demand for early education places due to the expansion of early education for 2 year olds which affects the childcare market.</p>	<p>It will be important to manage the transformation process in a timely manner to allow for as smooth a transition as possible.</p> <p>Effective childcare market management strategies ensure that statutory duties are met.</p>	
CT4	<p><b>Youth Offending Team</b></p> <p>Reduction in staff and services.</p>	<p>To ensure an effective service for young people subject to formal court</p>	(60)	(60)		<p>This will affect the internal arrangements of the service, as it is</p>	<p>Although the overall volume of referrals leading to statutory work has been declining in</p>	<p>Victims ,young people and their families</p>

**CHILDRENS DIRECTORATE BUDGET IMPACT OVERVIEW 2016-19**

Ref	Service activity, proposal and current budget	Main aim and outcomes of service area	2016-17 Budget change £'000	2017-18 Budget change £'000	2018-19 Budget change £'000	Who is affected by the proposal?	Is there any relevant historical or demographic information?	Is there any indication the proposal will disproportionately affect any single group of people?
	<p>Less management oversight and a reduced service for parents, victims and restorative justice.</p> <p>Some of this is jointly funded by the Youth Justice Board (YJB) and Police/Crime Commissioner.</p> <p>Current budget £854,000</p>	<p>sanctions due to criminal activity</p>				<p>reconfigured over time in order to align it within the mainstream social work service.</p> <p>Service users and partners.</p> <p>This will impact on national standards and the Victim's Charter.</p>	<p>recent years, youth behaviour has not changed, and we are currently dealing with similar numbers in different ways.</p>	
CH5	<p><b>Assessment and Care Management</b></p> <p>Re-profile Assessment and Care Management workforce.</p> <p>Current budget £5,497,000 (part of the £6,522,000)</p>	<p>To provide a responsive social work service to children and families deemed to be at risk, and to oversee support to children and families subject to legal proceedings or within the child protection process.</p>	(100)	(100)		<p>Families whose children are deemed to be at some risk.</p>	<p>The volumes of work associated with this service area have been growing steadily in recent years.</p> <p>By adopting a new approach to early intervention and prevention we will divert people from requiring assessment and review.</p>	<p>Children who are deemed to be at risk and their families.</p>
CH6	<p><b>Demand Led Activity</b></p> <p>Medium Risk savings High Risk savings Very High Risk savings</p> <p>This proposal is based</p>	<p>This service provides a range of alternative placements for children and young people who are unable to live in their own homes.</p>	(530) (650)	(530) (650) (1,000)		<p>This proposal will affect the range of provision on offer to children and young people who require to be cared for out of their own family</p>	<p>For a number of years, the council has worked hard to arrange the placement mix between in-house and external arrangements in order to ensure that as many children as possible are</p>	<p>Children and young people who are unable to live at home.</p> <p>Frequently, these children come from families who are experiencing</p>



**CHILDRENS DIRECTORATE BUDGET IMPACT OVERVIEW 2016-19**

Ref	Service activity, proposal and current budget	Main aim and outcomes of service area	2016-17 Budget change £'000	2017-18 Budget change £'000	2018-19 Budget change £'000	Who is affected by the proposal?	Is there any relevant historical or demographic information?	Is there any indication the proposal will disproportionately affect any single group of people?
	upon projections and assumptions about the number of and mix of placements for children and young people. Current budget £34,460,000	Placement options can range from families and friends, to residential and foster care (internal or agency) and adoption.				environment.	cared for locally, and to limit expenditure (always being mindful that the needs of the child are of paramount importance). A steady rise in the numbers of looked after children in recent years has begun to level off.	unemployment, family dysfunction, and are often from single-parent families.
CH7	<b>Management and Regulatory Functions – Safeguarding &amp; Family Support</b>  Realignment of staff, and reduction in legal costs.  Current budget £3,436,000	The management team provides professional oversight of the whole service.  Provision of professional support and advice to social work staff in relation to legal proceedings involving children and their families.	(10)	(10)		These proposals will not impact upon the quality of services provided to the public.	As the numbers of referrals into social care reduce as the result of the impact of more targeted early interventions, so the demands upon legal services will decrease.	No
CH8	<b>Service specialist training</b>  Reduction in provision of service specialist training.  Current budget £223,000	Provide specialist training to social workers.	(44)				No	No



ADULTS (ADULTS\_COMMISSIONING & PUBLIC HEALTH DIRECTORATE)

SERVICE ACTIVITY	15-16 CONTROLLABLE GROSS EXPENDITURE £000	15-16 CONTROLLABLE INCOME £000	15-16 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSES £000	16-17 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	17-18 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	18-19 BUDGET PROPOSAL £000
<b>Assessment and Care Management (including Financial Assessment and Care Management Financial Assessment)</b>												
<b>Total</b>	9,378 985 <b>10,363</b>	(1,571) (70) <b>(1,641)</b>	7,807 915 <b>8,722</b>	(100) <b>(100)</b>	0 <b>0</b>	7,707 915 <b>8,622</b>	(176) <b>(176)</b>	0 <b>0</b>	7,531 915 <b>8,446</b>	0 <b>0</b>	0 <b>0</b>	7,531 915 <b>8,446</b>
<b>Access and Information</b>												
Access and Information - Gateway to Care	1,462	(171)	1,291	0	0	1,291	(172)	0	1,119	0	0	1,119
Access and Information - Shop Mobility	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>1,462</b>	<b>(171)</b>	<b>1,291</b>	<b>0</b>	<b>0</b>	<b>1,291</b>	<b>(172)</b>	<b>0</b>	<b>1,119</b>	<b>0</b>	<b>0</b>	<b>1,119</b>
<b>Demand Led Client Service Provision</b>												
<b>Self Directed Support</b>	30,441	(9,193)	21,248	(600)	2,874	23,522	(600)	3,089	26,011		3,317	29,328
<b>Independent Sector Residential and Nursing Placements - Older People</b>	28,106	(13,631)	14,475			14,475			14,475			14,475
Independent Sector Residential and Nursing Placements - Physical Disabilities	3,628	(972)	2,656			2,656			2,656			2,656
Independent Sector Residential and Nursing Placements - Learning Disabilities	15,197	(3,624)	11,573			11,573			11,573			11,573
Independent Sector Residential and Nursing Placements - Mental Health	3,051	(913)	2,138			2,138			2,138			2,138
<b>Total</b>	<b>49,982</b>	<b>(19,140)</b>	<b>30,842</b>	<b>0</b>	<b>0</b>	<b>30,842</b>	<b>0</b>	<b>0</b>	<b>30,842</b>	<b>0</b>	<b>0</b>	<b>30,842</b>
<b>In-House Residential Services</b>												
In-House Residential - Older People	4,318	(3,037)	1,281			1,281			1,281			1,281
In-House Residential - Learning Disabilities	2,463	(76)	2,387			2,387	(100)		2,287			2,287
<b>Total</b>	<b>6,781</b>	<b>(3,113)</b>	<b>3,668</b>	<b>0</b>	<b>0</b>	<b>3,668</b>	<b>(100)</b>	<b>0</b>	<b>3,568</b>	<b>0</b>	<b>0</b>	<b>3,568</b>
<b>Day Care and Other Contracted Services</b>												
In-House Day Care	3,690	(635)	3,055			3,055			3,055			3,055
Contracted Services (mainly independent sector day care)	5,888	(251)	5,637			5,637			5,637			5,637
<b>Total</b>	<b>9,578</b>	<b>(886)</b>	<b>8,692</b>	<b>0</b>	<b>0</b>	<b>8,692</b>	<b>0</b>	<b>0</b>	<b>8,692</b>	<b>0</b>	<b>0</b>	<b>8,692</b>

ADULTS (ADULTS\_COMMISSIONING & PUBLIC HEALTH DIRECTORATE)

SERVICE ACTIVITY	15-16 CONTROLLABLE GROSS EXPENDITURE £000	15-16 CONTROLLABLE INCOME £000	15-16 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSES £000	16-17 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	17-18 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	18-19 BUDGET PROPOSAL £000
<b>Other Demand-Led Services</b>												
Re-ablement	6,233	(4,631)	1,602	(300)		1,302			1,002			1,002
Excellent Homes for Life (supported living)	1,491	(403)	1,088			1,088			1,088			1,088
Provision of Community Equipment	3,715	(2,698)	1,017			1,017			1,017			1,017
Emergency Support (including Persons from Abroad)	311	0	311			311			311			311
Learning Disability Shared Lives	1,126	(134)	992			992			992			992
Care Phones and Assistive Technology	1,129	(936)	193			193			193			193
Other Demand Led	634	(590)	44			44			44			44
Overall Demand Led Activity - savings to be identified	0	0	0	(1,550)		(1,550)	(2,250)		(3,800)			(3,800)
<b>Total</b>	<b>14,639</b>	<b>(9,392)</b>	<b>5,247</b>	<b>(1,850)</b>	<b>0</b>	<b>3,397</b>	<b>(2,550)</b>	<b>0</b>	<b>847</b>	<b>0</b>	<b>0</b>	<b>847</b>
<b>Total Demand Led</b>	<b>111,421</b>	<b>(41,724)</b>	<b>69,697</b>	<b>(2,450)</b>	<b>2,874</b>	<b>70,121</b>	<b>(3,250)</b>	<b>3,089</b>	<b>69,960</b>	<b>0</b>	<b>3,317</b>	<b>73,277</b>
<b>Early Intervention &amp; Prevention</b>												
Supporting People	7,230	(1,299)	5,931	(2,000)		3,931	(1,000)		2,931			2,931
Community Liaison (including grants)	1,967	(400)	1,567			1,567	(1,567)		0			0
Support for Carers	589	0	589			589			589			589
Prevention Services	519	0	519			519			519			519
Health Policy Unit	(1)	0	(1)			(1)			(1)			(1)
<b>Total</b>	<b>10,304</b>	<b>(1,699)</b>	<b>8,605</b>	<b>(2,000)</b>	<b>0</b>	<b>6,605</b>	<b>(2,567)</b>	<b>0</b>	<b>4,038</b>	<b>0</b>	<b>0</b>	<b>4,038</b>
<b>Commissioning (Adults)</b>												
Adult Protection	(64)	212	148			148			148			148
Contracts Management	569	(40)	529			529			529			529
Service Specialist Training	230	(80)	150			150			150			150
Children & Adults Learning Team	485	0	485			485			485			485
Commissioning Heads of Service	135	0	135			135			135			135
Other Commissioning Infrastructure	1,222	(601)	621	(200)		421	(164)		257			257
<b>Total</b>	<b>2,577</b>	<b>(509)</b>	<b>2,068</b>	<b>(200)</b>	<b>0</b>	<b>1,868</b>	<b>(164)</b>	<b>0</b>	<b>1,704</b>	<b>0</b>	<b>0</b>	<b>1,704</b>
<b>Other Services</b>												
Domestic Abuse	121	0	121			121			121			121
Sex Worker Empowerment, Education & Training (SWEET)	0	0	0			0			0			0
Other Services	153	(73)	80			80			80			80
Best Partnering	603	(800)	(197)	(746)		(943)	(97)		(1,040)			(1,040)
<b>Total</b>	<b>877</b>	<b>(873)</b>	<b>4</b>	<b>(746)</b>	<b>0</b>	<b>(742)</b>	<b>(97)</b>	<b>0</b>	<b>(839)</b>	<b>0</b>	<b>0</b>	<b>(839)</b>
<b>Management &amp; Regulatory Functions</b>												
	3,697	(297)	3,400	(131)		3,269			3,269			3,269
<b>Funding Transfer from NHS England to Adult Social Care</b>												
	0	0	0			0			0			0
<b>TOTAL ADULTS</b>	<b>140,701</b>	<b>(46,914)</b>	<b>93,787</b>	<b>(5,627)</b>	<b>2,874</b>	<b>91,034</b>	<b>(6,426)</b>	<b>3,089</b>	<b>87,697</b>	<b>0</b>	<b>3,317</b>	<b>91,014</b>

ADULTS - MINUSES (ADULTS, COMMISSIONING & PUBLIC HEALTH DIRECTORATE)

Service Activity	Proposed Change	Impact Overview Reference	£000			
			2016-17	2017-18	2018-19	
			2016-17	2017-18	2018-19	Total
<u>Assessment &amp; Care management</u> Assessment & Care Management	Medium risk - service efficiencies Review & reduce services - See Early Intervention, Prevention & Social Productivity impact overview	AD1 EPS7	(100)	(100) (76)		(200) (76)
<u>Access &amp; Information</u> Gateway to Care	See above	EPS8		(172)		(172)
<u>Demand Led Client Service Provision</u> Self Directed Support (SDS)	Medium risk forecasting scenarios - Divert elements of Older People (OP) Care Packages through community interventions. Medium risk forecasting scenarios - Divert elements of Learning Disabilities (LD) Care Packages through community interventions. Medium risk forecasting scenarios - Divert elements of Mental Health (MH) Care Packages through community interventions. Medium risk forecasting scenarios - Greater use of Assistive Technology within LD Care Packages to complement personal support. Medium risk forecasting scenarios - Divert elements of OP Care Packages through community interventions.	AD2 AD3 AD4 AD5 AD6	(150) (200) (50) (100) (100)	(150) (200) (50) (100) (100)		(300) (400) (100) (200) (200)
In House Residential Services - Learning	Medium risk forecasting scenarios - Re-profile LD Respite provision.	AD7		(100)		(100)
Other Demand-Led Services - Re-ablement	Medium risk - efficiency savings in the delivery of the model for reablement services.	AD8	(300)	(300)		(600)
Other Demand-Led Services - Demand led activity - savings to be identified	High risk forecasting scenarios	AD9	(1,550)			(1,550)
<u>Early Intervention &amp; Prevention</u> Supporting People Community Liaison (including grants)	Very high risk forecasting scenarios Review & reduce service - See Early Intervention, Prevention & Social Productivity impact overview See above	AD10 EPS9 EPS10		(2,250) (1,000) (1,567)		(2,250) (3,000) (1,567)
<u>Commissioning (Adults)</u> Other Commissioning Infrastructure	Efficiencies in commissioning (joint saving with Children's)	AD11	(200)	(164)		(364)
<u>Other Services</u> Best Partnering	Identify partner(s) to deliver integrated health and social care to those with specialist needs (Best Partnering) or explore new delivery models. This is a re-profiling of an existing saving into later years.		(746)	(97)		(843)
Management & Regulatory Functions	Cessation of Business and Partnership Development, excluding the Complaints function, which has been retained.	AD12	(131)			(131)
<b>TOTAL MINUSES FOR ADULTS</b>			<b>(5,627)</b>	<b>(6,426)</b>	<b>0</b>	<b>(12,053)</b>

**ADULTS - PLUSES (ADULTS, COMMISSIONING & PUBLIC HEALTH DIRECTORATE)**

Service Activity	Proposed Change	Impact Overview Reference	£000		
			2016-17	2017-18	2018-19
Demand Led Client Service Provision	2% Adult Social Care Council Tax precept	AD13	2,874	3,089	3,317
<b>TOTAL PLUSES FOR ADULTS</b>			<b>2,874</b>	<b>3,089</b>	<b>3,317</b>
					<b>9,280</b>

ADULTS BUDGET IMPACT OVERVIEW 2016-19 (ADULTS, COMMISSIONING & PUBLIC HEALTH DIRECTORATE)

Ref	Service activity, proposal and current budget	Main aim and outcomes of service area	2016-17 Budget change £'000	2017-18 Budget change £'000	2018-19 Budget change £'000	Who is affected by the proposal?	Is there any relevant historical or demographic information?	Is there any indication the proposal will disproportionately affect any single group of people?
AD1	<p><b>Assessment and Care Management</b></p> <p>Re-profile Assessment and Care Management workforce.</p> <p>Current budget £7,807,000</p>	<p>Provide the statutory assessment, review and financial assessment under community care legislation for all client groups.</p>	(100)	(100)		<p>Social work and other assessment and care management staff.</p> <p>People referred for social care and existing service users.</p>	<p>Medium risk forecasting scenario.</p> <p>Demographic demand for services is increasing (older people and people with learning disabilities).</p> <p>The Care Act will have an impact on demand.</p> <p>By adopting a new approach to prevention and early intervention we will divert people from requiring assessment and review.</p>	<p>People referred for care and existing service users.</p>
AD2	<p><b>Self-Directed Support (SDS) – Direct Payments and Commissioned Services</b></p> <p>Divert elements of older people's care packages through community interventions.</p> <p>Part of current budget of £21,248,000</p>	<p>Delivery of statutory obligation to meet older people's assessed need through direct payments or the provision of support services.</p>	(150)	(150)		<p>People who are assessed as needing support will still have a right to the assessed package.</p> <p>People who are at risk of needing services will be diverted through a new approach to prevention.</p>	<p>Medium risk forecasting scenario.</p> <p>Demographic demand for services is increasing.</p> <p>The Care Act will have an impact on demand.</p> <p>By adopting a new approach to prevention and early intervention we will divert people from requiring services funded by the council.</p>	<p>Older people.</p>

**ADULTS BUDGET IMPACT OVERVIEW 2016-19 (ADULTS, COMMISSIONING & PUBLIC HEALTH DIRECTORATE)**

Ref	Service activity, proposal and current budget	Main aim and outcomes of service area	2016-17 Budget change £'000	2017-18 Budget change £'000	2018-19 Budget change £'000	Who is affected by the proposal?	Is there any relevant historical or demographic information?	Is there any indication the proposal will disproportionately affect any single group of people?
AD3	<p><b>SDS – Direct Payments and Commissioned Services</b></p> <p>Divert elements of learning disability care packages through community interventions.</p> <p>Part of current budget of £21,248,000</p>	<p>Delivery of statutory obligation to meet the assessed needs of people with learning disabilities through direct payments or the provision of support services.</p>	(200)	(200)		<p>People who are assessed as needing support will still have a right to support packages or a direct payment.</p> <p>People who are at risk of needing services will be diverted through a new approach to prevention.</p>	<p>Medium risk forecasting scenario.</p> <p>Demographic demand for services is increasing.</p> <p>The Care Act will have an impact on demand.</p> <p>By adopting a new approach to prevention and early intervention we will divert people from requiring assessment and review.</p>	<p>People with learning disabilities.</p>
AD4	<p><b>SDS – Direct Payments and Commissioned Services</b></p> <p>Divert elements of mental health care packages through community interventions.</p> <p>Part of current budget of £21,248,000</p>	<p>Delivery of statutory obligation to meet the assessed needs of people with mental health problems through direct payments or the provision of support services.</p>	(50)	(50)		<p>People who are assessed as needing support will still have a right to have their needs met by a direct payment or a support package.</p> <p>People who are at risk of needing services will be diverted through a new approach to prevention.</p>	<p>Medium risk forecasting scenario.</p> <p>Demographic demand for services is increasing.</p> <p>The Care Act will have an impact on demand.</p> <p>By adopting a new approach to prevention and early intervention we will divert people from requiring services funded by the council.</p>	<p>People with mental health needs.</p>

ADULTS BUDGET IMPACT OVERVIEW 2016-19 (ADULTS, COMMISSIONING & PUBLIC HEALTH DIRECTORATE)

Ref	Service activity, proposal and current budget	Main aim and outcomes of service area	2016-17 Budget change £'000	2017-18 Budget change £'000	2018-19 Budget change £'000	Who is affected by the proposal?	Is there any relevant historical or demographic information?	Is there any indication the proposal will disproportionately affect any single group of people?
AD5	<p><b>SDS – Independent Sector Homecare</b></p> <p>Greater use of assistive technology within learning disability care packages to complement personal support.</p> <p>Part of current budget of £21,248,000</p>	<p>Packages of support at home for people with learning disabilities commissioned from the independent sector.</p>	(100)	(100)		<p>People receiving packages of support at home.</p>	<p>Medium risk forecasting scenario.</p> <p>Assistive technology such as satellite navigation systems and carephones enables people to maintain their independence and reduce packages of support.</p>	<p>People with learning disabilities.</p>
AD6	<p><b>SDS – Independent Sector Homecare</b></p> <p>Divert elements of older people care packages through community interventions.</p> <p>Part of current budget of £21,248,000</p>	<p>Packages of support at home for older people commissioned from the independent sector.</p>	(100)	(100)		<p>People who are assessed as needing support will still have a right to support packages or a direct payment.</p> <p>People who are at risk of needing services will be diverted through a new approach to prevention.</p>	<p>Medium risk forecasting scenario.</p>	<p>Older people.</p>
AD7	<p><b>In-house Residential Services – Learning Disability</b></p> <p>Re-profile learning disability respite provision.</p> <p>Part of current budget of £2,387,000</p>	<p>Respite care for people with learning disability.</p>		(100)		<p>People with learning disabilities and families.</p> <p>Staff working in learning disability respite care services.</p>	<p>Medium risk forecasting scenario.</p> <p>This is a continuation of an ongoing programme to deliver savings through partnerships with health and new delivery models.</p>	<p>People with learning disabilities.</p>

ADULTS BUDGET IMPACT OVERVIEW 2016-19 (ADULTS, COMMISSIONING & PUBLIC HEALTH DIRECTORATE)

Ref	Service activity, proposal and current budget	Main aim and outcomes of service area	2016-17 Budget change £'000	2017-18 Budget change £'000	2018-19 Budget change £'000	Who is affected by the proposal?	Is there any relevant historical or demographic information?	Is there any indication the proposal will disproportionately affect any single group of people?
AD8	<p><b>Reablement</b></p> <p>Efficiency savings in the delivery model for Reablement services.</p> <p>Current budget £1,602,000</p>	<p>This service provides a time-limited intensive intervention in people's own home to enable them to maintain independence and reduce packages of care.</p>	(300)	(300)		<p>People referred for packages of support at home.</p> <p>Staff working in Reablement services.</p>	<p>Medium risk forecasting scenario.</p> <p>Evidence base shows that the service is effective in diverting demand.</p>	<p>Older people and people with physical disabilities.</p>
AD9	<p><b>Demand Led Activity</b></p> <p>High risk forecasting scenarios.</p> <p>A combination of savings on assessment and packages of care as a result of a new approach to intervention.</p> <p>Part of current budget of £69,697,000</p>	<p>Delivery of statutory obligation to meet older people's assessed need through direct payments or the provision of support services.</p>	(1,550)			<p>People who are assessed as needing support will still have a right to the assessed package.</p> <p>People who are at risk of needing services will be diverted through a new approach to prevention.</p>	<p>Demographic demand for services is increasing.</p> <p>The Care Act will have an impact on demand. By adopting a new approach to prevention and early intervention we will divert people from requiring services funded by the council.</p>	<p>Older people</p>
AD10	<p><b>Demand Led Activity</b></p> <p>Very high risk forecasting scenarios.</p> <p>A combination of savings on assessment and packages of care as a result of a new approach to intervention.</p>	<p>Delivery of statutory obligation to meet older people's assessed need through direct payments or the provision of support services.</p>		(2,250)		<p>People who are assessed as needing support will still have a right to the assessed package.</p> <p>People who are at risk of needing services will be</p>	<p>Demographic demand for services is increasing.</p> <p>The Care Act will have an impact on demand.</p> <p>By adopting a new approach to prevention and early intervention we will divert people from requiring services funded</p>	<p>People who are assessed as needing services.</p>



ADULTS BUDGET IMPACT OVERVIEW 2016-19 (ADULTS, COMMISSIONING & PUBLIC HEALTH DIRECTORATE)

Ref	Service activity, proposal and current budget	Main aim and outcomes of service area	2016-17 Budget change £'000	2017-18 Budget change £'000	2018-19 Budget change £'000	Who is affected by the proposal?	Is there any relevant historical or demographic information?	Is there any indication the proposal will disproportionately affect any single group of people?
	Part of current budget of £69,697,000					diverted through a new approach to prevention.	by the council.	
AD11	<b>Other Commissioning Infrastructure</b> Current budget £621,000	Commissioning of Social Care Services	(200)	(164)		Option will impact on capacity to undertake commissioning process.	No	No
AD12	<b>Management &amp; Regulatory Functions</b> Business and Partnership Development and Partnership Cessation of Business Development, excluding the Complaints function, which will be retained. Current budget part of £3,400,000	Support for change management and business management across wellbeing and social care.	(131)			Staff working in Business and Partnership Development. Other staff in the directorate.	We will mainstream the project and change management functions into the rest of the directorate.	No
AD13	<b>Demand Led Client Service Provision</b> Allocation of net revenue realisable from new 2% Council Tax precept for Adult social care. Current budget £69,697,000	Delivery of statutory obligation to meet the assessed needs of service users.	2,874	3,089	3,317	People who are assessed as needing support. People who are at risk of needing services will be diverted through a new approach to prevention.	Demographic demand for services is increasing.	No

**PUBLIC HEALTH (ADULTS, COMMISSIONING & PUBLIC HEALTH DIRECTORATE)**

SERVICE ACTIVITY	15-16 CONTROLLABLE GROSS EXPENDITURE £000	15-16 CONTROLLABLE INCOME £000	15-16 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSES £000	16-17 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	17-18 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	18-19 BUDGET PROPOSAL £000
<b>Health Protection Services</b>												
Sexual Health	4,251	0	4,251			4,251			4,251			4,251
Health Checks	408	0	408			408			408			408
Health Protection	507	(37)	470			470		(49)	421			421
Child Measurement	15	0	15			15			15			15
<b>Total</b>	<b>5,181</b>	<b>(37)</b>	<b>5,144</b>			<b>5,144</b>	<b>(49)</b>		<b>5,095</b>			<b>5,095</b>
Substance Misuse	6,390	(446)	5,944			5,944			5,944			5,944
Obesity	110	0	110			110			110			110
Physical Activity	385	0	385			385			385			385
Smoking & Tobacco	1,122	0	1,122			1,122			1,122			1,122
5-19 Public Health	1,619	0	1,619			1,619			1,619			1,619
Miscellaneous	4,762	(98)	4,664	(20)	3,049	7,693			7,693			7,693
Employee Healthcare	572	(543)	29	(25)		4		(25)	(21)			(21)
Corporate Health & Safety	214	(89)	125			125			125			125
Emergency Planning Team	234	(90)	144			144		(29)	115			115
Funding available for re-commissioning activity	5,983	0	5,983		20	6,003			6,052		49	6,052
Management & Regulatory Functions	1,324	0	1,324			1,324			1,324			1,324
Public Health Grant	0	(26,576)	(26,576)	(3,049)		(29,625)			(29,625)			(29,625)
<b>Total Public Health</b>	<b>27,896</b>	<b>(27,879)</b>	<b>17</b>	<b>(3,094)</b>	<b>3,069</b>	<b>(8)</b>	<b>(103)</b>	<b>49</b>	<b>(62)</b>	<b>0</b>	<b>0</b>	<b>(62)</b>

**PUBLIC HEALTH - MINUSES (ADULTS, COMMISSIONING & PUBLIC HEALTH DIRECTORATE)**

Service Activity	Proposed Change	Impact Overview Reference	£000		
			2016-17	2017-18	2018-19
<b>Health Protection Services</b>					<b>Total</b>
Health Protection	Reducing support to GP practices	PH1		(49)	(49)
Miscellaneous - Capacity & Capability	Additional income generation	PH2	(20)		(20)
Employee Healthcare	Service efficiencies	PH3	(25)	(25)	(50)
Emergency Planning	Service efficiencies	PH4		(29)	(29)
Public Health Grant	Locala - Transfer of 0 to 5 children's public health commissioning		(3,049)		(3,049)
<b>TOTAL MINUSES FOR PUBLIC HEALTH DIRECTORATE</b>			<b>(3,094)</b>	<b>(103)</b>	<b>0</b>
					<b>(3,197)</b>

**PUBLIC HEALTH - PLUSES (ADULTS, COMMISSIONING & PUBLIC HEALTH DIRECTORATE)**

Service Activity	Proposed Change	Impact Overview Reference	£000		
			2016-17	2017-18	2018-19
Miscellaneous Funding available for recommissioning activity	Locala - Transfer of 0 to 5 children's public health commissioning Public Health grant available to redirect to related Council services		3,049 20	49	
<b>TOTAL PLUSES FOR PUBLIC HEALTH DIRECTORATE</b>			<b>3,069</b>	<b>49</b>	<b>0</b>
					<b>3,118</b>
					<b>Total</b>

**PUBLIC HEALTH BUDGET IMPACT OVERVIEW 2016-19 (ADULTS, COMMISSIONING & PUBLIC HEALTH DIRECTORATE)**

Ref	Service activity, proposal and current budget	Main aim and outcomes of service area	2016-17 Budget change £'000	2017-18 Budget change £'000	2018-19 Budget change £'000	Who is affected by the proposal?	Is there any relevant historical or demographic information?	Is there any indication the proposal will disproportionately affect any single group of people?
PH1	<b>Health Protection: Infection Prevention and Control (IPC)</b> Reduction in staffing. Current budget £470,000	Provide IPC advice to Local Authority (LA) / Clinical Commissioning Groups (CCG).		(49)		Nursing staff.	IPC is crucial to keep vulnerable people safe in care settings. This service covers both Kirklees and Wakefield in the interests of efficient and effectiveness, this will continue.	No
PH2	<b>Miscellaneous – Public Health training for the wider workforce</b> Additional income generation. Part of current budget of £4,664,000	Public Health training programme with a focus on improving health and wellbeing and behaviour change.	(20)			External current recipients of training will need to pay.	Evidence based training programme, widely respected and now supporting the roll out of the Joint Health and Wellbeing Strategy (JHWS) thinking.	No
PH3	<b>Employee Healthcare</b> Exploring different ways of working Current budget £29,000	Support employees to become more resilient; undertake health surveillance; pre-employment screening.	(25)	(25)		Workforce will wait longer for appointments.	Staff health, wellbeing and resilience remains a problem to ensure staff remain at work.	Staff who need the most support with personal resilience.
PH4	<b>Emergency Planning, Resilience and Response</b> Review ways of working Current budget £144,000	Work with partners to ensure plans are in place to respond to incidents (Category One responder). Ensure community resilience by 'warning and informing'.		(29)		No-one should be affected as work will be approached in a different way.	Increasing number of events and incidents require EPRR input/management.	No

PLACE DIRECTORATE

SERVICE ACTIVITY	15-16 CONTROLLABLE GROSS EXPENDITURE £000	15-16 CONTROLLABLE INCOME £000	15-16 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSES £000	16-17 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	17-18 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	18-19 BUDGET PROPOSAL £000
<b>STREETSCENE</b>												
Streetscene Environmental	1,978	(211)	1,767	(1,373)		394			394			394
Streetscene Highways	11,786	(2,735)	9,051	(686)		8,365	(100)		8,265			8,265
West Yorkshire Driver Training	3,932	(4,564)	(632)			(632)			(632)			(632)
Highways Construction	12,009	(13,711)	(1,702)			(1,702)			(1,702)			(1,702)
Seasonal Weather	1,899	(109)	1,790			1,790			1,790			1,790
Waste Services	25,715	(7,701)	18,014	(600)		17,414			17,414			17,414
Transport Services	6,580	(9,448)	(2,868)			(2,868)			(2,868)			(2,868)
Security Transport	164	(215)	(51)			(51)			(51)			(51)
Bereavement Services	1,513	(2,916)	(1,403)			(1,403)			(1,403)			(1,403)
Parks & Open Spaces	7,056	(4,040)	3,016	(702)		2,314			2,314			2,314
Housing General Fund	4,208	(2,328)	1,880			1,880			1,880			1,880
<b>INVESTMENT &amp; REGENERATION SERVICE</b>												
Transportation Strategy	1,994	(1,050)	944	(96)		848	(102)		746			746
Parking	2,582	(5,681)	(3,099)			(3,099)			(3,099)			(3,099)
Energy & Water CWI	0	0	0			0			0			0
Markets	1,535	(2,105)	(570)			(570)			(570)			(570)
Strategic Regeneration	2,447	(668)	1,779	(890)		889	(889)		0			0
Business & Enterprise Centres	710	(1,202)	(492)			(492)			(492)			(492)
<b>Regulation Services</b>												
Building Control	1,056	(1,403)	(347)			(347)			(347)			(347)
Licensing	532	(1,109)	(577)			(577)			(577)			(577)
Local Land Charges	266	(314)	(48)			(48)			(48)			(48)
Environmental Health	2,024	(889)	1,135	(121)		1,014	(121)		893			893
Planning	2,412	(1,663)	749			749			749			749
<b>Total</b>	<b>6,290</b>	<b>(5,378)</b>	<b>912</b>	<b>(121)</b>	<b>0</b>	<b>791</b>	<b>(121)</b>	<b>0</b>	<b>670</b>	<b>0</b>	<b>0</b>	<b>670</b>

PLACE DIRECTORATE

SERVICE ACTIVITY	15-16 CONTROLLABLE GROSS EXPENDITURE £000	15-16 CONTROLLABLE INCOME £000	15-16 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSES £000	16-17 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	17-18 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	18-19 BUDGET PROPOSAL £000
<b>PHYSICAL RESOURCES &amp; PROCUREMENT AND BUILDING SERVICES</b>												
<b>Building Services</b>	36,814	(40,738)	(3,924)			(3,924)			(3,924)			(3,924)
<b>School Facilities Management</b>	3,204	(170)	3,034			3,034			3,034			3,034
School Facilities Management - School Transport	17,800	(18,880)	(1,080)	(89)		(1,169)	(193)	260	(1,102)			(1,102)
School Facilities Management - Catering/Assets	5,909	(6,329)	(420)		309	(111)			(111)			(111)
School Facilities Management - Cleaning												
<b>Total</b>	<b>26,913</b>	<b>(25,379)</b>	<b>1,534</b>	<b>(89)</b>	<b>309</b>	<b>1,754</b>	<b>(193)</b>	<b>260</b>	<b>1,821</b>	<b>0</b>	<b>0</b>	<b>1,821</b>
<b>Corporate Landlord</b>	14,841	(3,308)	11,533			11,533			11,533			11,533
<b>Facilities Management</b>	1,500	(2,217)	(717)			(717)			(717)			(717)
Capital Delivery & Development	275	(82)	193	(193)		0			0			0
Procurement	335	11	346			346			346			346
Physical Resources & Procurement - Overheads	842	(2,611)	(1,769)			(1,769)			(1,769)			(1,769)
Commercial portfolio												
<b>Total</b>	<b>2,952</b>	<b>(4,899)</b>	<b>(1,947)</b>	<b>(193)</b>	<b>0</b>	<b>(2,140)</b>	<b>0</b>	<b>0</b>	<b>(2,140)</b>	<b>0</b>	<b>0</b>	<b>(2,140)</b>
<b>Policy Strategy, Commissioning</b>	0	0	0		750	750		750	1,500			1,500
<b>DIRECTORATE WIDE</b>												
Management & Regulatory Functions	4,370	0	4,370			4,370			4,370			4,370
<b>TOTAL PLACE</b>	<b>178,288</b>	<b>(138,386)</b>	<b>39,902</b>	<b>(4,750)</b>	<b>1,059</b>	<b>36,211</b>	<b>(1,405)</b>	<b>1,010</b>	<b>35,816</b>	<b>0</b>	<b>0</b>	<b>35,816</b>

**PLACE DIRECTORATE - MINUSES**

Service Activity	Proposed Change	Impact Overview Reference	£000			
			2016-17	2017-18	2018-19	
			2016-17	2017-18	2018-19	Total
<b>STREETSCENE</b>						
<b>Streetscene Environmental</b>						
Uniformed Staff	Review & reduce uniform service - see Economic Resilience impact overview	ER3	(744)			(744)
Police Community Support Officers (PCSOs)	Review & reduce contribution towards PCSOs - see Economic Resilience impact overview	ER4	(629)			(629)
<b>Streetscene Highways</b>						
Streetscene Highways	New ways of working	PL1	(100)	(100)		(200)
CCTV	Review & reduce CCTV service - see Economic Resilience impact overview	ER5	(246)			(246)
School Crossing Patrols	Review & reduce school crossing patrols - see Economic Resilience impact overview	ER6	(340)			(340)
<b>Waste Services</b>						
Street Cleansing	Changes to working practices and employee reductions (links to theme work - mobile task force)	PL2	(600)			(600)
Parks & Open Spaces	Reduce landscape maintenance operations at sports grounds, play areas and parks (links to theme work - capacity building initiative). Reduction in play area maintenance and sports changing provision	PL3	(702)			(702)
<b>INVESTMENT &amp; REGENERATION SERVICE</b>						
Transportation Strategy - Free Town Bus	Withdrawal of the free town bus facility in Huddersfield and Dewsbury town centres.	PL4	(96)	(102)		(198)
Strategic Regeneration	Review & reduce service - See Economic Resilience impact overview	ER7	(890)	(889)		(1,779)
<b>Regulation Services</b>						
Environmental Health	Employee Reductions	PL5	(121)	(121)		(242)
<b>PHYSICAL RESOURCES &amp; PROCUREMENT AND BUILDING SERVICES</b>						
<b>Schools Facilities Management</b>						
Schools Facilities Management - Catering/Assets	Change in income/food costs due to number of trading days each year	PL6	(89)	(193)		(282)
<b>Facilities Management</b>						
Capital Delivery & Development Procurement	Cost savings due to reduced workloads Strategic development issues covered in the Policy, Strategy and Commissioning activity	PL7	(193)			(193)
<b>TOTAL MINUSES FOR PLACE DIRECTORATE</b>			<b>(4,750)</b>	<b>(1,405)</b>	<b>0</b>	<b>(6,155)</b>



**PLACE DIRECTORATE - PLUSES**

Service Activity	Proposed Change	Impact Overview Reference	£000			
			2016-17	2017-18	2018-19	Total
<b>PHYSICAL RESOURCES &amp; PROCUREMENT AND BUILDING SERVICES</b>						
<b>Schools Facilities Management</b>						
Schools Facilities Management - Catering/Assets	Change in income/food costs due to number of trading days each year. Loss of income for School Asset Management Team in 15/16 (£144k)	PL6		260		260
Schools Facilities Management - Cleaning	Loss of income as buildings close or contracts are lost	PL8	309			309
<b>Facilities Management</b>						
Policy Strategy, Commissioning	Section will be responsible for strategic development of transportation, carbon reduction, housing, jobs and growth, environment, waste, capital planning, asset strategy, procurement	PL9	750	750		1,500
<b>TOTAL PLUSES FOR PLACE DIRECTORATE</b>			<b>1,059</b>	<b>1,010</b>	<b>0</b>	<b>2,069</b>

**PLACE DIRECTORATE BUDGET IMPACT OVERVIEW 2016-19**

Ref	Service activity, proposal and current budget	Main aim and outcomes of service area	2016-17 Budget change £'000	2017-18 Budget change £'000	2018-19 Budget change £'000	Who is affected by the proposal?	Is there any relevant historical or demographic information?	Is there any indication the proposal will disproportionately affect any single group of people?
PL1	<p><b>Streetscene: Highways</b></p> <p>Service efficiencies</p> <p>Current budget part of £9,051,000</p>	<p>Maintains the district's 1,890km highway network - comprising roads, pavements, drainage, signage and street lighting.</p>	(100)	(100)		<p>All residents, businesses, commuters and visitors to the district.</p>	<p>Budget cut of £1.27m made to this budget in 2014/15.</p> <p>These additional cuts will be accommodated by not only updating and modernising the services working practices but also grouping areas of work together to deliver further efficiencies.</p>	<p>No</p> <p>The majority of people who live, work and visit the district are affected by the condition of the highway network, but as these cuts will not affect service levels then no particular group or groups of people need identifying.</p>
PL2	<p><b>Waste Collection and Street Cleansing</b></p> <p>Modernisation through the use of technology and a review of working practises and current policies will enable some efficiencies. This will need to be considered alongside changes to our street cleaning operation.</p> <p>A controlled decrease in cleansing resources throughout Kirklees.</p> <p>There will be a visible reduction in standards in most areas with</p>	<p>Ensuring that public highways are kept clean, council land is kept clear of litter and refuse.</p> <p>The service also supports one-off events, such as the Tour de France, emergency services, (road traffic accidents), as well as dealing with special requests as they arise.</p> <p>A secondary outcome of the service is a visible presence within each area that</p>	(600)			<p>The reduction in service will affect all residents of Kirklees</p>	<p>Current operational experience will highlight those areas that will need to be targeted as 'Hot Spots'. These tend to be areas of high footfall and more densely populated housing estates.</p> <p>Other areas are more likely to see a reduction in resources and cleansing standards.</p> <p>The service will work to encourage mitigation through the use of "voluntary clean up" groups, but this is likely to be ad hoc.</p>	<p>This will impact on all residents of Kirklees.</p> <p>In particular, the more rural and less densely populated areas are likely to be the most adversely affected.</p>

PLACE DIRECTORATE BUDGET IMPACT OVERVIEW 2016-19

Ref	Service activity, proposal and current budget	Main aim and outcomes of service area	2016-17 Budget change £'000	2017-18 Budget change £'000	2018-19 Budget change £'000	Who is affected by the proposal?	Is there any relevant historical or demographic information?	Is there any indication the proposal will disproportionately affect any single group of people?
	<p>resources being targeted at 'Hot Spots', such as town centres, and a more reactive service provided elsewhere.</p> <p>Increasing the use of mechanical and mobile resources will reduce the manual street sweeping function.</p> <p>Current budget part of £18,014,000</p>	<p>enhances safety.</p>						
PL3	<p><b>Parks and Open Spaces</b></p> <p>Significant reduction in service.</p> <p>Change to specification of the service.</p> <p>Modernised working practices, together with targeted support from councillors, community groups and neighbourhoods.</p> <p>Current budget £3,016,000</p>	<p>Management and maintenance of the council's parks, recreation grounds, playing fields, woodlands, public open spaces, allotments, closed churchyards and children's play areas. These public spaces are used for numerous community activities - whether that be for individual residents in their own free time or for more organised events such as concerts, sports competitions or major cultural events.</p>	(702)			<p>All residents and visitors to Kirklees will be affected with very few exceptions.</p>	<p>Experience suggests that the reduced resources we have will be targeted at the town / village centres and our most densely populated housing estates.</p> <p>Other areas will be the worst hit by the reductions, suffering from littering and overall abuse.</p>	<p>Young and old people are likely to be most affected.</p> <p>For the young there will be less access to play areas and fewer facilities for recreational pursuit.</p> <p>For our older residents the loss of the landscape's attractiveness will be hardest to bear.</p>

**PLACE DIRECTORATE BUDGET IMPACT OVERVIEW 2016-19**

Ref	Service activity, proposal and current budget	Main aim and outcomes of service area	2016-17 Budget change £'000	2017-18 Budget change £'000	2018-19 Budget change £'000	Who is affected by the proposal?	Is there any relevant historical or demographic information?	Is there any indication the proposal will disproportionately affect any single group of people?
PL4	<p><b>Transportation Strategy</b></p> <p>Withdrawal of the Free Town Bus (FTB) facility in Huddersfield and Dewsbury town centres.</p> <p>Current budget £944,000</p>	<p>Improved connectivity and accessibility within our two principal town centres.</p>	(96)	(102)		<p>Young people, senior citizens, people with mobility problems, parents with young children.</p>	<p>Free Town Bus was introduced in Huddersfield in 2006 and Dewsbury in 2009.</p> <p>Route extended in Huddersfield in 2013 to connect to Kirklees College.</p> <p>Dewsbury Free Town Bus operates with contribution from Sainsbury's.</p>	<p>Senior citizens, people with mobility problems, parents with young children will be impacted should the FTB cease.</p> <p>Implications of current Kirklees College s106 agreement - 3months notice required to terminate current FTB contracts.</p>
PL5	<p><b>Environmental Health</b></p> <p>Reduction in overall service provision</p> <p>Current budget £1,135,000</p>	<p>Public health protection for all our communities and businesses across the following areas:</p> <p>Food hygiene; air and noise pollution; infectious disease control; contaminated land; private water supply contamination.</p> <p>Health and Safety legislation enforcement.</p> <p>Regulatory licensing and business registration.</p> <p>Animal health and welfare.</p>	(121)	(121)		<p>Businesses and residents across and beyond Kirklees that may be directly or indirectly affected by the reduction in the council's environmental health activities.</p>	<p>Environmental health (formerly public health) was historically formed to deal with serious issues affecting the health and well-being of the population.</p> <p>It regulates and exercises control over the provision of safe food, water, clean air, infectious diseases and a wide range of issues which affect people's health, well-being and quality of life.</p>	<p>This reduction in service will potentially impact on anyone who eats, breathes and drinks in the district, or any business that has work operations in the district.</p> <p>Vulnerable people, people in poor health or living in households with low incomes will be at disproportionate risk compared with the general Kirklees community.</p>

**PLACE DIRECTORATE BUDGET IMPACT OVERVIEW 2016-19**

Ref	Service activity, proposal and current budget	Main aim and outcomes of service area	2016-17 Budget change £'000	2017-18 Budget change £'000	2018-19 Budget change £'000	Who is affected by the proposal?	Is there any relevant historical or demographic information?	Is there any indication the proposal will disproportionately affect any single group of people?
PL6	<p><b>Schools Facilities Management – Schools Catering/Assets</b></p> <p>An increase/decrease in school trading days from the standard 190 days per year thus generating or reducing income.</p> <p>Current budget (£1,080,000)</p>	<p>Providing a traded service to schools to provide pupils with nutritious food each day and contribute to the health agenda.</p>	(89)	(193) 260		School pupils	No	No
PL7	<p><b>Procurement</b></p> <p>Strategic development issues covered in the Policy, Strategy and Commissioning activity.</p> <p>Current budget £193,000</p>	<p>Delivery of the council's Corporate Procurement Strategy. This includes securing efficiencies and savings, delivering social value and effective management of corporate contracts.</p>	(193)			Local Businesses and small medium-sized enterprises (SMEs)	No	Local Businesses and SMEs
PL8	<p><b>Schools Facilities Management – Cleaning</b></p> <p>Reduced income linked to schools taking their services in-house.</p> <p>Current budget (£420,000)</p>	<p>Providing a traded cleaning and caretaking service to schools, and cleaning within corporate landlord buildings.</p>	309			Building users	The council's Asset Strategy.	No

**PLACE DIRECTORATE BUDGET IMPACT OVERVIEW 2016-19**

Ref	Service activity, proposal and current budget	Main aim and outcomes of service area	2016-17 Budget change £'000	2017-18 Budget change £'000	2018-19 Budget change £'000	Who is affected by the proposal?	Is there any relevant historical or demographic information?	Is there any indication the proposal will disproportionately affect any single group of people?
PL9	<p><b>Place Directorate</b></p> <p>Corporate Policy, Strategy Development and Commissioning.</p> <p>Current budget - new</p>	<p>At present these functions are largely performed within existing service areas in most instances as part of a wider work remit.</p> <p>Although many of the existing work areas will be reduced considerably or will cease altogether as part of the budget proposals the requirement to develop policies and strategies for specific areas and to commission the implementation of these strategies where appropriate will remain.</p> <p>Some of these areas of activity are specific to Place-based activity e.g. Economic Strategy, Housing Strategy, Waste Strategy. Others are more corporate in nature but currently carried out in the Place Directorate e.g.</p>	750	750		All residents, communities and businesses in Kirklees.	No	No

**PLACE DIRECTORATE BUDGET IMPACT OVERVIEW 2016-19**

Ref	Service activity, proposal and current budget	Main aim and outcomes of service area	2016-17 Budget change £'000	2017-18 Budget change £'000	2018-19 Budget change £'000	Who is affected by the proposal?	Is there any relevant historical or demographic information?	Is there any indication the proposal will disproportionately affect any single group of people?
		Asset Strategy, Capital Investment Strategy, Procurement Strategy.						

RESOURCES DIRECTORATE

SERVICE ACTIVITY	15-16 CONTROLLABLE GROSS EXPENDITURE £000	15-16 CONTROLLABLE INCOME £000	15-16 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSES £000	16-17 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	17-18 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	18-19 BUDGET PROPOSAL £000
<b>Corporate Priorities Budget</b>	0	0	0			0			0			0
<b>Legal Services</b>	2,498	(399)	2,099			2,099	(340)		1,759			1,759
<b>Elections, Electoral Registration</b>	800	(8)	792	(48)	14	758	(176)		582			582
<b>Support for Council as Democratic Organisation</b>	2,894	(41)	2,853			2,853	(300)		2,553			2,553
<b>Finance, Risk &amp; Performance</b>	4,198	(787)	3,411	(212)		3,199	(192)		3,007			3,007
<b>IT</b>	12,725	(1,958)	10,767	(210)		10,557			10,557			10,557
<b>Welfare &amp; Exchequer incl Benefits Advice</b>	4,749	(2,889)	1,860	(250)		1,610			1,610			1,610
Income Collection - Welfare & Exchequer	4,529	(255)	4,274	(40)		4,234			4,234			4,234
Corporate Customer Standards	140	(4)	136			136			136			136
Payment of Benefits - Social Fund/Local Welfare	1,063	0	1,063			1,063			1,063			1,063
Kirklees Advice Service	724	0	724			724			724			724
Kirklees Benefits Advice	646	(57)	589			589			589			589
Benefit Payments	121,399	(121,437)	(38)			(38)			(38)			(38)
Library & Information Centres	6,168	(336)	5,832	(500)		5,332	(1,354)		3,978			3,978
<b>Total</b>	<b>139,418</b>	<b>(124,978)</b>	<b>14,440</b>	<b>(790)</b>	<b>0</b>	<b>13,650</b>	<b>(1,354)</b>	<b>0</b>	<b>12,296</b>	<b>0</b>	<b>0</b>	<b>12,296</b>
<b>Town Halls &amp; Public Halls</b>												
Public Halls	203	(370)	(167)		31	(136)			(136)			(136)
Town Halls	705	(321)	384	(36)		348			348			348
<b>Total</b>	<b>908</b>	<b>(691)</b>	<b>217</b>	<b>(36)</b>	<b>31</b>	<b>212</b>	<b>0</b>	<b>0</b>	<b>212</b>	<b>0</b>	<b>0</b>	<b>212</b>
<b>Registrars</b>												
Registrars	631	(595)	36			36			36			36
<b>KD Contact Centre and Customer Service Centre</b>												
Access to Services - Customer Service Centres	3,766	(2,439)	1,327	(113)		1,214			1,214			1,214
Looking Local (Digi TV)	1,416	(1,751)	(335)			(335)			(335)			(335)
<b>Total</b>	<b>5,182</b>	<b>(4,190)</b>	<b>992</b>	<b>(113)</b>	<b>0</b>	<b>879</b>	<b>0</b>	<b>0</b>	<b>879</b>	<b>0</b>	<b>0</b>	<b>879</b>
<b>HD-One:Financial &amp; HR Transactional Services</b>												
HD-One:Financial & HR Transactional Services	2,698	(1,046)	1,652	(383)		1,269			1,269	(300)		969
<b>Corporate &amp; Democratic Core</b>												
Corporate Management	711	(59)	652			652			652			652
Democratic Representation & Management	326	(347)	(21)			(21)			(21)			(21)
<b>Total</b>	<b>1,037</b>	<b>(406)</b>	<b>631</b>	<b>0</b>	<b>0</b>	<b>631</b>	<b>0</b>	<b>0</b>	<b>631</b>	<b>0</b>	<b>0</b>	<b>631</b>
<b>Management &amp; Regulatory Functions</b>												
Management & Regulatory Functions	1,487	(7)	1,480	(37)		1,443	(110)		1,333			1,333
<b>TOTAL RESOURCES</b>	<b>174,476</b>	<b>(135,106)</b>	<b>39,370</b>	<b>(1,829)</b>	<b>45</b>	<b>37,586</b>	<b>(2,472)</b>	<b>0</b>	<b>35,114</b>	<b>(300)</b>	<b>0</b>	<b>34,814</b>



**RESOURCES DIRECTORATE - MINUSES**

Service Activity	Proposed Change	Impact Overview Reference	£000		
			2016-17	2017-18	2018-19
					Total
Legal Services	Reductions across a range of legal activities to support smaller Council	RE1		(340)	(340)
Elections, Electoral Registration	Efficiency savings	RE2	(48)	(176)	(224)
Support for Council as Democratic Organisation	Efficiency savings	RE3		(300)	(300)
Finance, Risk & Performance	Process efficiency savings from new IT systems, & service modernisation	RE4	(212)	(192)	(404)
IT	Corporate efficiencies, reduced IT support and maintenance costs	RE5	(210)		(210)
<b><u>Welfare &amp; Exchequer incl Benefits Advice</u></b>					
Income Collection - Welfare & Exchequer	Service modernisation, including promoting Direct Debit and reviewing payment methods.	RE6	(250)		(250)
Welfare & Complimentary Benefits	Service modernisation	RE7	(40)		(40)
Library & Information Centres	Re-shaping Library and Information Services.	RE8	(500)	(1,354)	(1,854)
<b><u>Town Halls &amp; Public Halls</u></b>					
Town Halls	Review of booking processes	RE9	(36)		(36)
<b><u>KD Contact Centre and Customer Service Centre</u></b>					
Access to Services - Customer Service Centres	Review & reduce community contact resource centre and passport activity - see Economic Resilience impact overview	EPS11	(113)		(113)
HD-One: Financial & HR Transactional Services	Efficiency savings; transactional HR services. Includes deferral of existing saving for moving to monthly payroll; now in 2018-19.	RE10	(383)	(300)	(683)
Management & Regulatory Functions	Reduction to match planned reduction in Senior Management across the Council.	RE11	(37)	(110)	(147)
<b>TOTAL MINUSES FOR RESOURCES DIRECTORATE</b>			<b>(1,829)</b>	<b>(2,472)</b>	<b>(4,601)</b>

**RESOURCES DIRECTORATE - PLUSES**

Service Activity	Proposed Change	Impact Overview Reference	£000		
			2016-17	2017-18	2018-19
Elections/Electoral registration	Implementation of new legislation around individual electoral registration	RE2	14		
Public Halls	Alternative proposals for public halls; community asset transfer or cease operation	RE12	31		
<b>TOTAL PLUSES FOR RESOURCES DIRECTORATE</b>			<b>45</b>	<b>0</b>	<b>0</b>
					<b>Total</b>
					14
					31
					45

## RESOURCES DIRECTORATE BUDGET IMPACT OVERVIEW 2016-19

Ref	Service activity, proposal and current budget	Main aim and outcomes of service area	2016-17 Budget change £'000	2017-18 Budget change £'000	2018-19 Budget change £'000	Who is affected by the proposal?	Is there any relevant historical or demographic information?	Is there any indication the proposal will disproportionately affect any single group of people?
RE1	<p><b>Legal Services</b></p> <p>Reduction in workload due to smaller council.</p> <p>Current budget £2,099,000</p>	An internally traded service which provides legal advice to other council services.		(340)		Staff in Legal Services.	N/A	N/A
RE2	<p><b>Elections and electoral registration</b></p> <p>Increased expenditure from 2016-17 to reflect new requirements re individual registration.</p> <p>Efficiency savings in 2017-18.</p> <p>Current budget £792,000</p>	To support local and national elections and the registration of voters	(48) 14	(176)		Staff in Elections office, including temporary staff.  Voters and electoral candidates.	N/A	There are no anticipated specific impacts on any single group of people, as all voters have access to postal voting.
RE3	<p><b>Support to the council as a democratic organisation</b></p> <p>Efficiency savings in 2017-18.</p> <p>Current budget £2,853,000</p>	Supports the democratic process, including scrutiny of Council decisions and the Civic Office.		(300)		The public.  Staff in Governance, Civic Office, and Democratic Service and Councillors.	N/A	N/A

**RESOURCES DIRECTORATE BUDGET IMPACT OVERVIEW 2016-19**

Ref	Service activity, proposal and current budget	Main aim and outcomes of service area	2016-17 Budget change £'000	2017-18 Budget change £'000	2018-19 Budget change £'000	Who is affected by the proposal?	Is there any relevant historical or demographic information?	Is there any indication the proposal will disproportionately affect any single group of people?
RE4	<p><b>Finance, Risk and Performance</b></p> <p>Service efficiencies and smaller service to reflect a smaller council.</p> <p>Current budget £3,411,000</p>	<p>Provision of financial advice and accountancy services to the council.</p> <p>Operation of corporate performance processes.</p>	(212)	(192)		Staff in Accountancy, Internal Audit and Corporate Performance.	No	No
RE5	<p><b>IT</b></p> <p>Drive toward more cost effective payment options (with Direct Debit being the primary default method). This will result in:</p> <ul style="list-style-type: none"> <li>- reduced IT support &amp; maintenance costs for the Council. (-38)</li> </ul> <p>Further Corporate efficiencies through new Print Contract (efficiencies led by IT Service) (-172k)</p> <p>Current budget (£10,767,000)</p>	<p>IT provision for and across the Council. .</p>	(210)			Customers.	No	No
						Customers/users of the print equipment		

**RESOURCES DIRECTORATE BUDGET IMPACT OVERVIEW 2016-19**

Ref	Service activity, proposal and current budget	Main aim and outcomes of service area	2016-17 Budget change £'000	2017-18 Budget change £'000	2018-19 Budget change £'000	Who is affected by the proposal?	Is there any relevant historical or demographic information?	Is there any indication the proposal will disproportionately affect any single group of people?
RE6	<p><b>Income Collection – Welfare and Exchequer</b></p> <p>Drive toward more cost effective payment options (with Direct Debit being the primary default method). This will result in reduced central bank/transaction charges, (-150)</p> <p>Frontline Channel Shift – operational efficiency savings. (-100)</p> <p>Current Activity budget £1,860,000</p>	<p>Billing, Collection and Recovery of £358m for Business Rates, Council Tax and Sundry Debt and Overpayments.</p>	(250)			<p>Customers.</p> <p>Staff in Customer and Exchequer</p>	<p>Customers have had access to a wide range of payment options that have become expensive and uneconomic.</p>	No
RE7	<p><b>Welfare and Complementary Benefits</b></p> <p>Service efficiencies (operational/postage costs).</p> <p>Current budget £4,274,000</p>	<p>Payment of Housing Benefit £130m, Council Tax Reduction £27m, Free School Meals and Blue Badge administration.</p>	(40)			<p>Customers.</p> <p>Staff in Customer and Exchequer.</p>	No	No

**RESOURCES DIRECTORATE BUDGET IMPACT OVERVIEW 2016-19**

Ref	Service activity, proposal and current budget	Main aim and outcomes of service area	2016-17 Budget change £'000	2017-18 Budget change £'000	2018-19 Budget change £'000	Who is affected by the proposal?	Is there any relevant historical or demographic information?	Is there any indication the proposal will disproportionately affect any single group of people?
RE8	<p><b>Library and Information Centres</b></p> <p>Re-shaping of the service to include town libraries, hubs and community run libraries, plus transcription, outreach, book administration and book fund. Current budget £5,832,000</p>	<p>Provision of Library and Information Service, Home and Mobile Service, Outreach Programme and Transcription Service.</p>	(500)	(1,354)		<p>The public. Staff in Customer and Exchequer.</p>	<p>This service has been carried out for years and is generally well regarded by our residents with significant numbers of regular users.  The reduction in service will affect customers outside Dewsbury and Huddersfield town centres.</p>	No
RE9	<p><b>Town Halls</b></p> <p>Streamline booking service. Current budget £384,000</p>	<p>Access and service provision and support for four Town Halls.</p>	(36)			<p>Staff in Customer and Exchequer.</p>	No	No
RE10	<p><b>Shared Service Centre: HD-One</b></p> <p>Scale to New Council with the focus on maximising self-service. Current budget £1,652,000</p>	<p>Provision of HR, Finance and Procurement Support.</p>	(383)		(300)	<p>Staff in HD-One.</p>	No	No

**RESOURCES DIRECTORATE BUDGET IMPACT OVERVIEW 2016-19**

Ref	Service activity, proposal and current budget	Main aim and outcomes of service area	2016-17 Budget change £'000	2017-18 Budget change £'000	2018-19 Budget change £'000	Who is affected by the proposal?	Is there any relevant historical or demographic information?	Is there any indication the proposal will disproportionately affect any single group of people?
RE11	<p><b>Management &amp; Regulatory Functions</b></p> <p>Reduction in secretarial business support to match the planned reduction in senior management.</p> <p>Current budget part of £1,480,000</p>	Provision of secretarial and business support to Management Board.	(37)	(110)		Staff who support the council's senior management.	No	No
RE12	<p><b>Public Halls</b></p> <p>Current budget (£167,000)</p>	Access and service provision and support for eight Public Halls.	31			The public. Staff in Customer and Exchequer.	No	No

COMMUNITIES, TRANSFORMATION & CHANGE DIRECTORATE

SERVICE ACTIVITY	15-16 CONTROLLABLE INCOME £000	15-16 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSES £000	16-17 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	17-18 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	18-19 BUDGET PROPOSAL £000
Community Safety & Anti Social Behaviour	716	352	(189)		163			163			163
<b>Engagement &amp; Cohesion</b>											
Healthwatch	198	198			198			198			198
Engaging Communities & Building Community	594	594			594	(582)		12			12
<b>Total</b>	<b>792</b>	<b>792</b>	<b>0</b>	<b>0</b>	<b>792</b>	<b>(582)</b>	<b>0</b>	<b>210</b>	<b>0</b>	<b>0</b>	<b>210</b>
<b>Creative Economy &amp; Voluntary Sector Support</b>											
Voluntary Sector Support	248	248			248	(248)		0			0
Events & Concerts	203	196	(196)		0			0			0
Lawrence Batley Theatre	269	269	(34)		235	(34)		201			201
Creative Economy Support	514	514	(63)		451	(280)		171			171
<b>Total</b>	<b>1,234</b>	<b>1,227</b>	<b>(293)</b>	<b>0</b>	<b>934</b>	<b>(562)</b>	<b>0</b>	<b>372</b>	<b>0</b>	<b>0</b>	<b>372</b>
Museums & Galleries	1,331	1,057			1,057	(531)		526			526
<b>District Committees</b>											
Activity budget - New Homes Bonus	766	766		160	926			926			926
Activity budget - Other	294	294			294			294			294
Staffing	528	406	(122)		406			406			406
<b>Total</b>	<b>1,588</b>	<b>1,466</b>	<b>0</b>	<b>160</b>	<b>1,626</b>	<b>0</b>	<b>0</b>	<b>1,626</b>	<b>0</b>	<b>0</b>	<b>1,626</b>
<b>Sport &amp; Physical Activity</b>											
Grant to Kirklees Active Leisure	2,290	2,290	(200)		2,090	(750)		1,340			1,340
Sport & Physical Activity Team	1,353	515	(129)		386	(129)		257			257
Leisure Management	75	48			48			48			48
<b>Total</b>	<b>3,718</b>	<b>2,853</b>	<b>(329)</b>	<b>0</b>	<b>2,524</b>	<b>(879)</b>	<b>0</b>	<b>1,645</b>	<b>0</b>	<b>0</b>	<b>1,645</b>
<b>Professional Services</b>											
Policy Unit	690	670	(262)		408			408			408
Organisational Change	933	933	(111)		822			822			822
Human Resources Professional Service	2,413	1,861	(254)		1,607	(305)		1,302			1,302
Communications & Marketing	1,744	1,615	(310)		1,305	(410)		895			895
Community Languages	624	(86)			(86)			(86)			(86)
<b>Total</b>	<b>6,404</b>	<b>4,993</b>	<b>(937)</b>	<b>0</b>	<b>4,056</b>	<b>(715)</b>	<b>0</b>	<b>3,341</b>	<b>0</b>	<b>0</b>	<b>3,341</b>
<b>Management &amp; Regulatory Functions</b>											
	788	788	(178)		610	(100)		510			510
<b>TOTAL CTC</b>	<b>16,571</b>	<b>13,528</b>	<b>(1,926)</b>	<b>160</b>	<b>11,762</b>	<b>(3,369)</b>	<b>0</b>	<b>8,393</b>	<b>0</b>	<b>0</b>	<b>8,393</b>



COMMUNITY, TRANSFORMATION & CHANGE DIRECTORATE - MINUSES

Service Activity	Proposed Change	Impact Overview Reference	£000		
			2016-17	2017-18	2018-19
					Total
<b>Community Safety and Anti Social Behaviour</b>			(189)		(189)
<b><u>Engagement &amp; Cohesion</u></b> Engaging Communities and Building Community Capacity	Review & reduce Service - See Economic Resilience impact overview	ER8			
<b><u>Creative Economy &amp; Voluntary Sector Support</u></b> Voluntary Sector Support	Review & reduce Service - See Early Intervention, Prevention & Social Productivity impact overview	EPS12		(582)	(582)
Events and Concerts	Review and reduce Service - see Early Intervention, Prevention & Social Productivity impact overview	EPS13		(248)	(248)
Lawrence Batley Theatre	Review & reduce all events and concerts - see Economic Resilience impact overview	ER9	(196)		(196)
Creative Economy Support	Review & reduce grant to the theatre - see Economic Resilience impact overview	ER9	(34)	(34)	(68)
	Review and reduce service - see Economic Resilience impact overview	ER9	(63)	(280)	(343)
<b><u>Museums and Galleries</u></b>					
	Review & reduce Service - see Economic Resilience impact overview	ER10		(531)	(531)
<b><u>Sport and Physical Activity</u></b>					
Grant to Kirklees Active Leisure	Review & reduce grant - see Economic Resilience impact overview	ER11	(200)	(750)	(950)
Sport and Physical Activity Team	Review & reduce Service - see Economic Resilience impact overview	ER11	(129)	(129)	(258)
<b><u>Professional Services</u></b>					
Policy Unit	Reduction in Service	CT1	(262)		(262)
Organisational Change	Redesigned Service	CT2	(111)		(111)
Human Resources Professional Service	Service efficiencies	CT3	(254)	(305)	(559)
Communications and Marketing	Service efficiencies	CT4	(310)	(410)	(720)
<b><u>Management &amp; Regulatory Services</u></b>					
	Service efficiencies	CT5	(178)	(100)	(278)
<b>TOTAL MINUSES FOR CTC DIRECTORATE</b>			<b>(1,926)</b>	<b>(3,369)</b>	<b>0 (5,295)</b>

**COMMUNITY, TRANSFORMATION & CHANGE DIRECTORATE - PLUSES**

Service Activity	Proposed Change	Impact Overview Reference	£000			
			2016-17	2017-18	2018-19	Total
District Committees	Enhanced Service offer - 10% of the forecast New Homes Bonus grant allocated to District Committees		160			160
<b>TOTAL PLUSES FOR CTC DIRECTORATE</b>			160	0	0	160

**COMMUNITIES, TRANSFORMATION AND CHANGE DIRECTORATE BUDGET IMPACT OVERVIEW 2016-19**

Ref	Service activity, proposal and current budget	Main aim and outcomes of service area	2016-17 Budget change £'000	2017-18 Budget change £'000	2018-19 Budget change £'000	Who is affected by the proposal?	Is there any relevant historical or demographic information?	Is there any indication the proposal will disproportionately affect any single group of people?
CT1	<p><b>Policy Unit</b></p> <p>Reduction in function to only deliver statutory duties.</p> <p>Current budget £670,000</p>	<p>Policy and Research function to support statutory duties. Equality and Diversity.</p>	(262)			<p>Staff in Policy Unit.</p> <p>Other council functions.</p> <p>Reduced ability for consultation.</p>	N/A	No
CT2	<p><b>Organisational Change</b></p> <p>Formal training will diminish to statutory training only.</p> <p>Some Policy Unit functions will be included.</p> <p>Current budget £933,000</p>	<p>Transformation of the council to the New Council supporting services.</p>	(111)			<p>Staff and the whole council</p>	N/A	No
CT3	<p><b>Human Resources</b></p> <p>Smaller professional HR function to mirror smaller council that will focus on strategic issues.</p> <p>Current budget £1,861,000</p>	<p>Support to directorates that allow the process of transformation to be well-managed and successful. Industrial Relations, recruitment and pensions.</p>	(254)	(305)		<p>All staff, particularly managers and staff in professional HR.</p>	N/A	No
CT4	<p><b>Communications and Marketing</b></p> <p>Reduced communications and marketing to mirror smaller council and focus on strategic issues.</p>	<p>Citizens and staff well-informed and engaged with the council's transformation and priorities.</p>	(310)	(410)		<p>Staff in Communications and Marketing, council councillors, council staff and citizens.</p>	N/A	No

**COMMUNITIES, TRANSFORMATION AND CHANGE DIRECTORATE BUDGET IMPACT OVERVIEW 2016-19**

Ref	Service activity, proposal and current budget	Main aim and outcomes of service area	2016-17 Budget change £'000	2017-18 Budget change £'000	2018-19 Budget change £'000	Who is affected by the proposal?	Is there any historical or demographic information?	Is there any indication the proposal will disproportionately affect any single group of people?
	Current budget £1,615,000							
CT5	<b>Management &amp; Regulatory Functions</b> Reduction in support for services. Current budget £788,000	Supporting and managing directorate-wide services.	(178)	(100)		Service users and partners.	N/A	No

CENTRAL BUDGETS

SERVICE ACTIVITY	15-16 CONTROLLABLE GROSS EXPENDITURE £000	15-16 CONTROLLABLE INCOME £000	15-16 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSES £000	16-17 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	17-18 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	18-19 BUDGET PROPOSAL £000
Treasury Management	34,171	0	34,171	(1,758)		32,413		985	33,398		1,300	34,698
General Contingencies	11,007	(11,001)	6	(2,109)	4,257	2,154	(690)	2,157	3,621			3,515
Inflation	677	0	677		2,812	3,489		6,371	9,860			14,866
Central Pension & Related Costs	5,865	(987)	4,878			4,878			4,878			4,878
Joint Committees	21,226	0	21,226	(918)	91	20,399		391	20,790		500	21,290
<b>TOTAL CENTRAL BUDGETS</b>	<b>72,946</b>	<b>(11,988)</b>	<b>60,958</b>	<b>(4,785)</b>	<b>7,160</b>	<b>63,333</b>	<b>(690)</b>	<b>9,904</b>	<b>72,547</b>	<b>(106)</b>	<b>6,806</b>	<b>79,247</b>

**CENTRAL BUDGETS - MINUSES**

Service Activity	Proposed Change	Impact Overview Reference	£000			Total
			2016-17	2017-18	2018-19	
General Contingencies	Income generation target for Building services - development of commercial arm for private sector business	Not applicable	(50)	(50)	(50)	(150)
General Contingencies	Review of Council electoral cycle and number of councillors		(120)	(120)		(120)
General Contingencies	Reduction in general contingencies budgets required		(2,059)	(520)	(56)	(2,635)
Treasury Management	Interest rates and cashflow		(1,758)			(1,758)
Joint Committees	Reduction in Joint Committees budgets required		(918)			(918)
<b>TOTAL MINUSES FOR CENTRAL BUDGETS</b>			<b>(4,785)</b>	<b>(690)</b>	<b>(106)</b>	<b>(5,581)</b>

**CENTRAL BUDGETS - PLUSES**

Service Activity	Proposed Change	Impact Overview Reference	£000			
			2016-17	2017-18	2018-19	Total
Treasury Management	Borrowing costs required to support capital expenditure	Not applicable		985	1,300	2,285
General Contingencies	Increased employer National Insurance contributions due to cessation of contracted out arrangements for pension schemes		4,000			4,000
General Contingencies	Technical adjustment relating to early repayment to West Yorkshire Pension Fund in 13-14		257	1,357		1,614
General Contingencies	Apprenticeship levy			800		
Inflation	Future years inflation requirement		2,812	6,371	5,006	14,189
Joint Committees	Increased costs of Integrated Transport Authority levy	91	391	500	982	
<b>TOTAL PLUSES FOR CENTRAL BUDGETS</b>			<b>7,160</b>	<b>9,904</b>	<b>6,806</b>	<b>23,070</b>

**HOUSING REVENUE ACCOUNT**

SERVICE ACTIVITY	2015-16 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSES £000	2016-17 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	2017-18 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	2018-19 BUDGET PROPOSAL £000
<b>Repairs &amp; Maintenance</b>										
Planned maintenance	8,197	(1,500)		6,697			6,697			6,697
Unplanned Works	15,844	(615)		15,229	(115)		15,114	(115)		14,999
<b>sub-total</b>	<b>24,041</b>	<b>(2,115)</b>	<b>0</b>	<b>21,926</b>	<b>(115)</b>	<b>0</b>	<b>21,811</b>	<b>(115)</b>	<b>0</b>	<b>21,696</b>
<b>Housing Management</b>										
Policy & Management	15,597	(1,100)		14,497		250	14,747			14,747
Council services bought-in	2,406	(300)		2,106			2,106			2,106
Kirklees Neighbourhood Housing Fee	13,649		180	13,829			13,829			13,829
Special Services (Communal Services)	1,550			1,550			1,550			1,550
<b>sub-total</b>	<b>33,202</b>	<b>(1,400)</b>	<b>180</b>	<b>31,982</b>	<b>0</b>	<b>250</b>	<b>32,232</b>	<b>0</b>	<b>0</b>	<b>32,232</b>
<b>Other expenditure</b>										
Depreciation charge on HRA assets	15,600		300	15,900		300	16,200		300	16,500
Interest payable on capital debt	9,416	(484)		8,932	(279)		8,653	(200)		8,453
Bad debt provision	2,183	(167)		2,016			2,016			2,016
HRA share of corporate & democratic core services	380			380			380			380
Rents, rates, taxes & other charges	362	(70)		292	(70)		292		994	292
Inflation provision	0		863	863		972	1,835			2,829
<b>sub-total</b>	<b>27,941</b>	<b>(721)</b>	<b>1,163</b>	<b>28,383</b>	<b>(279)</b>	<b>1,272</b>	<b>29,376</b>	<b>(200)</b>	<b>1,294</b>	<b>30,470</b>
<b>Total Expenditure</b>	<b>85,184</b>	<b>(4,236)</b>	<b>1,343</b>	<b>82,291</b>	<b>(394)</b>	<b>1,522</b>	<b>83,419</b>	<b>(315)</b>	<b>1,294</b>	<b>84,398</b>
Dwelling rent income	(83,913)		1,274	(82,639)		1,124	(81,515)		1,165	(80,350)
Non-dwelling rent income	(670)	(5)		(675)	(5)		(680)	(5)		(685)
Tenant & leaseholder charges for services & facilities	(3,052)	(19)		(3,071)	(19)		(3,090)	(19)		(3,109)
HRA Interest income on cashflow	(150)		32	(118)			(118)			(118)
Excellent Homes for Life (PFI) Government grant	(7,912)			(7,912)			(7,912)			(7,912)
<b>Total income</b>	<b>(95,697)</b>	<b>(24)</b>	<b>1,306</b>	<b>(94,415)</b>	<b>(24)</b>	<b>1,124</b>	<b>(93,315)</b>	<b>(24)</b>	<b>1,165</b>	<b>(92,174)</b>
<b>Net Operating expenditure</b>	<b>(10,513)</b>	<b>(4,260)</b>	<b>2,649</b>	<b>(12,124)</b>	<b>(418)</b>	<b>2,646</b>	<b>(9,896)</b>	<b>(339)</b>	<b>2,459</b>	<b>(7,776)</b>
Revenue contribution to capital (in-year)	9,740		1,047	10,787	(3,297)		7,490		286	7,776
Planned transfer to HRA balances	773		564	1,337		1,069	2,406	(2,406)		0
<b>Net Surplus/deficit</b>	<b>0</b>	<b>(4,260)</b>	<b>4,260</b>	<b>0</b>	<b>(3,715)</b>	<b>3,715</b>	<b>0</b>	<b>(2,745)</b>	<b>2,745</b>	<b>0</b>



**HOUSING REVENUE ACCOUNT - MINUSES**

Service Activity	Proposed Change	Impact Overview Reference	£000		
			2016-17	2017-18	2018-19
<b>Repair &amp; Maintenance</b> Planned repairs Unplanned works	Base budget re-alignment to match current spend & anticipated future workload requirements Base budget re-alignment to match current spend & anticipated future workload requirements		(1,500) (615)	(115)	(1,500) (845)
<b>Housing Management</b> <i>Policy &amp; Management:</i> Excellent Homes for Life (PFI) Excellent Homes for Life (PFI) Grounds Maintenance Intensive Housing Management Temporary accommodation	Review of contingency and other budget heading requirements Additional unitary charge savings resultant from capital re-financing Base budget re-alignment to match to current spend Reduction reflects anticipated future demand Anticipated changes to housing benefit eligibility for certain elements of service charge, not implemented		(400) (100) (100) (200) (300)		(400) (100) (100) (200) (300)
<i>Council services bought-in:</i> Council services bought-in	Base budget re-alignment to match current spend across a range of budget headings		(300)		(300)
<b>Other expenditure</b> Bad debt provision Rents, rates, taxes & other expenditure	Adjustment to reflect current rent income collection performance Adjustment to council tax payments for vacant tenancies in light of reduced voids		(167) (70)		(167) (70)
<b>Income</b> Non-Dwelling rents Tenant & leaseholder service and other charges Interest payable on capital debt	Annual increase in 16-17 of 0.8% (RPI September snapshot) ; council garages Annual increase in 16-17 of 0.8% (RPI September snapshot) Interest charges in line with current profile of debt repayment across years		(5) (19) (484)	(5) (19) (279)	(15) (57) (963)
<b>TOTAL MINUSES FOR HRA (net operating expenditure)</b>			<b>(4,260)</b>	<b>(418)</b>	<b>(5,017)</b>
Revenue contribution to capital Planned transfer to HRA balances	Funding contribution to HRA capital; re-freshed in light of proposed 5 year plan Year 3 adjustment reflects the fact that there is no remaining budgeted surplus available to transfer to balances after all other budgetary adjustments have been made			(3,297)	(3,297) (2,406)
<b>TOTAL MINUSES FOR HRA</b>			<b>(4,260)</b>	<b>(3,715)</b>	<b>(10,720)</b>

**HOUSING REVENUE ACCOUNT - PLUSES**

Service Activity	Proposed Change	Impact Overview Reference	£000		
			2016-17	2017-18	2018-19
<b>Housing Management</b>					
<u>Policy &amp; Management:</u> Strategic priorities to support capital initiatives	Review of contingency requirement and other minor budget reductions		250		250
KNH Fee	HRA provision for additional employer National Insurance costs resultant from government cessation of contracted out pension scheme	180			180
<b>Other expenditure</b>					
Depreciation charge on HRA assets	Annual uplifts in depreciation charge reflect	300	300	300	900
Inflation provision requirement	Annual provision requirement reflects RPI assumption for repair & maintenance, and CPI for other costs	863	972	994	2,829
<b>Income</b>					
Dwelling rents	Impact of annual 1% rent reduction for each of the next 3 years, plus other adjustments for assumed right to buys	1,274	1,124	1,165	3,563
HRA interest income on cashflow	Latest estimate based on HRA balances and investment interest rates	32			32
<b>TOTAL PLUSES FOR HRA (net operating expenditure)</b>		<b>2,649</b>	<b>2,646</b>	<b>2,459</b>	<b>7,754</b>
Revenue contribution to capital	Funding contribution to HRA capital; re-freshed in light of proposed 5 year plan	1,047		286	1,333
Planned transfer to HRA balances	Reflects any remaining budgeted surplus available to transfer to HRA balances after all other HRA budgetary adjustments have been made	564	1,069		1,633
<b>TOTAL PLUSES FOR HRA</b>		<b>4,260</b>	<b>3,715</b>	<b>2,745</b>	<b>10,720</b>

**Including estimated precepts from the West Yorkshire Fire & Police Authorities  
and Parish Councils**

**KIRKLEES METROPOLITAN COUNCIL**  
**COUNCIL MEETING - 17 FEBRUARY 2016**  
**COUNCIL TAX**

1. That the Revenue Budget for the year 2016-2017, as submitted, be approved.
2. That it be noted that at its meeting on 12 January 2016 the Council calculated the following amounts for the year 2016-2017 in accordance with regulations made under Section 31B of the Local Government Finance Act 1992, as amended (the "Act") and subject to the calculation of any consequential changes to the Council Tax Base delegated to the Director of Resources:-

(a) 113,388.90 being the amount calculated by the Council, in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as its council tax base for the year

(b) Part of the Council's area

Parish of Denby Dale	5,552.16
Parish of Holme Valley	9,630.95
Parish of Kirkburton	8,673.23
Parish of Meltham	2,652.06
Parish of Mirfield	6,388.57
Kirklees (outside the Parish of Holme Valley) special expense area	103,757.95

being the amounts calculated by the Council, in accordance with regulation 6 of the Regulations, as the amounts of its council tax base for the year for dwellings in those parts of its area to which one or more special items relate.

3. Calculate that the Council Tax Requirement for the Council's own purposes for 2016-17 (excluding parish precepts) is £149,356,000
4. That the following amounts be now calculated by the Council for the year 2016-2017 in accordance with Sections 31 to 36 of the Act:-
  - (a) £ 832,532,040 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
  - (b) £ 682,678,000 being the aggregate of the amounts which

**Including estimated precepts from the West Yorkshire Fire & Police Authorities  
and Parish Councils**

the Council estimates for the items set out in Section 31A(3) of the Act

- (c) £ 149,854,040 being the amount by which the aggregate at 4(a) exceeds the aggregate at 4(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act)
- (d) £ 1,321.5936 being the amount at 4(c) above (Item R), all divided by Item T (2(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
- (e) £ 532,698 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.
- (f) £ 1,316.8956 being the amount at 4(d) above, less the result given by dividing the amount at 4(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its council tax for the year for dwellings in those parts of its area to which no Parish precept relates.

g)

<u>Part of the Council's area</u>	Base Council Tax £	Special Expenses £	Parish Precept £	Resultant Council Tax £
Parish of Denby Dale	1,316.90	0.33	31.55	1,348.78
Parish of Holme Valley	1,316.90	0.00	12.00	1,328.90
Parish of Kirkburton	1,316.90	0.33	12.89	1,330.12
Parish of Meltham	1,316.90	0.33	19.04	1,336.27
Parish of Mirfield	1,316.90	0.33	7.05	1,324.28
Kirklees (outside special expense area)	1,316.90	0.33	0.00	1,317.23

being the amounts to be added to the amount at 4(g) (and the resultant council tax amounts), as the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 2(b), calculated by the Council, in accordance with Section 34(3) of

**Including estimated precepts from the West Yorkshire Fire & Police Authorities  
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the Act, as the basic amounts of its council tax for the year for dwellings in those parts of its area to which one or more special items relate.

(h) Kirklees Valuation Bands

Part of the Council's Area	<u>A</u> £	<u>B</u> £	<u>C</u> £	<u>D</u> £	<u>E</u> £	<u>F</u> £	<u>G</u> £	<u>H</u> £
Denby Dale	899.18	1,049.05	1,198.91	1,348.78	1,648.51	1,948.23	2,247.96	2,697.55
Holme Valley	885.94	1,033.59	1,181.25	1,328.90	1,624.21	1,919.53	2,214.84	2,657.81
Kirkburton	886.74	1,034.53	1,182.32	1,330.12	1,625.70	1,921.28	2,216.86	2,660.23
Meltham	890.84	1,039.32	1,187.79	1,336.27	1,633.22	1,930.16	2,227.11	2,672.53
Mirfield	882.85	1,030.00	1,177.14	1,324.28	1,618.57	1,912.85	2,207.13	2,648.56
All other parts	878.15	1,024.51	1,170.87	1,317.23	1,609.95	1,902.67	2,195.38	2,634.46

Being the amounts given by multiplying the amounts at 4(g) by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

5. That it be noted that for the year 2016-2017 the major precepting authorities have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings in the Council's area as shown below:-

Precepting Authority	<u>A</u> £	<u>B</u> £	<u>C</u> £	<u>D</u> £	<u>E</u> £	<u>F</u> £	<u>G</u> £	<u>H</u> £
West Yorkshire Fire & Civil Defence Authority	39.79	46.42	53.05	59.68	72.95	86.21	99.47	119.37
West Yorkshire Police Authority	97.30	113.52	129.73	145.95	178.38	210.82	243.25	291.90

6. That, having calculated the aggregate in each case of the amounts at 4(g) and 5, the Council, in accordance with Sections 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of council tax for the year 2016-2017 for each of the categories of dwelling shown below:-

**Including estimated precepts from the West Yorkshire Fire & Police Authorities  
and Parish Councils**

Valuation Bands

Part of the Council's area	<b>A</b> £	<b>B</b> £	<b>C</b> £	<b>D</b> £	<b>E</b> £	<b>F</b> £	<b>G</b> £	<b>H</b> £
Denby Dale	1,036.27	1,208.99	1,381.69	1,554.41	1,899.84	2,245.26	2,590.68	3,108.82
Holme Valley	1,023.03	1,193.53	1,364.03	1,534.53	1,875.54	2,216.56	2,557.56	3,069.08
Kirkburton	1,023.83	1,194.47	1,365.10	1,535.75	1,877.03	2,218.31	2,559.58	3,071.50
Meltham	1,027.93	1,199.26	1,370.57	1,541.90	1,884.55	2,227.19	2,569.83	3,083.80
Mirfield	1,019.94	1,189.94	1,359.92	1,529.91	1,869.90	2,209.88	2,549.85	3,059.83
All other parts	1,015.24	1,184.45	1,353.65	1,522.86	1,861.28	2,199.70	2,538.10	3,045.73

7. The Council has determined that its relevant basic amount of Council Tax for 2016-2017 is **not** excessive in accordance with principles approved under section 52ZB Local Government Finance Act 1992.

As the billing authority, the Council has **not** been notified by a major precepting authority that its relevant basic amount of Council Tax for 2016-2017 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK Local Government Finance Act 1992.

8. That notice of the amounts set by the Council in accordance with Section 30 of the Local Government Finance Act 1992 be published in at least one newspaper circulating in the Council's area, in accordance with Section 38(2) of the Act.

**Motion to be presented by Cllr David Sheard and Cllr Jean Calvert**

**Calculation of Council Tax for 2016-2017**

**Appendix Ci**

	<u>2015-16 Budget</u>		<u>2016-17 Budget</u>		<u>% change</u>
	£	£	£	£	
Total Directorate Budgets		314,101,947		310,836,000	
Adjustment for contribution to (+)/use of (-) balances		-16,629,000		-17,500,000	
Total Expenditure		297,472,947		293,336,000	
Less: Business Rates Local Share	51,441,000		51,441,000		
Less: Top Up	21,252,000		21,430,000		
Less: RSG	64,556,000		47,850,000		
Less: Unringfenced Specific Grants	23,249,334		21,259,000		
Less: Transfer of Collection Fund Deficit	-4,000,000		2,000,000		
		156,498,334		143,980,000	
Council Tax Requirement		140,974,613		149,356,000	
Less: Special Expenses		11,995		34,658	
Balance to be raised by Council Tax (excludes special expenses)		140,962,618		149,321,342	
<i>Kirklees Taxbase</i>	111,253.37		113,388.90		
<b>Kirklees Council Tax on Band D Properties (Holme Valley)</b>		<b>£1,267.04</b>		<b>£1,316.90</b>	
Special Expenses * Incurred Outside Holme Valley		0.1178		0.3340	
<b>Kirklees Council Tax on Band D Properties (excluding Holme Valley)</b>		<b>1,267.16</b>		<b>1,317.23</b>	<b>3.95%</b>
<b>Precept Figures</b>					
West Yorkshire FCDA	£6,512,999	58.54	£6,767,459	59.68	1.95%
West Yorkshire Police	£15,681,054	140.95	£16,548,999	145.95	3.55%
<b>Kirklees Plus Fire &amp; Police</b>		<b>£1,466.65</b>		<b>£1,522.86</b>	<b>3.83%</b>
Parish Precepts	£488,269	£4.39	£498,040	£4.39	0.08%
<b>Council Tax at Band D</b>		<b>£1,471.04</b>		<b>£1,527.25</b>	<b>3.82%</b>

**Council Tax by Council Tax Band**

	<u>2015-16</u>	<u>2016-17</u>	<u>Annual increase</u>	<u>Weekly increase</u>
Band A	£977.77	1,015.24	37.47	0.72
Band B	£1,140.73	1,184.45	43.72	0.84
Band C	£1,303.69	1,353.65	49.96	0.96
Band D	£1,466.65	1,522.86	56.21	1.08
Band E	£1,792.57	1,861.28	68.71	1.32
Band F	£2,118.49	2,199.70	81.21	1.56
Band G	£2,444.42	2,538.10	93.68	1.80
Band H	£2,933.30	3,045.73	112.43	2.16

<u>Referendum Calculation</u>	<u>2015-16</u>	<u>2016-17</u>	
	£	£	
Council Tax Requirement	140,974,613	149,356,000	
<i>Divided by Taxbase</i>	111,253.37	113,388.90	
<b>Average Band D Council Tax</b>	<b>1,267.15</b>	<b>1,317.20</b>	<b>3.95%</b>

\* Special expenses relate to expenditure incurred in respect of public seats on or adjoining highways, War Memorials and Public Clocks outside the area of the Holme Valley Parish Council. This Parish Council provides such items within its area.





## **Kirklees Council –Pay Policy Statement for the period 1 April 2016 to 31 March 2017**

### **Introduction**

Sections 38 – 43 of the Localism Act 2011 require that the authority produce a policy statement that covers a number of matters concerning the pay of the authority's staff, principally Chief Officers. This policy statement meets the requirements of the Localism Act in this regard and also meets the requirements of guidance issued by the Secretary of State for Communities and Local Government to which the authority is required to have regard under Section 40 of the Act. The policy was first considered and approved by the full Council at the Council meeting which took place on 18th January 2012. This policy also has some connection with the data on pay and rewards for staff which the authority publishes under the Code of Recommended Practice for Local Authorities on Data Transparency and the data which is published under The Accounts and Audit (England) Regulations (2015). This policy statement does not cover or include school staff and is not required to do so. Staff transferring from the NHS generally maintain their NHS terms and conditions upon transfer to the Council.

### **Definition of officers covered by the Policy Statement**

This policy statement covers the following posts:

- Head of the Paid Service, which in this authority is the post of
  - Chief Executive
- Statutory Chief Officers (who report directly to the Head of Paid Service), which in this authority are the posts of
  - Director of Resources – Section 151 Officer
  - Director for Children and Young People's Services
  - Director for Commissioning, Public Health and Adult Social Care
- Deputy Chief Officer who is also a Statutory Chief Officer
  - Monitoring Officer – Assistant Director Legal, Governance and Monitoring
  - Director of Public Health
- Non-statutory Chief Officers, (those who report directly to the Head of the Paid Service) which in this authority are the posts of
  - Director of Economy, Skills and Environment
  - Director of Communities, Transformation & Change
- Deputy Chief Officers, (those who report directly to a Statutory Chief Officer) which in this authority are the posts of:
  - Assistant Director of Social Care and Wellbeing for Adults
  - Assistant Director of Early Intervention and Prevention
  - Assistant Director Safeguarding & Family Support

- Assistant Director Learning & Skills
  - Assistant Director Commissioning & Health Partnerships
  - Assistant Director Customer & Exchequer Services
  - Assistant Director Financial Management, Risk, Performance and IT
  - Assistant Director (Health Improvement)
  - Consultant in Public Health x3
- Deputy Chief Officers, (those who report directly to a non-statutory Chief Officer) which in this authority are the posts of:
    - Assistant Director Streetscene & Housing
    - Assistant Director Investment & Regeneration
    - Assistant Director Communities & Leisure
    - Assistant Director Physical Resources & Procurement
    - Chief Service Officer - Cities of Service
    - Head of Human Resources
    - Head of Transformation
    - Head of Communications and Marketing

### **Policy on remunerating Chief Officers**

The authority's policy on remunerating Chief Officers is set out on the schedule that is attached to this policy statement at Appendix Dii. It is the policy of this authority to establish a remuneration package for each Chief Officer post that is sufficient to attract and retain staff of the appropriate skills, knowledge, experience, abilities and qualities that is consistent with the authority's requirements of the post in question at the relevant time.

Following the implementation of Single status, all Chief Officers are paid in accordance with the Council's pay spine including national pay awards.

### **Policy on remunerating the lowest paid in the workforce**

The authority applies terms and conditions of employment that have been negotiated and agreed through appropriate collective bargaining mechanisms (national or local) or as a consequence of authority decisions, these are then incorporated into contracts of employment. This authority implemented a Local Living wage from 1 April 2015. Existing Spinal Column Points 5-10 within the Authority's current pay spine, were deleted as of 1 April 2015. The lowest pay point in this Authority is Grade 3, Spinal Column Point (SCP) 11; £7.88 hourly rate.

The pay rate is increased in accordance with any pay settlements which are reached through the National Joint Council for Local Government Services (the pay spine shown at Appendix Diii and the NHS pay spine for staff transferred from NHS at Appendix Div are inclusive of the most recent pay award offer).

### **Policy on the relationship between Chief Officer Remuneration and that of other staff**

The highest paid (actual) salary in this authority is £157,338 which is paid to Adrian Lythgo. The median (full time equivalent) salary\* in this authority (not including Schools or other external organisations) is £19,742.

**\*Median**

*The median is the value falling in the middle when the data items are arranged in an array of either ascending or descending order. If there is an odd number of items, the median is the value of the middle item. If there is an even number of items, the median is obtained by taking the mid points of the two middle points (add middle points together and divide by 2).*

*Excluded : Kirklees active Leisure, Kirklees neighbourhood Housing, Maintained Schools, Academies, Claiming Teachers, Temp Direct, Teachers pensions, casual and Paymaster Only Contracts, any record where the actual salary is zero.*

The ratio between the two salaries, the 'pay multiple', is 7.97:1.

This authority does not have a policy on maintaining or reaching a specific 'pay multiple', however the authority is conscious of the need to ensure that the salary of the highest paid employee is not excessive and is consistent with the needs of the authority as expressed in this policy statement and its wider pay policy and approach.

The authority's approach to the payment of other staff is to pay that which the authority needs to pay to recruit and retain staff with the skills, knowledge, experience, abilities and qualities needed for the post in question at the relevant time, and to ensure that the authority meets any contractual requirements for staff including the application of any local or national collective agreements, or authority decisions regarding pay.

**Policy on other aspects of Chief Officer Remuneration**

Other aspects of Chief Officer remuneration are appropriate to be covered by this policy statement, these other aspects are defined as recruitment, pay increases, additions to pay, performance related pay, earn back, bonuses, termination payments, transparency and re-employment when in receipt of an Local Government Pension Scheme (LGPS) pension or a redundancy/severance payment. These matters are addressed in the schedule that is attached to this policy statement at Appendix Dv.

### **Approval of Salary Packages in excess of £100k**

The authority will ensure that, at the latest before an offer of appointment is made, any salary package for any new post that is not currently included within Appendix Dii (not including schools and any initial transfer to the Council under TUPE), that is in excess of £100k will be considered by full Council. The salary package will be defined as base salary, any bonuses, fees, routinely payable allowances and benefits in kind that are due under the contract.

### **Flexibility to address recruitment issues for vacant posts**

In the vast majority of circumstances the provisions of this policy will enable the authority to ensure that it can recruit effectively to any vacant post. There may be exceptional circumstances when there are recruitment difficulties for a particular post and where there is evidence that an element or elements of the remuneration package are not sufficient to secure an effective appointment. This policy statement recognises that this situation may arise in exceptional circumstances and therefore a departure from this policy can be implemented without having to seek full Council approval for a change of the policy statement. Such a departure from this policy will be expressly justified in each case and will be approved through an appropriate authority decision making route.

### **Policy for future years**

This policy statement will be reviewed each year and will be presented to full Council each year for consideration in order to ensure that a policy is in place for the authority prior to the start of each financial year.

**RENUMERATION OF CHIEF OFFICERS**

**APPENDIX Dii)**

Job Category	Employment Conditions either Chief Execs, Chief Officer or Local Government Scheme (LGS)	Post Title	Salary Band*	Expenses	Performance Related Pay (PRP) Arrangements	Earn Back Arrangements	Bonus	Non Cash Benefits	Election Fees	Any Joint Authority Payments	Any other comments
A Head of Paid Service	LGS	Chief Executive	£155,000 - £159,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	Contract includes duties of returning officer for District, Parliamentary & European elections. The LA receives the income from National Government for the Parliamentary and European elections. For Referenda separate fees are paid to the officer.	No	
B Statutory Chief Officers	LGS	Director of Children and Young People's Services	£110,000 - £114,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No	This post was appointed to on 21st March 2016, the previous post holder will retire on 3rd April 2016 and the quoted salary is for the new appointee
B Statutory Chief Officers	LGS	Director for Commissioning, Public Health and Adult Social Care	£120,000 - £124,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No	
B Statutory Chief Officers	LGS	Director of Resources & responsibility for Section 151.	£120,000 - £124,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No	
C Statutory Chief Officers and also Deputy Chief Officer (those who report to a Statutory Chief Officer)	LGS	Assistant Director Legal & Governance	£85,000 - £89,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No	
C Statutory Chief Officers and also Deputy Chief Officer (those who report to a Statutory Chief Officer)	LGS	Director for Public Health	£85,000 - £90,000	NHS agenda for change has common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No	
D Non Statutory Chief Officers (those who report to Head of Paid Service or Statutory Chief Officer)	LGS	Director of Economy, Skills and Environment	£120,000 - £124,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No	

Job Category	Employment Conditions either Chief Execs, Chief Officer or Local Government Scheme (LGS)	Post Title	Salary Band*	Expenses	Performance Related Pay (PRP) Arrangements	Earn Back Arrangements	Bonus	Non Cash Benefits	Election Fees	Any Joint Authority Payments	Any other comments
D Non Statutory Chief Officers (those who report to Head of Paid Service or Statutory Chief Officer)	LGS	Director of Communities, Transformation, Change	£115,000 - £119,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No	
E Deputy Chief Officer (those who report to a Statutory Chief Officer)	LGS	Assistant Director Early Intervention and Prevention	£85,000 - £89,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No	
E Deputy Chief Officer (those who report to a Statutory Chief Officer)	LGS	Assistant Director Social Care and Wellbeing for Adults**	£80,000 - £84,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No	
E Deputy Chief Officer (those who report to a Statutory Chief Officer)	LGS	Assistant Director Safeguarding & Family Support	£90,000 - £94,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No	
E Deputy Chief Officer (those who report to a Statutory Chief Officer)	LGS	Assistant Director Learning & Skills	£85,000 - £89,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No	
E Deputy Chief Officer (those who report to a Statutory Chief Officer)	LGS	Assistant Director Commissioning & Health Partnerships	£85,000 - £89,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No	
E Deputy Chief Officer (those who report to a Statutory Chief Officer)	LGS	Assistant Director Customer & Exchequer Services	£85,000 - £89,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No	
E Deputy Chief Officer (those who report to a Statutory Chief Officer)	LGS	Assistant Director Financial Management, Risk, Performance & IT	£80,000 - £84,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No	

Job Category	Employment Conditions either Chief Execs, Chief Officer or Local Government Scheme (LGS)	Post Title	Salary Band*	Expenses	Performance Related Pay (PRP) Arrangements	Earn Back Arrangements	Bonus	Non Cash Benefits	Election Fees	Any Joint Authority Payments	Any other comments
E Deputy Chief Officer (those who report to a Statutory Chief Officer)	NHS	Assistant Director (Health Improvement)	£65,000 - £69,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No	
E Deputy Chief Officer (those who report to a Statutory Chief Officer)	NHS	Consultant in Public Health	£90,000 - £95,000	NHS agenda for change has common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No	
E Deputy Chief Officer (those who report to a Statutory Chief Officer)	NHS	Consultant in Public Health	£80,000 - £84,999	NHS agenda for change has common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No	
E Deputy Chief Officer (those who report to a Statutory Chief Officer)	NHS	Consultant in Public Health Medicine	£50,000 - £54,999	NHS agenda for change has common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No	
F Deputy Chief Officer (those who report to Non Statutory Chief Officer)	LGS	Assistant Director Streetscene & Housing	£85,000 - £89,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No	
F Deputy Chief Officer (those who report to Non Statutory Chief Officer)	LGS	Assistant Director Investment & Regeneration	£70,000 - £74,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No	
F Deputy Chief Officer (those who report to Non Statutory Chief Officer)	LGS	Assistant Director Communities & Leisure	£85,000 - £89,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No	
E Deputy Chief Officer (those who report to a Statutory Chief Officer)	LGS	Assistant Director Physical Resources & Procurement	£85,000 - £89,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No	
F Deputy Chief Officer (those who report to Non Statutory Chief Officer)	LGS	Chief Service Officer Cities of Service	£50,000 - £54,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No	

Job Category	Employment Conditions either Chief Execs, Chief Officer or Local Government Scheme (LGS)	Post Title	Salary Band*	Expenses	Performance Related Pay (PRP) Arrangements	Earn Back Arrangements	Bonus	Non Cash Benefits	Election Fees	Any Joint Authority Payments	Any other comments
F Deputy Chief Officer (those who report to Non Statutory Chief Officer)	LGS	Head of HR	£55,000 - £59,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No	
F Deputy Chief Officer (those who report to Non Statutory Chief Officer)	LGS	Head of Communications and Marketing	£45,000 - £49,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No	
F Deputy Chief Officer (those who report to Non Statutory Chief Officer)	LGS	Head of Transformation	£50,000 - £54,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No	

\* Salary is Full Time Equivalent - salary bands quoted reflect pay levels as at 1 April each year

\*\*vacant post - quoted salary band assumes vacancy would be appointed to at entry point of relevant Grade



**KIRKLEES COUNCIL SINGLE STATUS GRADES**

This pay scale does not include the proposed 16-17 pay award, as this has yet to be formally agreed.

Grade	SCP	1.1.16 £	Grade	SCP	1.1.16 £
1*	4	0	14	46	40217
	5	13500		47	41140
2	6	13614	15	48	42053
	7	13715		49	42957
	8	13871		50	43757
3	9	14075	16	51	44600
	10	14338		52	45389
**	11	15207		53	46213
4	12	15523	17	54	47023
	13	15941		55	47844
	14	16231		56	48666
5	15	16572	18	57	49504
	16	16969		58	50180
	17	17372		59	51209
6	18	17714	19	60	52085
	19	18376		61	52984
	20	19048		62	54214
	21	19742		63	58183
7	23	20849	20	64	65314
	24	21530		65	70074
	25	22212		66	75191
8	26	22937	21	67	74863
	27	23698		68	80333
	28	24472		69	86179
9	29	25440	22	70	82375
	30	26293		71	88578
	31	27123		72	94776
	32	27924	23	73	113011
10	33	28746		74	115756
	34	29558		75	118662
	35	30178		76	121486
	36	30978	77	124313	
11	37	31846	24	78	143033
	38	32778		79	147803
	39	33857		80	152568
12	40	34746		81	157338
	41	35662		82	162105
	42	36571		83	166875
13	43	37483			
	44	38405			
	45	39267			

\*SCP4 abolished from 1.10.13 & SCP5 to be abolished 1.10.15

\*\* The Council pays the Living Wage, meaning that no staff are paid less than SCP 11

APPENDIX D iv)

**2016-17 Pay bands and pay points for NHS staff transferred to the Council** ; Bands are based on NHS pay spine in England (for 2014-15) ; amended locally for the 2.2% pay award uplift. The pay rate is increased in accordance with any pay settlements which are reached through the National Joint Council for Local Government Services. This scale does not include the proposed 16-17 pay award, as this has yet to be formally agreed.

Point	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	Band 7	Band 8				Band 9
								Range A	Range B	Range C	Range D	
1	14,609	14,609										
2	14,975	14,975										
3**	15,343	15,343										
4		15,771										
5		16,200										
6		16,629	16,629									
7		17,181	17,181									
8		17,808	17,808									
9			18,185									
10			18,687									
11			19,252	19,252								
12			19,692	19,692								
13				20,386								
14				21,092								
15				21,733								
16				21,858	21,858							
17				22,500	22,500							
18					23,407							
19					24,349							
20					25,345							
21					26,350	26,350						
22					27,412	27,412						
23					28,515	28,515						
24						29,388						
25						30,414						
26						31,441	31,441					
27						32,467	32,467					
28						33,622	33,622					
29						35,290	35,290					
30							36,318					
31							37,473					
32							38,755					
33							40,102	40,102				
34							41,450	41,450				
35								43,118				
36								44,786				
37								46,713	46,713			
38								48,124	48,124			
39									50,561			
40									53,384			
41									56,208	56,208		
42									57,747	57,747		
43										60,314		
44										63,138		
45									*	67,372	67,372	
46									*	69,297	69,297	
47											72,185	
48											75,714	
49										*	79,563	79,563
50										*	83,414	83,414
51												87,417
52												91,612
53											*	96,011
54											*	100,619

\* Pay spine points 45 and 46 at the top of pay band 8C; pay spine points 49 and 50 at the top of pay band 8D and pay spine points 53 and 54 at the top of pay band 9 are annually earned are paid less than SCP 3

**Range of Policies**

**APPENDIX D v)**

<b>Aspect of Chief Officer Remuneration</b>	<b>Authority Policy</b>
Recruitment	The post will be advertised and appointed to at the appropriate approved salary for the post in question level unless there is good evidence that a successful appointment of a person with the required skills, knowledge, experience, abilities and qualities cannot be made without varying the remuneration package. In such circumstances a variation to the remuneration package is appropriate under the authority's policy and any variation will be approved through the appropriate authority decision making process.
Pay Increases	The authority will apply any pay increases that are agreed by relevant national negotiating bodies and/or any pay increases that are agreed through local negotiations. Following the implementation of Single status, all Chief officers are paid in accordance with the Council's pay spine including national pay awards. The authority will also apply any pay increases that are as a result of authority decisions to significantly increase the duties and responsibilities of the post in question beyond the normal flexing of duties and responsibilities that are expected in senior posts.
Additions To Pay	The authority would not make additional payments beyond those specified in the appropriate policies i.e. Market Rate Supplement, Recruitment and Retention, Acting Up or Honoraria payments.
Performance Related Pay (PRP)	The authority does not operate a performance related pay system as it believes that it has sufficiently strong performance management arrangements in place to ensure high performance from its senior officers. Any areas of under-performance are addressed rigorously by utilising the Performance Management system.
Earn-Back ( Withholding an element of base pay related to performance)	The authority does not operate an earn-back pay system as it believes that it has sufficiently strong performance management arrangements in place to ensure high performance from its senior officers. Any areas of under-performance are addressed rigorously.
Bonuses	The authority does not pay bonus payments to senior officers.

Termination Payments	The authority applies its normal redundancy payments arrangements to senior officers and does not have separate provisions for senior officers. The authority also applies the appropriate Pensions regulations when they apply. The authority has agreed policies in place on how it will apply any discretionary powers it has under Pensions regulations. Any costs that are incurred by the authority regarding senior officers are published in the authority accounts as required under the Accounts and Audit (England) Regulations 2015.
Transparency	The authority meets its requirements under the Localism Act, the Code of Practice on Data Transparency and the Accounts and Audit Regulations in order to ensure that it is open and transparent regarding senior officer remuneration.
Re-employment of staff in receipt of an Local Government Pension Scheme Pension or a redundancy/severance payment	<p>The authority is under a statutory duty to appoint on merit and has to ensure that it complies with all appropriate employment and equalities legislation. The authority will always seek to appoint the best available candidate to a post who has the skills, knowledge, experience, abilities and qualities needed for the post.</p> <p>The authority will therefore consider all applications for candidates to try to ensure the best available candidate is appointed. If a candidate is a former employee in receipt of an LGPS pension or a redundancy payment this will not rule them out from being re-employed by the authority. Clearly where a former employee left the authority on redundancy terms then the old post has been deleted and the individual cannot return to the post as it will not exist.</p> <p>The authority will apply the provisions of the Redundancy Payments Modification Order regarding the recovery of redundancy payments if this is relevant. Pensions Regulations also have provisions to reduce pension payments in certain circumstances to those who return to work within the local government service.</p>

## CAPITAL INVESTMENT PLAN 2016/17 - 2020/21

## BASELINE SUMMARY

Portfolio	Funding	2016/17 Budget £'000	2017/18 Budget £'000	2018/19 Budget £'000	2019/20 Budget £'000	2020/21 Budget £'000	Total Budget £'000
<b>Children &amp; Young People</b>							
Basic Need	G	500	500	500	500	500	2,500
Capital Maintenance	G	4,243	4,243	4,000	4,000	4,000	20,486
Devolved Formula Capital	G	1,085	1,085	1,085	1,085	1,085	5,425
One-Off Initiatives	S106	1,087	453	235	0	0	1,775
<b>Children &amp; Young People Total</b>		<b>6,915</b>	<b>6,281</b>	<b>5,820</b>	<b>5,585</b>	<b>5,585</b>	<b>30,186</b>
<b>Adults</b>	G	<b>1,036</b>	<b>1,036</b>	<b>1,036</b>	<b>1,036</b>	<b>1,036</b>	<b>5,180</b>
<b>Place</b>							
<b>Housing Private Sector</b>							
Disabled Facilities Grants	G/B/R	2,400	2,400	2,400	2,400	2,400	12,000
Discretionary Assistance	B	100	100	100	100	100	500
Minor Adaptations	R	290	290	290	290	290	1,450
PPS3	G	196	0	0	0	0	196
Other	G/B/R	0	766	0	0	428	1,194
		2,986	3,556	2,790	2,790	3,218	15,340
<b>Highways</b>							
<b>Maintenance</b>							
Principal Roads	G	1,864	2,037	1,805	1,805	1,805	9,316
Roads Connecting Communities	G	2,617	2,393	2,369	2,164	1,959	11,502
Local Community Roads	B	2,086	1,967	1,707	1,912	2,117	9,789
Structures	G	1,900	1,700	1,200	1,200	1,200	7,200
Street Lighting Replacement Strategy	B/G	2,029	2,029	2,029	2,029	2,029	10,145
Unadopted Roads	B	50	50	50	50	50	250
<b>Integrated Transport</b>							
Integrated Public Transport	G	70	412	412	412	412	1,718
Network Management	B/G	875	323	323	323	323	2,167
Cycling & Walking	B/G	643	768	118	118	118	1,765
Safer Roads	B/G	949	545	545	545	545	3,129
Town Centre Car Parking	B	150	150	150	150	150	750
Flood Management and Drainage Improvements	B	450	450	450	450	450	2,250
	B/G	13,683	12,824	11,158	11,158	11,158	59,981
<b>Economic Delivery</b>	B	1,800	1,800	1,800	1,800	1,800	9,000
<b>Parks &amp; Open Spaces</b>	B	150	150	150	150	150	750
<b>Bereavement</b>	B	175	175	175	175	175	875
<b>Investment in Buildings</b>	B	2,000	2,000	2,000	2,000	2,000	10,000
Strategic Asset Utilisation/Rationalisation	B	2220	810	300	300	0	3,630
KAL - KC Funded	B	400	400	400	400	400	2,000
<b>Environment &amp; Strategic Waste</b>	B	100	100	100	100	100	500
<b>Transport</b>	B	2,577	2,577	2,577	2,577	2,577	12,885
<b>School Catering</b>	B	200	200	200	200	200	1,000
<b>Place Total</b>		<b>26,291</b>	<b>24,592</b>	<b>21,650</b>	<b>21,650</b>	<b>21,778</b>	<b>115,961</b>
<b>Communities, Transformation &amp; Change</b>							
KAL - Self Funded	B*	617	617	617	617	617	3,085
<b>Communities, Transf &amp; Change Total</b>		<b>617</b>	<b>617</b>	<b>617</b>	<b>617</b>	<b>617</b>	<b>3,085</b>
<b>Resources</b>							
Information Technology	B*	900	900	900	900	900	4,500
<b>Resources Total</b>		<b>900</b>	<b>900</b>	<b>900</b>	<b>900</b>	<b>900</b>	<b>4,500</b>
<b>Leeds City Region Revolving Fund</b>	B	<b>0</b>	<b>2,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,000</b>
<b>TOTAL BASELINE</b>		<b>35,759</b>	<b>35,426</b>	<b>30,023</b>	<b>29,788</b>	<b>29,916</b>	<b>160,912</b>

KEY :

<b>B =</b> Borrowing	<b>G =</b> Grant	<b>R =</b> Capital Receipts
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B\* = These programmes were previously categorised as service funded. Work is ongoing to remove this category and have one system of prudential borrowing.

## CAPITAL INVESTMENT PLAN 2016/17 - 2020/21

### FUNDING SUMMARY - Including Assumed Slippage

For revenue budget planning and associated Prudential Indicators it is appropriate to make overall assumptions about slippage. This table shows the corporate assumptions made for that purpose. This is considered a realistic assumption based on historical information on slippage on major capital programmes of this level.

	2016/17 Budget £'000	2017/18 Budget £'000	2018/19 Budget £'000	2019/20 Budget £'000	2020/21 Budget £'000	Total Budget £'000
Assumed Slippage b/f	12,140	14,367	18,943	16,499	15,161	77,110
General Fund Maximum Authorised Spend	59,908	75,604	66,055	66,920	36,548	305,035
Assumed Slippage c/f	-14,367	-18,943	-16,499	-15,161	-8,882	-73,852
	57,681	71,028	68,499	68,258	42,827	308,293
HRA Planning Allocation	21,022	22,366	26,391	21,115	24,907	115,801
<b>TOTAL FUNDING REQUIREMENT</b>	<b>78,703</b>	<b>93,394</b>	<b>94,890</b>	<b>89,373</b>	<b>67,734</b>	<b>424,094</b>
<b>Funded by...</b>						
<b>Direct/Earmarked Contributions to Schemes</b>						
Capital Grants / Contributions						
- In year	30,262	33,277	31,384	47,344	18,589	160,856
- Funding brought forward from previous year	7,273	8,793	8,595	8,217	11,409	44,287
- Funding carried down to following year	-8,793	-8,595	-8,217	-11,409	-5,315	-42,329
Earmarked Capital Receipts	1,030	3,218	3,433	1,790	2,839	12,310
Revenue Contributions (HRA)	10,787	7,490	10,232	7,516	10,345	46,370
Reserves (HRA)	9,641	12,862	13,162	12,247	12,160	60,072
<b>Pooled resources</b>						
Non Earmarked Capital Receipts	5,500	6,000	6,000	6,000	6,000	29,500
Corporate Prudential Borrowing	23,003	30,349	30,301	17,668	11,707	113,028
<b>TOTAL</b>	<b>78,703</b>	<b>93,394</b>	<b>94,890</b>	<b>89,373</b>	<b>67,734</b>	<b>424,094</b>

## CAPITAL INVESTMENT PLAN 2016/17 - 2020/21

### FUNDING SUMMARY

	2016/17 Budget £'000	2017/18 Budget £'000	2018/19 Budget £'000	2019/20 Budget £'000	2020/21 Budget £'000	Total Budget £'000
Total Planning Allocations	80,930	97,970	92,446	88,035	61,455	420,836
<b>TOTAL FUNDING REQUIREMENT</b>	<b>80,930</b>	<b>97,970</b>	<b>92,446</b>	<b>88,035</b>	<b>61,455</b>	<b>420,836</b>
<b>Funded by...</b>						
<b>Direct/Earmarked Contributions to Schemes</b>						
Capital Grants / Contributions						
- In year	30,262	33,277	31,384	47,344	18,589	160,856
- Funding brought forward from previous year	5,990	1,989	1,989	1,989	1,989	13,946
- Funding carried down to following year	-1,989	-1,989	-1,989	-1,989	-1,561	-9,517
Earmarked Capital Receipts	1,030	3,218	3,433	1,790	2,839	12,310
Revenue Contributions (HRA)	10,787	7,490	10,232	7,516	10,345	46,370
Reserves (HRA)	9,641	12,862	13,162	12,247	12,160	60,072
<b>Pooled resources</b>						
Non Earmarked Capital Receipts	5,500	6,000	6,000	6,000	6,000	29,500
Corporate Prudential Borrowing	19,709	35,123	28,235	13,138	11,094	107,299
<b>TOTAL</b>	<b>80,930</b>	<b>97,970</b>	<b>92,446</b>	<b>88,035</b>	<b>61,455</b>	<b>420,836</b>

# CAPITAL INVESTMENT PLAN 2016/17 - 2020/21

## HOUSING REVENUE ACCOUNT PLAN

	2016/17 Budget £'000	2017/18 Budget £'000	2018/19 Budget £'000	2019/20 Budget £'000	2020/21 Budget £'000	Total Budget £'000
<b>HRA STRATEGIC PRIORITIES</b>						0
Miscellaneous Properties-Conversions/Back into Stock	800	800	800	800	800	4,000
Renewable Energy - PV Programme	3,220	0	0	0	0	3,220
New Build Phase 1 - Ashbrow Extra Care	0	3,500	3,500	0	0	7,000
New Build Phase 2 - Soothill Extra Care	0	0	3,500	3,500	0	7,000
New Build Phase 3	0	0	0	0	7,000	7,000
New Build Phase 4 - Environmentally Friendly Housing	0	2,000	2,000	0	0	4,000
New Build - KNH/Building Services Pilot	800	0	0	0	0	800
	<b>4,820</b>	<b>6,300</b>	<b>9,800</b>	<b>4,300</b>	<b>7,800</b>	<b>33,020</b>
<b>HRA BASELINE</b>						
Heating Programmes( Boilers )	1,845	1,861	1,917	1,934	1,958	9,515
Maintaining Decency	9,942	9,712	10,040	10,166	10,332	50,192
Batched works	279	284	295	300	307	1,465
Fuel poverty	724	737	765	778	795	3,799
Adaptations	2,610	2,656	2,759	2,807	2,867	13,699
Misc	337	343	323	330	337	1,670
Estate & Environmental Works (Managed through District Committees)	465	473	492	500	511	2,441
	<b>16,202</b>	<b>16,066</b>	<b>16,591</b>	<b>16,815</b>	<b>17,107</b>	<b>82,781</b>
<b>TOTAL</b>	<b>21,022</b>	<b>22,366</b>	<b>26,391</b>	<b>21,115</b>	<b>24,907</b>	<b>115,801</b>



## CAPITAL INVESTMENT PLAN 2016/17 - 2020/21

### STRATEGIC PRIORITIES SUMMARY

	Funding	2016/17 Budget £'000	2017/18 Budget £'000	2018/19 Budget £'000	2019/20 Budget £'000	2020/21 Budget £'000	Total Budget £'000
West Yorkshire Transport Fund - A644/A62 Cooper Bridge Junction	G	2,000	3,000	7,000	21,000	0	33,000
West Yorkshire Transport Fund - A644/A62 Corridor Improvements (including Ravensthorpe Relief Road)	G	2,000	2,000	2,000	3,000	0	9,000
West Yorkshire Transport Fund - A653 Dewsbury to Leeds Corridor (including Development at Chidswell)	G	520	450	1,050	2,050	0	4,070
Development of South Dewsbury Strategic Location - highways improvements to support housing developments	G	50	100	100	500	0	750
West Yorkshire Transport Fund - A629 Huddersfield to Halifax Corridor Phase 5 (Cavalry Arms to Ainley Top)	G	400	2,000	2,000	2,000	0	6,400
Pioneer House	B/G	2,200	2,365	0	0	0	4,565
Huddersfield Town Centre Action Plan	B	0	2,887	7,250	500	0	10,637
Dewsbury Town Centre Action Plan	B	0	4,000	1,000	0	0	5,000
Sports Facility (Spenborough area)	B	0	6,000	7,000	1,000	0	14,000
New Pupil Places in Primary Schools	B/G	8,554	10,037	6,132	4,582	4,132	33,437
Reprovision of Lydgate Special School	B	1,300	214	0	0	0	1,514
HD-One (KSDL)	B	3,375	3,375	0	0	0	6,750
European Grant Funding Opportunities	B	1,250	1,250	0	0	0	2,500
<b>TOTAL</b>		<b>21,649</b>	<b>37,678</b>	<b>33,532</b>	<b>34,632</b>	<b>4,132</b>	<b>131,623</b>

### RISKS & PRESSURES

Risks & Pressures	B	2,500	2,500	2,500	2,500	2,500	12,500
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KEY :	B = Borrowing	G = Grant	R = Capital Receipts
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## **PRUDENTIAL INDICATORS**

### 1. **Prudential indicators for affordability** (mandatory indicators highlighted)

#### Estimates of ratio of financing costs to net revenue stream

This prudential indicator measures the impact of borrowing costs on the General Fund and the HRA. It expresses financing costs as a percentage of the “net revenue stream” (taxation and non-specific grant income for General Fund and gross income for HRA).

	Actual		Estimates		
	2014/15	2015/16	2016/17	2017/18	2018/19
General Fund	12.88%	13.13%	13.33%	14.09%	14.59%
General Fund (excl PFI)	10.79%	11.05%	11.35%	11.94%	12.63%
HRA	34.31%	30.52%	30.22%	29.87%	29.65%
HRA (excl PFI)	29.90%	28.13%	27.93%	27.70%	27.59%

#### Estimates of the incremental impact of capital investment decisions on the Council tax

This prudential indicator compares the borrowing costs expected to be incurred under the existing Capital Plan with those of the new Capital Plan, expressed in terms of the impact on the level of Council Tax. The figures identify only the additional borrowing costs – any changes in running costs and income will be factored into service budgets.

	2016/17	2017/18	2018/19
	£	£	£
Decrease in Council Tax at Band D	-1.11	-15.21	-13.29

#### Estimates of the incremental impact of capital investment decisions on housing rents

This prudential indicator sets out the marginal cost of decisions to invest in housing assets and fund them from borrowing, expressed in terms of the impact on average weekly housing rents. There are no plans to use borrowing in the proposed capital plan.

#### Capital Expenditure and External Debt

The table below draws together the main elements of Capital Plan expenditure, highlighting the supported and unsupported elements of borrowing and other financing arrangements. It contains the following prudential indicators:

- 1) Capital expenditure – sets out the latest actual spend and the estimated spend in the plan period, split between General Fund and HRA.
- 2) Capital Financing Requirement (CFR) – this is the Council’s underlying need to borrow to fund capital investment. The indicators required show the latest actual CFR, as well as those based on estimates of new/ repayments of borrowing during the plan period, split between General Fund and HRA.
- 3) External debt – sets out the latest actual debt for the Council. The difference between external borrowing and the CFR in each year reflects the amount of internal balances that are being “borrowed” to finance capital indebtedness (see Treasury Management Strategy Report).

	Actual	2015/16	Estimates		
	2014/15		2016/17	2017/18	2018/19
	£000s	£000s	£000s	£000s	£000s
<b>Capital Expenditure</b>					
General Fund	60,534	73,840	59,908	75,604	66,055
Net slippage			-2,227	-4,576	2,444
General Fund PFI	1,692	1,526	0	0	0
HRA	24,033	24,300	21,022	22,366	26,391
HRA - PFI	-76	151	173	266	300
<b>Total</b>	<b>86,183</b>	<b>99,817</b>	<b>78,876</b>	<b>93,660</b>	<b>95,190</b>
<b>Financed by -</b>					
Borrowing	5,056	32,468	23,003	30,349	30,301
PFI Liabilities	1,616	1,677	173	266	300
Other Resources	79,511	65,672	55,700	63,045	64,589
<b>Total</b>	<b>86,183</b>	<b>99,817</b>	<b>78,876</b>	<b>93,660</b>	<b>95,190</b>
<b>CFR as at 31 March</b>					
General Fund excl PFI	422,263	429,643	429,967	437,579	444,022
General Fund PFI	60,834	58,047	55,448	52,185	49,248
HRA excl PFI	196,579	192,406	186,147	182,809	175,298
HRA PFI	60,918	58,910	56,997	55,335	53,675
<b>Total</b>	<b>740,594</b>	<b>739,006</b>	<b>728,559</b>	<b>727,908</b>	<b>722,243</b>
<b>External debt as at 31 March</b>					
Borrowing	443,715	463,731	505,206	537,068	545,493
Other LT Liabilities	126,285	121,350	116,708	111,663	106,956
<b>Total</b>	<b>570,000</b>	<b>585,081</b>	<b>621,914</b>	<b>648,731</b>	<b>652,449</b>

A further two Prudential Indicators control overall level of borrowing. These are the Authorised Limit and the Operational Boundary. The Authorised Limit represents the limit beyond which borrowing is prohibited. It reflects the level of borrowing which, while not desired, could be afforded in the short-term, but is not sustainable. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3(1) of the Local Government Act 2003.

The Operational Boundary is based on the probable external debt during the course of the year. It is not a limit and actual borrowing could vary around this boundary for short times during this year.

	2015/16	2016/17	2017/18	2018/19
	£m	£m	£m	£m
<b>Authorised limit for external debt</b>				
Borrowing	543.7	554.6	589.3	600.3
Other Long Term Liabilities	126.3	121.4	116.7	111.7
<b>Total</b>	<b>670.0</b>	<b>676.0</b>	<b>706.0</b>	<b>712.0</b>

<u>Operational boundary for external debt</u>				
Borrowing	495.3	505.2	537.1	545.5
Other Long Term Liabilities	126.3	121.4	116.7	111.7
Total	621.6	626.6	653.8	657.2

As part of HRA self-financing reform, the authority is now required to report the limit on HRA indebtedness. The limit was set by Department for Communities and Local Government (DCLG) at £247.6 million. It is the HRA CFR excluding PFI liabilities which is compared to this limit and the HRA is over £50 million below the limit with no current plans to increase its borrowing.

## 2. Prudential indicators for prudence

### Net Borrowing and the Capital Financing Requirement (CFR)

In order to ensure that over the medium term, net borrowing will only be for a capital purpose, the authority should ensure that net external borrowing does not, except in the short term, exceed the total CFR. The Council comfortably complied with this requirement in 2014/15 and no difficulties are envisaged for current or future years.

## 3. Prudential indicators for treasury management

### Treasury Management Code

A prudential indicator in respect of treasury management is that the local authority has adopted the CIPFA *Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes*. The aim is to ensure that treasury management is led by a clear integrated forward treasury management strategy, and a recognition of the pre-existing structure of the authority's borrowing and investment portfolios. The Council adopted the Code in February 2002.

### Gross Debt and the Capital Financing Requirement (CFR)

The Code requires that where gross debt is greater than the CFR, the reasons for this should be clearly stated in the annual strategy. This does not apply to this Council as its gross debt will not exceed the CFR.

### Interest Rate Exposures

While fixed rate borrowing can contribute significantly to reducing the uncertainty surrounding future interest rate scenarios, the pursuit of optimum performance justifies retaining a degree of flexibility through the use of variable interest rates on at least part of the treasury management portfolio. The Code requires the setting of upper limits for both variable rate and fixed interest rate exposure.

It is recommended that the Council sets an upper limit on its fixed interest rate exposures for 2016/17, 2017/18 and 2018/19 of 100% of its net interest payments. It is further recommended that the Council sets an upper limit on its variable interest rate exposures for 2016/17, 2017/18 and 2018/19 of 40% of its net interest payments.

This means that fixed interest rate exposures will be managed within the range 60% to 100%, and variable interest rate exposures within the range 0% to 40%.

### Maturity Structure of Borrowing

This indicator is designed to prevent the Council having large concentrations of fixed rate debt\* needing to be replaced at times of uncertainty over interest rates. It is recommended that the Council sets upper and lower limits for the maturity structure of its borrowings as follows:

<b>Amount of projected borrowing that is fixed rate maturing in each period as percentage of total projected borrowing that is fixed rate</b>		
	<b>Upper Limit (%)</b>	<b>Lower Limit (%)</b>
Under 12 months	20	0
Between 1 and 2 years	20	0
Between 2 and 5 years	60	0
Between 5 and 10 years	80	0
More than 10 years	100	20

\*LOBOs are classed as fixed rate debt unless it is considered probable that the loan option will be exercised.

### Total principal sums invested for periods longer than 364 days

The Council is not intending to invest sums for periods longer than 364 days.

### **Investment Policy for 2016/17 - criteria**

#### Specified investments:

- The Council is able to invest an unlimited amount with the UK Government for up to 6 months.
- The Council is able to invest up to £10 million and up to three months with UK banks and building societies with a “high to upper medium grade” credit rating.
- The Council is able to invest up to £10 million and up to two months with foreign banks with a “high to upper medium grade” credit rating.
- The Council is able to invest up to £10 million and up to two months with individual local authorities.
- The Council is able to invest up to £10 million in individual MMFs (instant access or up to 2 day notice). There will be an overall limit of £30 million for MMFs (non-government funds), plus up to £10 million invested in a fund backed by government securities.

#### Non-specified investments:

- The Council is able to invest up to £3 million and up to two months with individual UK banks and building societies with a mid “medium grade” credit rating.
- The Council is able to invest up to £1 million and up to two months with certain unrated building societies as approved by the Council’s treasury advisors.
- The Council adopts an overall limit of £10 million for non-specified investments.

The maximum limits apply to any one counterparty and to a banking group rather than each individual bank within a group.

The Council will not place direct investments in companies as defined by the Carbon Underground 200 on 1 February each year.

## Specified

	Short-term Credit Ratings / Long-Term Credit Ratings			Investment Limits per Counterparty		Counterparties falling into category as at Jan 2016
	Fitch	Moody's	S & P	£m	Period (3)	
UK Banks / Building Societies (Deposit accounts, fixed term deposits and REPOs)	F1	P-1	A-1	10	<3mth	HSBC Lloyds Group Goldman Sachs Santander UK Nationwide BS Coventry BS Close Bros
	AAA,AA+,AA,AA-,A+,A	Aaa,Aa1,Aa2,Aa3,A1,A2	AAA,AA+,AA,AA-,A+,A			
Foreign Banks (Deposit accounts, fixed term deposits and REPOs)	F1	P-1	A-1	10	<2mth	Various
	AAA,AA+,AA,AA-,A+,A	Aaa,Aa1,Aa2,Aa3,A1,A2	AAA,AA+,AA,AA-,A+,A			
MMF (2)	-	-	-	10	Instant access/ up to 2 day notice	
UK Government (Fixed term deposits)	-	-	-	Unlimited	<6mth	
UK local authorities (Fixed term deposits)	-	-	-	10	<2mth	

## Non-Specified (1)

	Short-term Credit Ratings / Long-Term Credit Ratings			Investment Limits per Counterparty		Counterparties falling into category as at Jan 2016
	Fitch	Moody's	S & P	£m	Period (3)	
UK Banks / Building Societies (Fixed term deposits)	F1,F2	P-1,P-2	A-1,A-2	3	<2mth	Leeds BS Nottingham BS Yorkshire BS
	Higher than BBB	Higher than Baa2	Higher than BBB			
Unrated Building Societies (Fixed term deposits)	-	-	-	1	<2mth	Cumberland, Darlington, Scottish, Furness, Vernon, Harpenden, Hinckley & Rugby, Leek, Marsden, Loughborough, Mansfield, Nat Counties, Mkt Harborough, Newbury, Melton Mowbray Tipton & Coseley, Stafford Railway.

(1) Overall limit of £10 million.

(2) Overall limit for investments in MMFs of £40 million – up to 30 million in non-government funds, plus up to £10 million in a fund backed by government securities.

(3) The investment period begins from the commitment to invest, rather than the date on which funds are paid over.



**Credit ratings**

Moody's		S&P		Fitch		
Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	
Aaa	P-1	AAA	A-1+	AAA	F1+	Prime
Aa1		AA+		AA+		High grade
Aa2		AA		AA		
Aa3		AA-	AA-			
A1		A+	A-1	A+	F1	Upper medium grade
A2		A		A		
A3	P-2	A-	A-2	A-	F2	
Baa1		BBB+		BBB+		
Baa2	P-3	BBB	A-3	BBB	F3	Lower medium grade
Baa3		BBB-		BBB-		
Ba1	Not prime	BB+	B	BB+	B	Non-investment grade speculative
Ba2		BB		BB		
Ba3		BB-		BB-		
B1		B+		B+		
B2		B		B		
B3		B-	B-			
Caa1		Not prime	CCC+	C	CCC	C
Caa2	CCC		Extremely speculative			
Caa3	CCC-		In default with little prospect for recovery			
Ca	CC					
C	C					
/	Not prime	D	/	DDD	/	In default
/				DD		

## **STATEMENT OF POLICY ON THE MINIMUM REVENUE PROVISION (REPAYMENT OF DEBT)**

### **1. Background**

- 1.1 The Local Authorities (Capital Finance and Accounting) (England) Regulations 2008 which came into force on 31 March 2008, replaced the detailed statutory rules for calculating MRP with a requirement to make an amount of MRP which the authority considers "prudent".

### **2. Prudent Provision**

- 2.1 The regulation does not itself define "prudent provision". However, guidance issued alongside the regulations makes recommendations on the interpretation of that term.
- 2.2 The guidance provides two basic criteria for prudent provision:-
- Borrowing not supported by government grant (prudential borrowing) – the provision for repayment of debt should be linked to the life of the asset.
  - Borrowing previously supported by revenue support grant (supported borrowing) - the provision should be in line with the period implicit within the grant determination (4% reducing balance).

### **3. Proposed policy for 2016/17**

- 3.1 The Director of Resources recommends the following policy for making prudent provision for MRP for 2016/17 onwards:

#### General Fund Supported Borrowing (pre 2011/12)

- Provision to be made equivalent to 4% of supported capital debt outstanding at the beginning of the year.

#### General Fund Prudential Borrowing

- For service funded schemes, provision to be made over the estimated life of the asset for which borrowing is undertaken. Provision to commence in the year of purchase.
- For PFI schemes, provision to equal the part of the unitary payment that writes down the balance sheet liability, together with amounts relating to lifecycle costs incurred in the year.
- For all other unsupported borrowing, provision to be made over the estimated life of the asset for which borrowing is undertaken. Provision to commence in the year following purchase.
- Where large loans are made to other bodies for their capital expenditure, no MRP will be charged. However, the capital receipts generated by the annual repayments on those loans will be put aside to repay debt instead.

#### HRA – Borrowing

- As a minimum, provision to be made for debt repayments equal to its share of any scheduled external debt repayments.

- 3.2 The effect of this policy has been taken account in the budget for treasury management and HRA.

**CORPORATE RISK REGISTER – RISK MANAGEMENT ACTION PLAN**

**CORE RISK MANAGEMENT POSITION AS AT JANUARY 2016**

Risk No	Risk – Description of the risk	Management actions already in place to mitigate the risk
1	The current work on New Council and further work to find Directorate savings does not deliver a balanced MTFP e.g. Increase in demand for social care. Increased volume of waste.	<ul style="list-style-type: none"> <li>• Governance structure for New Council established and reporting to Executive Team.</li> <li>• There is a planned approach during the MTFP for general fund activities and Housing Revenue Account functions</li> <li>• Tracker developed which allows all change plans to be in view and monitored on a monthly basis</li> <li>• Programme management office established and resourced</li> <li>• Monthly financial reporting to Executive Team, Portfolio Holders Briefing, and quarterly reports to Cabinet and Council.</li> </ul>
2	Overspending on particular budget heads due to increase in volumes, rising prices, or a failure to properly control projects. Concerns about growth in volumes of children and adult care beyond those provided in financial plans and budgets.	<ul style="list-style-type: none"> <li>• Control expenditure where possible.</li> <li>• Amend policy if possible to mitigate growth.</li> <li>• Examine alternative strategies to mitigate costs e.g. increase extra care provision, adaptations, recruitment of additional foster parents</li> <li>• Utilise supplementary resources to cushion impact of cuts and invest to save.</li> </ul>
3	<p>The new living wage creates a substantial risk for the Council if it is not fully funded in the context of:</p> <ul style="list-style-type: none"> <li>• Direct employees, earning less than the “new living wage” (such as cleaning, catering and other activities)</li> <li>• Contracts for services, particularly in the care sector where many employees are currently paid at or close to the current statutory living wage and will thus increase by up to 40%;(labour constitutes almost 100% of home care and about 75% of residential care costs)</li> </ul>	<ul style="list-style-type: none"> <li>• Liaison with service providers and suppliers about likely impact on prices</li> <li>• Ensure that budgets anticipate likely cost impacts</li> <li>• Seek additional funding as a consequence of government imposed costs.</li> </ul>

	<ul style="list-style-type: none"> <li>Inflation in costs of goods (eg foods) as a consequence of increased operating costs</li> </ul>	
4	<p>Council supplier and market failure leads to loss of service, poor quality service or inability to attract new suppliers - to create competition in existing supply chains, or to create new supply routes as an alternative to existing arrangements</p>	<ul style="list-style-type: none"> <li>Avoid, where possible, over dependence on single suppliers; more thorough financial assessment when a potential supplier failure could have a wide impact on the councils operations but take a more open approach where risks are few or have only limited impact.</li> <li>Recognise that supplier failure is always a potential risk; those firms that derive large proportions of their business from the public sector are a particular risk.</li> <li>Need to balance between only using suppliers who are financially sound but may be expensive and enabling lower cost or new entrants to the supplier market.</li> <li>Be realistic about expectation about what the market can deliver, taking into account matter such as national living wage, recruitment and retention issues etc.</li> <li>Develop and publish in place market position statement and undertake regular dialogue with market.</li> </ul>
5	<p>The Safeguarding risks associated with the care of children and vulnerable adults. Includes direct care provision, care at public access activity, and in community care of the vulnerable (eg through antisocial behaviour).Impacts on the client directly, and also those consequent to Serious Case Reviews investigation and implementation of specific recommendations. Risks include costs of reviews, media and reputational damage from the event, even if the subsequent findings suggest that practices were satisfactory.</p>	<ul style="list-style-type: none"> <li>CRB checking, staff training, supervision, protection policies kept up to date and communicated.</li> <li>Effective management of social work (and related services); rapid response to any issues identified and from any serious case review work.</li> <li>Active management of cases reaching serious case review stage, and any media interest</li> <li>Review of current practices following the child sexual exploitation in Rotherham and the emerging requirements.</li> <li>Ensure that workloads are balanced to resources.</li> <li>Staff and skill development to minimise dependence on key individuals.</li> <li>Use of agency staff and or contractors when necessary</li> <li>Ideal manager training</li> <li>Considered as part of New Council changes and Transformation agenda.</li> </ul>
6	<p>Welfare Reforms impacts adversely on clients and the councils service provision .This may impact particularly on vulnerable people with a further impact on costs and demands for</p>	<ul style="list-style-type: none"> <li>Monitor government intentions; early steer on policy and impacts to be obtained.</li> <li>Develop strategies to control/minimise losses.</li> </ul>

	existing and alternative services. Includes the costs of council tax benefit, income collection difficulties for rents with further potential risks in relation to homelessness if individuals fail to balance their incomes to rents, and prioritise tenancy payments.	
7	<p>Workforce management issues including loss of experienced staff, need for different skill sets and inability to identify and / or reach all staff to deliver appropriate staff training and skills development, industrial tribunals and settlements and industrial action. Difficulties in recruiting and/or retaining staff in specific areas and our overall ability to appoint staff with the appropriate skills and behaviours. Particular risks associated with changes to senior managers in activity areas with current challenging agenda.</p> <p>The governments proposed trade union legislation may create some future difficulties in relation to organisational restructure and change.</p>	<ul style="list-style-type: none"> <li>• Workforce Planning is incorporated into change plans and the New Council Programme and Transformation Boards oversee and support services to deliver these. Modernising and increasing accessibility of policies and processes to equip managers with the tools to manage robustly and increased accessibility to online training tools for managers and employees.</li> <li>• Continue to embed the behaviours within our culture and practice, including within recruitment processes. Progress plans re recruitment and retention issues</li> <li>• Selective use of interim managers and others to ensure continuity of progress regarding complex issues</li> <li>• Ensure robust change processes including EIA's and consultation.</li> <li>• Recognition that actions in the past still drive some costs elements like equal pay.</li> <li>• Monitor position with regard to legislation.</li> </ul>
8	Funding shortfall in partner agencies e.g. NHS which leads to increased pressure on community services and unforeseen costs	<ul style="list-style-type: none"> <li>• Engagement in winter resilience discussions</li> <li>• Secure funding as appropriate</li> <li>• Consider extension of pooled funds</li> <li>• Accept that this will lead to delay in waiting times</li> </ul>
9	Failure to address matters of violent extremism and related safer stronger community factors that could create significant community tension.	<ul style="list-style-type: none"> <li>• Prevent partnership action plan.</li> <li>• Local intelligence sharing and networks.</li> <li>• New status as a Prevent Priority Area provides funding for a Prevent Coordinator Post and enables the development of bids for additional funding.</li> <li>• Counter terrorism local profile.</li> </ul>
Page 1	Unforeseen legislative changes e.g. Housing and Planning Bill	<ul style="list-style-type: none"> <li>• Reprioritise activities</li> <li>• Deploy additional resources</li> <li>• Use of agency staff or contractors where necessary</li> </ul>

		<ul style="list-style-type: none"> <li>•</li> </ul>
11	Unforeseen significant environmental events such as severe weather impact on the Council's ability to continue to deliver business as usual services.	<ul style="list-style-type: none"> <li>• Effective business continuity and emergency planning (including mutual aid) investment in flood management, gritting deployment plans.</li> <li>• Winter maintenance budgets are supported by a bad weather contingency</li> <li>• The government continues to offer a revised Bellwin scheme in the event of major incidents.</li> <li>• Identify supplementary funding</li> </ul>
12	Management of information from loss or inappropriate destruction or retention and the risk of failure to comply with the council's obligations in relation to Data Protection, and Freedom of Information legislation.	<ul style="list-style-type: none"> <li>• Thorough, understandable information security policies and practices that are clearly communicated to workforce.</li> <li>• Effective management of data, retention and recording.</li> <li>• Raised awareness and staff training</li> <li>• Compliance with IT security policy.</li> <li>• Compliance with retention schedules.</li> <li>• Compliance with information governance policy.</li> <li>• Business continuity procedures.</li> <li>• Comply with new legislation around staff access to sensitive data.</li> <li>• KMC has a Senior Information Risk Owner ("SIRO") officer who is supported by dedicated Information Governance Board</li> </ul>
13	Communities doing more for themselves and each other and increased reliance on contributions from the third sector are fundamental to our MTFP assumptions of reduced demand for statutory services and to the successful operation of new service models. If these changes do not occur at the scale needed then our assumptions are not sustainable.	<ul style="list-style-type: none"> <li>• Reduced demand for statutory services</li> <li>• If the reduction is not realised at the pace set out, (in change plans) then those services that are directly impacted will need to identify this early, and to help in doing so, ensure that appropriate demand management and monitoring is put in place to record the levels of service take up. Remedial action should also be identified by those services.</li> <li>• Successful operation of new service models</li> <li>• Impact assessments for those services directly affected should be carried out to reflect the impact on citizens of losing a service as a consequence of the pace and scale of new service models not meeting demand.</li> </ul>
14	Inspection and External Scrutiny The Council needs to ensure that it responds effectively as possible to the Ofsted inspection process. An Ofsted Inspection is expected in 2016. Management turbulence and service pressures increase for the potential for an	<ul style="list-style-type: none"> <li>• A project team is in place and work is on-going to ensure we are as prepared as possible for future inspections. This includes the ability to respond effectively to actions arising from inspection and to ensure that, through excising governance arrangements the Council has effective communication strategies in place to disseminate relevant information quickly and efficiently.</li> </ul>

	unfavourable outcome.	<ul style="list-style-type: none"> <li>• An additional 'health check' has been commissioned (with external challenge) to enhance self-assessment and enable an improvement plan to be developed.</li> </ul>
<b>15</b>	Heightened national attention to Child Sexual Exploitation and historical abuse cases leading to increased demand, higher professional expectations and greater public scrutiny, with the consequent need for additional resource and reputational risk for the Council.	<ul style="list-style-type: none"> <li>• Council position in relation to historical institutional abuse to be established and preparations for any requests from the Lowell Goddard Review to be made.</li> <li>• Additional resources and expertise allocated to new and historical CSE work.</li> <li>• Risk matrix and risk management approach implemented with the police and partners.</li> <li>• Oversight of Council risks through the CSE Member Panel.</li> </ul>
<b>16</b>	Health & Safety measures are inadequate leading to harm to employees or customers and possible litigious action from them personally and or the Health & Safety Executive	<ul style="list-style-type: none"> <li>• Risk assessments</li> <li>• Work practices to address H&amp;S risks</li> <li>• Safety equipment</li> <li>• Staff training</li> </ul>
<b>17</b>	Exposure to increased liabilities arising from property ownership and management.	<ul style="list-style-type: none"> <li>• Routine servicing and cleansing regimes</li> <li>• Work practices to address risks from noxious substances</li> <li>• Disposal strategy linked to service and budget strategy</li> <li>• Prioritisation of funding to support reduction of backlog maintenance</li> </ul>

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