

Public Document Pack



**Service Director – Legal, Governance and
Commissioning**

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Monday 22 May 2017

Notice of Meeting

Dear Member

Cabinet

The **Cabinet** will meet in the **Council Chamber - Town Hall, Huddersfield** at **4.00 pm** on **Tuesday 30 May 2017**.

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", on a light-colored background.

Julie Muscroft

Service Director – Legal, Governance and Commissioning

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 Shabir Pandor

Councillor Peter McBride

Councillor Naheed Mather

Councillor Musarrat Khan

Councillor Erin Hill

Councillor Viv Kendrick

Councillor Masood Ahmed

Councillor Graham Turner

Responsible For:

Leader / Strategy and Strategic Resources, New Council & Regional Issues

Deputy Leader / Strategy and Strategic Resources, New Council & Regional Issues

Economy, Skills, Transportation & Planning

Housing & Enforcement Management

Highways & Neighbourhoods

Family Support & Child Protection

Adults, Health & Activity to Improve Health

Community Cohension & Schools

Asset Strategy, Resources & Creative Kirklees

Agenda

Reports or Explanatory Notes Attached

Pages

1: Membership of the Committee

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

2: Minutes of previous meeting

1 - 12

To approve the Minutes of the meeting of the Committee held on 4 April and 2 May 2017.

3: Interests

13 - 14

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.

4: 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.

5: 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.

6: Member Question Time

To consider questions from Councillors.

7: Review of the Council Tax Reduction Scheme 2018/19

15 - 24

A report seeking approval for an 8-week Council Tax Reduction Scheme consultation process.

Officer: Debbie Hogg 01484 221000

8: Council Financial Outturn & Rollover Report 2016-17; incorporating General Fund Revenue, Housing Revenue Account, Capital & Treasury Management

25 - 76

A report setting out the Council's 2016-17 financial outturn position for General Fund revenue, Housing Revenue Account (HRA) and Capital Plan, including proposals for revenue and capital rollover from 2016-17 to 2017-18. The report also includes an annual review of Council Treasury Management activity.

Officer: Eamonn Croston 01484 221000

9: Update on the Kirklees Local Plan and the Community Infrastructure Levy 77 - 84

A report providing an update on the Local Plan and the Community Infrastructure Levy.

Officer: Richard Hollinson 01484 221000

10: Quarter 4 Corporate Performance Report 2016/17 85 - 116

A report providing Members with an overview of the Council's corporate performance at the end of quarter 4 2016/17.

Officer: Sue Grigg / Nick McMillan 01484 221000

11: Leeds' Bid to be European Capital of Culture in 2023 117 - 122

A report seeking approval for Kirklees Council to provide a letter of support for the Leeds bid to be European Capital of Culture in 2023 which will form part of the submission in October 2017

Officer: Adele Poppleton 01484 221000

12: Ward Budgets 2017/18 123 - 132

A report seeking approval of proposed new criteria in respect of the ward budgets and New Homes Bonus.

Officer: Vina Randhawa 01484 221000

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Contact Officer: Andrea Woodside

KIRKLEES COUNCIL

CABINET

Tuesday 4th April 2017

Present: Councillor David Sheard (Chair)
Councillor Shabir Pandor
Councillor Peter McBride
Councillor Naheed Mather
Councillor Musarrat Khan
Councillor Erin Hill
Councillor Viv Kendrick
Councillor Masood Ahmed
Councillor Graham Turner

213 Membership of the Committee

All members were present at the meeting.

214 Interests

No interests were declared at the meeting.

215 Admission of the Public

It was noted that all Agenda items would be considered in the public session.

216 Deputations/Petitions

No deputations/petitions were received.

217 Public Question Time

No public questions were asked.

218 Member Question Time

No member questions were asked.

219 Corporate ICT Refresh Programme 2017/18 – 2021/22

Cabinet received a report which sought approval for capital expenditure of £900k per annum to be incurred in supporting the IT ongoing refresh and update of core technology to underpin the IT enabled change programme for the Council over the next five years.

The report advised that the ICT Capital Programme was an essential ongoing programme of investment on an annual basis to provide technology to enable many of the technology enabled transformation programmes of the Council, and to sustain the necessary infrastructure and systems to keep the Council's data safe and secure. It explained that the investments proposed for the coming five years included refreshing the Council's desktop computer estate, sustaining its data centre and core infrastructure, the data and voice network, and other associated systems. Cabinet were asked to agree the investment of up to £900,000 per annum over the next five financial years to enable this work to be undertaken.

Cabinet noted that the strategic benefit of the investment was significant, and in addition to the functional and business operation benefits, was also an enabler of major business transformation projects including higher productivity across the workforce and mitigating the effect of current budget reductions on services provided to citizens.

RESOLVED -

1. That the 5 year IT Capital Investment Strategy to support the refresh and maintenance of the IT estate in the IT enabled change programme be approved, as set out in the considered report.
2. That authority be granted to the Head of IT to implement the agreed 5 year IT Capital Investment Plan in accordance with the Council's financial Procedure rules and for the 5 year life of the project.

220 Land at Station Road, Bradley

Cabinet gave consideration to a report which sought approval to market and dispose of land at Station Road, Batley. The report explained that the site extended to 1.9 hectares and was currently designated as unallocated in the UDP, and as Employment Land on the Local Plan. Site investigations had taken place in preparation of the disposal of the land and had revealed some contaminated ground conditions, which would be reflected within the report made available to potential buyers so that the costs of remediation can be reflected within any bids. Cabinet noted that it was intended to commission an updated open market valuation which would be informed by a ground investigation survey prior to placing on the open market.

The report explained that the disposal of the site, which would be subject to planning permission, could generate a significant capital receipt, and that the Council would also receive a business rates income from any future commercial

occupiers. It indicated that the site provided continuity and supported the objectives of the Local Plan, linked strongly to the Joint Health and Wellbeing Plan, and assisted the Council in meeting an annual capital receipts target.

RESOLVED -

1. That the marketing and disposal of the site at Station Road, Bradley, as set out in the considered report be approved.
2. That authority be delegated to the Assistant Director Place to market the land for disposal and undertake and conclude negotiations with the preferred buyer.
3. That authority be delegated to the Assistant Director for Legal Governance and Monitoring and Procurement's Legal Risk Management to negotiate and enter into all documentation necessary to affect the disposal of the site.

221 Highways Capital Plan 2017/18

Cabinet received a report which set out the Highways Capital Plan 2017/2018, which was a detailed programme of works to be implemented over the next two years and included road surfacing, street lighting, structures, road safety, encouraging walking and cycling, drainage, traffic signals, car parks, and public transport provision. It explained that the Council's capital investment in the 2017/2018 Highways Capital Plan amounted to £4.900m, which would be funded through prudential borrowing, and that the average revenue cost of financing this level of borrowing would be 6.3% per annum, equating to £309k. In order to support the implementation of works and substitution of delayed projects, Cabinet was requested to delegate authority to manage the implementation of identified works within the respective agreed total programme budgets.

RESOLVED -

1. That the Capital Plan as set out in the considered report in the sum of £15,232 million, and specifically detailed in appendices 1a and 1b, be approved.
2. That authority be delegated in accordance with 3.12 of the Council's Financial Procedure Rules to the Director of Economy, Skills and the Environment, to manage the Highways Capital Plan Asset as set out within the considered report.

222 A629 Wakefield Road, Aspley/Moldgreen, Road Resurfacing

Cabinet gave consideration to a report which sought approval for a scheme to resurface the A629 Wakefield Road between Aspley Basin and Green Mount, Huddersfield, in line with the Kirklees Asset Management Strategy. The report explained that major resurfacing works were proposed for the A629 Wakefield Road

between Aspley Place and St Pauls Methodist Church at Moldgreen as part of the Principal Road Programme 1A, commenting May 2017.

Cabinet noted that the road was a primary route into Huddersfield Town Centre, and provided an important link to local communities. It was acknowledged that the scheme may cause significant difficulties for residents, businesses and through traffic and that measures would be put in place to minimise disruption where possible, included the temporary closure of the inbound bus lane, advanced vehicle messaging signs and the phasing of works.

RESOLVED -

That the scheme for the reconstruction of the A629 Wakefield Road, as set out in the considered report, be approved.

223 Council's 24 hour Services

Cabinet gave consideration to a report which sought approval to develop a 24 hour service which merged current services and made better use of assets and resources. The report set out details of proposals for the development of a 24 hour service provision whereby all out of hours operations would be centralised, with the first phase being the merger of CCTV and Kirklees Direct Out of Hours Service, to cover both operations. The proposals would create a multi-skilled and flexible team and by utilising current assets, integrating IT and telephony resources, would ensure service delivery and the maintenance of both CCTV and Out of Hours services. The report explained that the proposals would help deliver safety outcomes and ensure that emergency out of hours provision to residents, tenants and local businesses was available.

Cabinet noted that the Phase 1 merge would create an initial saving of £53k per annum and that these savings would be based on an overall reduction in staffing levels which would be realised by removing vacancies and temporary staff. It was anticipated that Phase II would incorporate Children and Adult Services. Subject to approval, the scheme would commence with a review, formal staff consultation, followed by implementation, which was expected to take approximately five months in total.

Cabinet were asked to approve the proposals, as detailed within the considered report, and note that Phase 1 would be implemented in the 2017/2018 municipal year.

RESOLVED -

1. That proposals set out in the considered report to develop and implement a 24 hour service provision for the Council, where all out of hours operations are centralised be approved, and that it be noted that phase 1 will be implemented in the 2017/18 financial year, as set out in the considered report.

2. That approval be given to the £200,000 economic resilience add back on an annual basis for each year or part year until phase 2 of the review has been completed which is anticipated to be Summer 2018.
3. That in the event that phase 2 is delayed beyond 2018/19 the economic resilience add back be reviewed.

224 Memorial and Commemorative Plaque Policy

Cabinet received a report which sought approval for the introduction of a policy for the consideration of requests for the siting of memorials and commemorative plaques on Kirklees land and buildings. The report advised that the Council regularly received requests for consideration of future memorials and commemorative plaques to be sited on Kirklees owned land and property and so the policy had been produced to assist organisations and members of the public who may wish to consider making applications for memorials. The report summarised the guiding principles of the policy and the application process. It was noted that the policy did not cover personal memorials to individuals in the forms of; memorial trees and benches, scattering of ashes, and other forms of personal remembrance. The report included details of comments that had been submitted by Huddersfield Civic Society, Friends of Greenhead Park and Friend of Crow Nest Park. The proposed policy was appended to the considered report.

RESOLVED -

1. That approval be given to the introduction of the memorial and commemorative plaque policy, as set out within the considered report.
2. That the policy be applied to all parks and recreation grounds within Kirklees.
3. That, when requests for actions in accordance with the policy are received, information be provided to all the Councillors on such requests.

225 Overview of progress made in relation to changes to specialist provision for children with special educational needs across Kirklees

Cabinet gave consideration to a report which sought permission to carry out a non-statutory consultation on the proposed new communication and interaction provision to be hosted by Windmill C of E Primary School, and to complete the legal process to discontinue the specialist provision at Ashbrow School for children with speech, language and communication needs (SLCN). Paragraphs 2.8 of the considered report set out details of the Local Authority's proposal, which was to decommission 12 transitional places for SLCN at Ashbrow School and create 12 transitional places for communication and interaction needs at Windmill C of E Primary School. The report explained that the proposed re-organisation would be subject to the School Organisation (Prescribed Alterations to maintained schools) (England) Regulations 2013.

The report advised that a robust consultation process would be carried out in order to enable the maximum number of stakeholders to have an opportunity to comment, and that the Local Authority would hold a four week term time non-statutory consultation on the proposals during April and May 2017. A final decision by Cabinet was expected to be made in August 2017, and subject to approval, the changes would be implemented in September 2017.

RESOLVED -

1. That authority be delegated to the Director of Children and Adults in consultation with the relevant Cabinet Portfolio Holder to:
 - Develop consultation materials on the basis of the proposals set out in the considered report
 - Organise and carry out the non statutory consultation about the proposals
 - Require officers to report the outcomes of the non statutory consultation to Cabinet for further consideration of the next steps

226 Bringing together Honley Church of England voluntary controlled Infant and Nursery School and Honley Church of England voluntary controlled Junior School

Cabinet received a report which set out details of final proposals to discontinue Honley C of E Voluntary Controlled Infant and Nursery School, and Honley C of E Voluntary Controlled Junior School, to establish an all-through Church of England Voluntary Controlled Primary School for children aged 3 to 11 years including nursery provision.

The report explained that the new primary school would be within the existing buildings of Honley C of E (VC) Infant and Nursey School, and Honley C of E (VC) Junior School and would cater for the same number of children as the current schools, with an admission number of 66 places in key stage 1, and 68 places in key stage 2, preserving 470 primary school places, with 48 part-time early learning places for nursery children aged 3-4 years. The report also set out the conclusions and recommendations of the School Organisation Advisory Group regarding the proposals, and sought Cabinet's approval of the related statutory proposals. The report advised that, subject to approval, the proposals would be effective from 1 May 2017.

RESOLVED -

1. That the advice of the Kirklees School's Organisation Advisory Committee that the related proposals to establish a new Chuch of England Voluntary Controlled Primary School to discontinue Honley Chuch of England Voluntary Controlled Infant & Nursery School and to discontinue Honley Church of

Cabinet - 4 April 2017

England Voluntary Controlled Junior School are valid and that the required statutory proposals have been carried out be noted.

2. That approval be given to the taking of the decision regarding the proposals within the statutory time period.
3. That the outcomes and recommendations of the Kirklees Schools Organisation Advisory Group meeting of 27 January 2017 be acknowledged together with the associated officer recommendations for the proposals.
4. That the HR & financial implications of approving the proposals be noted.
5. That it be confirmed that, in meeting the obligations of the Equality Act 2010 and the Public Sector Equality Duty 2011, full regard has been given to the Equalities Impact Assessment throughout the statutory process for the proposal including the decision regarding approval.
6. That approval be given without modification or condition to the related statutory proposals:
 - a) By Kirklees Local Authority to:
 - i. Discontinue Honley Church of England Voluntary Controlled Infant & Nursery School on 30 April 2017.
 - ii. Discontinue Honley Church of England Voluntary Controlled Junior School on 30 April 2017.
 - b) By Diocesan Board of Education within the Church of England Diocesan of Leeds:
 - i. To establish a new Church of England Voluntary Controlled Primary School to cater for pupils aged 4-11 with a published admission number of 66 for the Key Stage 1 and a public admission number of 68 for Key Stage 2 and to retain the 48 part time early leaning places for nursery children aged 3-4 years on 1 May 2017.
7. That the above proposals for reasons set out within Section 6 of the considered report.
8. That officers be requested to support and work proactively with the Governing Body of Honley Church of England Voluntary Controlled Infant & Nursery School, and the Governing Body of Honley Church of England Voluntary Controlled Junior School to finalise arrangements for pupils, parents, staff and other stakeholders in order to sensitively manage changes to implement the proposals from 1 May 2017.

227 Preparing for “30 hour free childcare” for working parents

Cabinet gave consideration to a report which provided an update on preparations to meet demand for '30 hours free childcare' from September 2017, and sought

approval for a capital scheme to meet future demand in the Holme Valley North area. The report advised that, from September 2017, working parents with children aged 3 and 4 and not in full time education, would be eligible for 30 hours free childcare, which would introduce additional demand for childcare services and that Local Authorities had a statutory duty to ensure that a sufficient number of places were available. In May 2016, childcare providers had been offered the opportunity to express an interest in expanding their provision to meet the future demand associated with 30 hours free childcare and that as a result of this exercise Holme Valley North had been identified as an area requiring a capital solution to meet a basic need for places. The report therefore proposed the allocation of capital grant funding for the provision of a childcare facility on the site of Honley C of E (VC) Junior School.

The report advised that the capital cost of the scheme would be fully funded from Government Grant and that Officers would continue to ensure that there were sufficient childcare places available by (i) monitoring the supply and demand for childcare places (ii) continuing to engage with the childcare market and (iii) using the existing small grants scheme to support the creation of places where required. It advised that, subject to approval, work would also continue to procure and deliver the off-site construction unit within the grounds of Honley C of E (VC) Junior School.

RESOLVED -

1. That work undertaken to ensure that there are sufficient childcare places available in Kirklees to meet future demand using the existing childcare market management framework be noted.
2. That the £339,000 grant received in relation to the Honley childcare capital scheme outlined in paragraph 2.17 of the considered report, along with the allocation of £227,000 from the 2016/17 early years capital budget, be noted.
3. That officers be authorised to procure and deliver the capital scheme as outlined at paragraph 2.17 of the considered report.

Contact Officer: Andrea Woodside

KIRKLEES COUNCIL

CABINET

Tuesday 2nd May 2017

Present: Councillor David Sheard (Chair)
Councillor Shabir Pandor
Councillor Peter McBride
Councillor Naheed Mather
Councillor Erin Hill
Councillor Viv Kendrick
Councillor Masood Ahmed
Councillor Graham Turner

Apologies: Councillor Musarrat Khan

228 Membership of the Committee

Apologies for absence were received on behalf of Councillor Khan.

229 Minutes of previous meetings

RESOLVED – That the Minutes of the Meetings held on 7 March 2017 and 27 March 2017 be approved as a correct record.

230 Interests

Councillor McBride declared an 'other' interest in Agenda Item 11 on the grounds that he is a Board Member of C&K Careers Ltd.

231 Admission of the Public

It was noted that all agenda items would be considered in public session.

232 Deputations/Petitions

No deputations or petitions were received.

233 Public Question Time

No questions were asked.

234 Member Question Time

No questions were asked.

235 Early Review of the 2016-17 Council General Fund Revenue Outturn

Cabinet gave consideration to a report which considered proposals for the release of up to £9.5m revenue resources into Council financial resilience reserves as part of the 2016/2017 final accounts. It set out a number of measures as part of the 2016/2017 final accounts process that would protect the in-year use of reserves by up to £9.5m. The measures included; (i) applying recent government guidance which allowed the Council to 'capitalise' certain types of qualifying revenue expenditure that could be funded from in-year generated capital receipts (ii) that where capital expenditure was due to be funded from revenue in 2016-2017 it be substituted with borrowing instead and (iii) reviewing existing earmarked reserves requirements and any that are no longer required for specific purposes to be re-directed to financial resilience reserves.

The report explained that it was proposed that approved revenue funding of capital expenditure in 2016-2017 would be replaced with borrowing, which would release £1.8m revenue resources in-year, and that these would be transferred to financial resilience reserves at year end. It also explained that there would be a marginal increase in borrowing costs from 2017-2018 of approximately £23,000 per annum and that it was anticipated that this could be managed within the existing Council treasury management budget of £22m in 2017-2018.

Cabinet noted that, subject to approval, the recommendations contained within the report would be incorporated into the 2016/2017 final accounts process and subsequently reported as part of the 2016-2017 financial outturn report to Cabinet on 30 May 2017.

RESOLVED -

- 1) That approval be given to the replacement of £1.8m revenue funded capital expenditure in 2016-2017 with borrowing and associated proposals.
- 2) That approval be given to apply DCLG flexible use of 'in year' capital receipts and associated proposals.
- 3) That the year-end review of earmarked reserves requirements be noted and that the outcome be detailed within the financial outturn and rollover report to be submitted to Cabinet on 30 May 2017, and Council on 7 July 2017.
- 4) That it be noted that the Council's flexible receipts strategy, incorporating retrospective 2016-2017 approval will be incorporated into the annual medium term update report to be presented to Council at a later date.

236 Update of the Council's Estate Management Policy for Non-operational Land and Buildings

Cabinet received a report which set out proposals to update the Council's Estate Management Policy for non-operational land and property portfolio, which was previously approved in March 2006 and was in need of update in order to reflect current practices and the significant financial restraints facing the Council. The updated policy, appended to the considered report, was split into two documents – the Corporate Estate Management Policy and the Corporate Disposals and Acquisitions Policy to reflect the increased importance of land and property to the Council's overall asset strategy. It was noted that both of the new policies would operate alongside the Asset Transfer Policy.

RESOLVED -

That approval be given to the replacement of the current Estate Management Policy with the Corporate Estate Management Policy and the Corporate Disposals and Acquisitions Policy and that the implementation be authorised with immediate effect.

237 Kirklees Partnership with National Citizen Service

Cabinet received a report which provided information relating to the establishment of a pioneering partnership between the Council and the National Citizen Service (NCS). The report explained that the NCS sought to advance the challenges of social cohesion, social mobility and social engagement. All young people were eligible to take part in an NCS programme which typically lasted 2 to 4 weeks during holiday periods. The report advised that participation in Kirklees was not as high as in other areas, with approximately 800 people scheduled to participate in the 2017 summer programme, and that the NCS had approached the Council to consider how investment in young people in the area could be maximised. Paragraph 2 of the report set out the measures that were being taken within the Council as a result, which included the appointment of an NCS Programme Leader within Children's Services and an NCS Strategy Group to champion the development of the programme in Kirklees and ensure that the programme delivered strategic outcomes.

Cabinet noted that the NCS Senior Leadership Team had approved funding the proposed actions and would provide the Council with £65,000 of funding to support the proposed activity.

RESOLVED -

That the content of report and the opportunities offered by partnership with National Citizen Service be noted.

238 Nexus In-School: Transfer of Responsibility to C&K Careers Ltd

Cabinet received a report which sought approval for the transfer of the Nexus In-School Programme to C&K Careers Ltd. The report explained that the supported extended work placement service was offered to schools for Year 11 students who required a vocational focus and that it was proposed that the delivery of the service would be transferred from the Council to C&K Careers Ltd. This change would enable the provision to be sustained and located in an organisation that had similar models of delivery and was able to provide a wider commercial offer, thereby enabling the project to become more sustained and economically viable, with improved links to employment and training.

Cabinet noted that the proposed timescale for the transfer of the programme was as soon as practically possible in order to secure effective delivery for the 2017/2018 cohort. The transfer would impact on three members of staff transferring to C&K Careers Ltd under TUPE regulations.

RESOLVED -

- 1) That it be agreed that, subject to the satisfactory completion of due diligence by both parties, Kirklees Council no longer deliver the service and it be transferred to C&K Careers Ltd.
- 2) That, pursuant to (1) above, authority be granted to the Service Director (Learning and Early Support) in consultation with the Cabinet Portfolio Holder for Community Cohesion and Schools to negotiate and agree any contractual details of the proposed transfer to C&K Careers Ltd.

KIRKLEES COUNCIL			
COUNCIL/CABINET/COMMITTEE MEETINGS ETC			
DECLARATION OF INTERESTS			
Name of Councillor			
Item in which you have an interest	Type of interest (eg a disclosable pecuniary interest or an "Other Interest")	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]	Brief description of your interest

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

Date: Cabinet 30th May 2017

Title of report: Review of the Council Tax Reduction Scheme (CTR) 2018/19 with a view to consultation with Kirklees residents on these proposals.

Purpose of report:

To set out a number of options that could be explored and consulted upon prior to any decision in respect of the year 2018/19 and subsequent years

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Yes
Key Decision - Is it in the <u>Council's Forward Plan (key decisions and private reports)?</u>	Yes 19 th Jan 2017
The Decision - Is it eligible for "call in" by Scrutiny?	Yes
Date signed off by Director & name	Debbie Hogg, Service Director for Finance, IT and Transactional Services, 8 May 2017
Is it also signed off by the Service Director, Finance and Transactional Services?	Debbie Hogg, 8 May 2017
Is it also signed off by the Service Director, Governance and Commission Monitoring Officer?	Julie Muscroft, 8 May 2017
Cabinet member portfolio	Cllr Graham Turner

Electoral wards affected: All

Ward councillors consulted: N/A

Public or private: Public

1. Summary

Section 13A(2) of the local government finance Act 1992 requires that each billing authority in England must make a Council Tax Reduction scheme that specifies the reduction in Council Tax available to people in financial need.

This report seeks authority to consult upon options to redesign the authority's scheme for the year 2018/19 and beyond.

2. Information required to take a decision

2.1 The authority has operated a Council Tax Reduction Scheme since April 2013. The scheme must provide prescribed reductions for those of state pension age. There is no such prescription in relation to those of working age.

The matters to be included in a scheme are set out in Schedule 1A of the local Government Finance Act 1992 (Appendix 1).

2.2 Before making a scheme, the authority must (in the following order) ;

- (a) Consult any major precepting authority which has power to issue a precept to it (the Police and Fire Authorities),
- (b) Publish a draft scheme in such manner as it thinks fit, and
- (c) Consult such other persons as it considers are likely to have an interest in the operation of the scheme (Kirklees residents)

2.3 If the authority then decides that it will revise the scheme it must do so no later than the 31st January 2018 if that scheme is to have effect from 1st April 2018.

2.4 Options to Consider

i. Make no major changes

In addition to the prescribed scheme for pensioners the current scheme provides a reduction largely based upon the old Council Tax Benefit regulations.

Most working age recipients do not receive a 100% reduction. Unless they fall into one of the protected groups below, they will pay at least 20% of their total liability depending upon their actual income. All assessments under the local working age scheme are means tested

If any of the following apply the individual could receive upto 100% of their Council Tax liability by way of a reduction:

- A single parent with children under 5
- Receives the severe or enhanced disability premium
- Receives a war pension or war widows pension

The current cost of this Council Tax Reduction scheme is £28.79m in 2017/18 with the spend broken down into the following areas.

Current spend figures	Numbers	Costs
CTR Pensioner scheme	13,971	£11,559,391
CTR Protected scheme – Single parents with children under 5 and war pensioners	2,821	£2,168,181
CTR Protected scheme – Disabled people with the severe or enhanced disability premium	8,406	£7,441,098
CTR Working age scheme - earning	4,175	£2,282,182
CTR Working age scheme – out of work	7,807	£5,340,809
Total spend	37,180	£28,791,661

ii. Reduce protection (a 10% scheme)

Retain the current scheme for all but the protected groups.

Revise the protection so that those protected pay at least 10% of their Council Tax Liability depending upon their actual income.

With 10% adjustment	Numbers	Costs
CTR Pensioner scheme	13,971	11,559,391
CTR Protected scheme – Single parents with children under 5 and war pensioners	2,821	1,951,362
CTR Protected scheme – Disabled people with the severe or enhanced disability premium	8,406	6,696,988
CTR Working age scheme - earning	4,175	2,282,182
CTR Working age scheme – out of work	7,807	5,340,809
Total spend	37,180	27,830,732

This revised Scheme would cost £27.83m compared to the existing scheme cost of £28.79m, a reduction in cost of approximately £960,000.

That 10% would equate to £2.04 per week for a couple in a Council Tax Band A property or £1.53 per week for a single person, rising to £2.39 and £1.79 for a Band B respectively.

iii. Remove the protection and have a standard 20% Council Tax Reduction working age scheme.

Retain the current scheme, but remove protection from the protected groups.

Standardise the Council Tax Reduction working age scheme all groups to pay at least 20% of their Council Tax Liability depending upon their actual income. Assumption is that the existing benefits scheme offers protection as it is means tested.

This revised Scheme would cost £26.87m compared to the existing scheme cost of £28.79m, a reduction in cost of approximately £1,920,000

Standardised 20% Scheme	Numbers	Costs
CTR Pensioner scheme	13,971	£11,559,391
CTR Protected scheme – Single parents with children under 5 and war pensioners	2,821	£1,734,544
CTR Protected scheme – Disabled people with the severe or enhanced disability premium	8,406	£5,952,878
CTR Working age scheme - earning	4,175	£2,282,182
CTR Working age scheme – out of work	7,807	£5,340,809
Total spend	37,180	£26,869,804

That 20% would equate to £4.08 per week for a couple in a Council Tax Band A property or £3.06 per week for a single person, rising to £4.77 and £3.57 for a Band B respectively.

iv. Complete redesign

Most billing authorities have based their reductions schemes upon the old Council Tax Benefit scheme. As further welfare reforms take effect it is very difficult to mirror changes in Housing Benefit and Universal Credit in order to preserve the old synergy.

Government are not restricted to making legislation changes once a year following a period of consultation and can make changes to the national benefit systems that council's simply can't respond to quickly in the local reduction scheme.

Other Councils have responded by developing a new reduction scheme for those receiving Universal Credit from 1st April 2017. Broadly speaking it simplifies the administration of the scheme by:-

- Ignoring the numbers and ages of any children in the household, and
- Ignoring any child related benefits that are received.
- Ignoring any changes in benefits income

The cost of awarding Council Tax Reduction under this scheme should reduce expenditure over time, but this is linked to the transition to Universal Credit (UC) for new recipients and retains the features of the existing scheme for existing recipients not on UC. A similar scheme in Kirklees would affect existing UC claimants from 1st April 2018 and new UC claimants thereafter. It is very difficult to predict the eventual saving because of the variables however translating projected savings calculations made by other another authority suggests that it could be in the order of £200,000 by 2022.

Anyone who was in one of the three protected groups will have more Council Tax to pay when they transfer onto Universal Credit.

Depending on the customer circumstances Universal Credit could be more than the benefits that Universal Credit will replace, this could mean that although you will have some Council Tax to pay, you may have more income overall to help you pay the Council Tax.

Pensioners are not affected as they cannot claim Universal Credit and will stay on the national Council tax Support Scheme.

War widows and war veterans could also be protected receiving either 100% or 90% of their Council Tax Support depending upon the decisions under I, ii, and iii above.

v. General Changes to Council Tax Reduction Scheme (CTR) required for all 4 options above.

Being in a position to recover Council Tax is extremely important. If the authority is having to reassess Council Tax and rebill individuals regularly as a result of benefit or wage changes then there is a big risk we will not be in a position to secure the debt in court to force payment, this is due to the statutory notice periods for issuing of documents in the Council Tax legislation.

The Government has introduced the Real Time Information (RTI) system, meaning that employers need to submit information to Her Majesty's Revenues and Customs, in real time, every time they pay an employee. It is expected therefore that many CTR recipients could have weekly adjustments to their income.

The Universal Credit system responds to changes in circumstances each month and so it is conceivable that many working age recipients will have an equivalent Council Tax change unless the scheme is simplified so that it doesn't respond to every change. We could for example:-

- ignore changes to a certain value or
- Aggregate these changes and make 3 month awards for CTR.
- Aggregate these changes and make 4 month awards for CTR.

This change would also require a change to the council IT systems.

It is proposed to include this option in the consultation process.

3. Implications for the Council

3.1 Early Intervention and Prevention (EIP)

Whilst the Local Government Finance Act 1992 requires each authority to devise a reduction scheme it does not specify the extent of any such reduction.

By providing a scheme that reduces liability to an affordable level, it prevents the need to take unnecessary and costly recovery action that would inevitably result in the courts finding that the debtor did not have the means to pay.

3.2 Economic Resilience (ER)

Setting aside a budget specifically to meet the Council tax liability of those that would otherwise be unable to pay, means that we have greater clarity as to the debt that we might reasonably collect. That it turn allows us to plan more accurately based upon expected revenue.

3.3 Improving Outcomes for Children

It is well known that very often children are the first to suffer the effects of low incomes and poverty. Means testing support for Council Tax allows us to target resources at those families in greatest need, with the potential to improve outcomes against the outcomes that might otherwise be expected.

It is worth noting that there are provisions within Section 13A(1)(c) of Local Government Finance Act that allow discretion to further reduce the Council Tax charge in cases of severe hardship the authority does have a policy in place to assist in appropriate cases.

3.4 Reducing demand of services

When the Government passed responsibility for Council tax support to Local Authorities in 2013 it came with a funding reduction of 10% and a requirement to maintain spending in relation to Pensioners. That effectively meant that those of working age shouldered the burden unless an authority could plug the gap.

The idea was that authorities would design schemes that incentivise work and by doing so reduce demand for the reduction itself. In reality there has been little reduction in demand but the incentive clearly remains.

It is worth noting that when a scheme is less generous, fewer people will qualify for support and so not only do the costs reduce but the numbers receiving support reduce also.

There is clearly a risk that if the level of support is insufficient then the demand for other services will increase particularly in the areas of debt advice, emergency/discretionary support and safeguarding.

It is worth noting that there are provisions within Section 13A(1)(c) of Local Government Finance Act that allow discretion to further reduce the Council Tax charge in cases of severe hardship the authority does have a policy in place to assist in appropriate cases.

3.5 Financial, Legal and Other Implications

The Financial implications are as set out in 2.4 above. The Legal implications are set out in section 2 above. The obligations relating to Equality Impact Assessments and consultation are referred to in the report and in this paragraph.

We will undertake a full Equality Impact assessment in relation to the proposed option following consultation.

It is worth noting that whilst those with disabilities are the only “protected characteristic group” specifically affected by options ii, and iii above, we do not provide the same protection to all people with disabilities, only those with circumstances that produce the enhanced and severe disability premium in the assessment are currently protected.

The protections were originally designed for lone parents with children under 5 and those with the severe and enhanced disability premiums in order to recognise an individual’s limited ability to respond to the implicit “work incentive”.

It is worth noting that there are provisions within Section 13A(1)(c) of Local Government Finance Act that allow discretion to further reduce the Council Tax charge in cases of severe hardship the authority does have a policy in place to assist in appropriate cases.

4. Consultees and their opinions

This report is designed to signal the intention to change the councils approach to providing a Council Tax Reduction Scheme. The next stage will be to undertake public consultation and bring back the outcome and proposed option before making a decision. The proposals for consultation are set out in Appendix A and members are asked to agree those proposals. Details of each scheme option will be developed to aid the consultation process.

It is also worth noting that the Police and Fire authorities will need to be consulted prior to any public consultation.

5. Next steps

- Design the detail of each scheme option
- Undertake a full Council Tax Reduction consultation process as outlined in Appendix A
- Contact the IT provider to look at what changes may be required for the options under the consultation.
- Further report to Cabinet and full Council following the consultation process.

6. Officer recommendations and reasons

1. For Cabinet to note the options and information in the report that details of the schemes will be developed prior to consultation to aid with that process.
2. For Cabinet to approve an 8-week Council Tax Reduction Scheme consultation process.
3. That the Service Director for Finance, IT & Transactional Services is given delegated responsibility to progress the consultation exercise and prepare the Council for any changes that may occur from the options proposed
4. Report on the outcome of the consultation exercise at a later Cabinet meeting

7. Cabinet portfolio holder recommendation

The Portfolio Holder notes the information within the report and supports the officer recommendations to:

- 7.1 Complete an 8-week consultation process as outlined in Appendix A.
- 7.2 Delegated responsibility be given to the Service Director for Finance, IT & Transactional Services to progress the consultation exercise and prepare the Council for any changes that may occur from the options proposed.
- 7.3 Report on the outcome of the consultation exercise at a later Cabinet meeting.

8. Contact officer

Steve Bird - Head of Welfare and Exchequer Services
Julian Hobson – Policy Officer

9. Background Papers and History of Decisions

Council decision 16th January 2013 that introduced the original scheme where the charge was 29% for those not protected.

Council decision 14th January 2015 that changed the charge to 20% for those not protected.

10. Service Director responsible

Debbie Hogg, Service Director for Finance, IT & Transactional Services

Council Tax Reduction (CTR) Scheme Consultation 2017 - Communications Strategy

APPENDIX A

Outline Consultation Process

1. Objectives

- Reasoning behind needed change
 - Change options and impact
 - Encourage consultation participation
-

2. Audiences

- Elected Members (Cllr Graham Turner – Portfolio Lead)
 - Precepting authorities
 - Existing CTR claimants – protected groups
 - General public – random council tax payers including selection of those in receipt of CTR
 - Charity organisations
 - Council employees
-

3. Key Message(s)

- Impact of proposed changes on local Council Tax Reduction scheme – case studies
 - Consultation participation methods and timescales
 - Outline of decision making process and implementation of revised scheme
-

4. Tools and Activities

- **Letter**
Variation of letter to be sent to different audiences, signposting people to online consultation 'booklet' – www.kirklees.gov.uk/ctrconsultation
 - **Consultation 'booklet'**
Contains summary of changes, case studies and questionnaire – available primarily online and hard copy on request.
 - **Consultation booklet 'Easy Read'**
Use picture symbols – same questions as above.
 - **Online presence (and social media)**
Involve, consultation pages (www.kirkleestalk.org), adverts and posts
 - **Press**
Hard copy and online (www.kirkleestogether.co.uk)
 - **Internal (to council)**
Awareness of consultation to respond to enquiries/participate
-

5. Resources

- Debbie Hogg – Director of Finance IT and Transactional Services – Project Assurance
 - Steve Bird – Head of Welfare and Exchequer Service - Project Manager
 - Julian Hobson – Policy Officer - Technical instruction and advice
 - Nicola Boothman - Research team
 - Helen Rodger - Communications/press office
 - Web development
 - Doc solutions
-

6. Timescales / Key dates

- Initial Cabinet paper: 30 May 2017
- Portfolio update: As part of regular updates
- Consultation period: 8 weeks (expected Mon 12th June – Sun 6th August 2017)
- Analysis and reporting: 14-25 Aug 17
-
- Summary feedback to Cabinet: Sep 2017
- Implement revised CTR scheme: 1 April 2018

7. Evaluation

- Number of consultation participants
 - Low numbers of queries/complaints
 - Coverage in press
 -
-



Name of meeting: Cabinet
Date: 30 May 2017

Title of report: Council financial outturn & rollover report 2016-17;
 incorporating General Fund Revenue, Housing Revenue
 Account, Capital & Treasury Management

Purpose of report

To receive information on the Council’s 2016-17 financial outturn position for General Fund revenue, Housing Revenue Account (HRA) and Capital Plan, including proposals for revenue and capital rollover from 2016-17 to 2017-18. This report also includes an annual review of Council Treasury Management activity.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Yes The report includes proposals to roll forward capital underspend from 2016-17 into 2017-18, to spend against specific activities.
Key Decision - Is it in the Council's Forward Plan (key decisions and private reports)?	Yes 29 March 2017
The Decision - Is it eligible for “call in” by Scrutiny?	No
Date signed off by Chief Executive.	Jacqui Gedman, 15 May 2017
Is it also signed off by the Service Director for Financial, IT & Transactional Services ?	Debbie Hogg, 12 May 2017
Is it also signed off by the Service Director - Governance & Commissioning Support ?	Julie Muscroft, 12 May 2017
Cabinet member portfolio Resources	Cllr Graham Turner

Electoral wards affected: None
Ward councillors consulted: None

Public or private: Public

1. Summary

- 1.1 The Council’s General Fund (net) revenue (or ‘controllable’) budget for 2016-17 was set at **£310.8m**.
- 1.2 There was a (net) funding transfer from reserves to general fund during the year totalling **£0.9m** in 2016-17. This resulted in a revised budget of **£311.7m**.

- 1.3 Council spend was **£314.4m** in 2016-17. There was a reported **overspend of £2.7m**; equivalent to 0.8% variance against revised budget. This is summarised in Table 1 below.

Table 1 – Summary 2016-17 general fund revenue outturn position :

Activity	Net Controllable Budget	Approved Funding Transfers from (+) / to (-) reserves	Revised Budget	Outturn	Variance
	£000	£000	£000	£000	£000
Directorates	253,906	12,702	266,608	273,118	6,510
Central Budgets	55,832	(11,848)	43,984	40,809	(4,029)
District Committees	1,098	-	1,098	454	(644)
Total	310,836	854	311,690	314,381	2,691

- 1.4 The £6.5m overspend at Directorate level includes service volume pressures in Children’s services at £6.0m, and significant additional investment during the year in Children’s service improvements at about £6.6m. There were service volume pressures in Adult Services at £5.4m.
- 1.5 The above service pressures were offset in part by other Directorate (net) underspends, including Place at (£2.8m), and Resources at (£2.9m); in part reflecting early delivery of savings required in 2017-18.
- 1.6 Cross-Directorate service activity relating to Early Intervention and Prevention, and Economic Resilience are currently undergoing major service re-design. In total, there was a combined underspend of £7.1m against these activities; in part reflects early delivery of savings required in 2017-18, in part reflects budgets not committed during the year pending completion of service re-design.
- 1.7 There were also offsetting underspends in Central Budgets totalling (£3.2m); mainly treasury management savings and inflation contingency not required.
- 1.8 Annual revenue rollover proposals are informed by Council Financial Procedure Rules, which state that revenue rollover proposals cannot exceed the overall net underspend position of the Council. As the Council is reporting an overall overspend position in 2016-17, there is no revenue rollover available.
- 1.9 District Committee managed budgets underspent by £644k at year end. The governance arrangements for activity budgets managed through District Committees means there can be significant timing issues between budgets being approved at individual District committee level, and actual spend in relation to the approved budget.

- 1.10 The Chief Financial Officer (Service Director, Financial, IT & Transactional Services) will incorporate regular monitoring and review of overall Council reserves requirements as part of the Quarterly financial reporting cycle to Cabinet through 2017-18. This will include consideration of potential re-direct of existing earmarked reserves to support any unfunded District Committee spend commitments falling in 2017-18 due to timing issues noted in paragraph 1.9 above.
- 1.11 Council general fund revenue reserves and balances reduced from £113.2m at the start of the year, to **£90.1m** as at 31 March 2017.
- 1.12 There was a net drawdown of £23.1m during the year. This includes £19.8m to support Council budget plans in 2016-17, approved at Budget Council in February 2016.
- 1.13 It also includes the (net) transfer of £0.9m from Council reserves to general fund during the year, as summarised at Table 1 above.
- 1.14 The net drawdown also reflects the £2.7m overspend, which transferred to reserves at year end; effectively representing an unplanned drawdown against reserves.
- 1.15 Of the £90.1m reserves as at 31 March 2017, there are further approved reserves drawdowns in 2017-18; £11.1m to support Council budget plans in 2017-18, and a minimum general balances requirement of £5m; both of these approved at full Budget Council in February 2017.
- 1.16 This then leaves £73.9m reserves, of which £11.9m is statutorily ring-fenced for schools, and which the Council has no flexibility to apply for other purposes.
- 1.17 Of the remaining £62m reserves at the start of 2017-18, £31.8m reflects earmarked funding set aside for a range of spend commitments ; in part reflects timing issues between “one-off” external funding contributions received and expenditure incurred on a range of developmental activity. It also includes earmarked reserves set aside to support the organisation’s ongoing transformation to New Council.
- 1.18 The remaining **£30.3m** reserves at the start of 2017-18 consists of ‘risk’ reserves plus unallocated balances. This is available to support the overall ‘financial resilience’ of the Council. This amount is net of all the commitments noted in paragraphs 1.15 to 1.17 above, including the £11.1m reserves being used to support budget plans in 2017-18.
- 1.19 Financial resilience reserves at the start of 2017-18 are £10.1m higher than they might otherwise have been due to a number of early measures implemented as part of the 2016-17 final accounts process. These measures were, set out in an ‘Early Closedown Review’ report to Cabinet on 2 May 2017. The link to this report is included below for information (Agenda - Item 8):

[early closedown review 2016-17](#)

- 1.20 The Council's Housing Revenue Account (HRA) accounts for all Council housing related revenue expenditure and income in a separate statutory (ring-fenced) account. The HRA budgeted for a net surplus of (£2.9m), in 2016-17 but the actual net surplus was (£9.2m); a favourable variance of (£6.4m) against an annual turnover of £94.5m ; equivalent to (6.8%).
- 1.21 HRA reserves as at 31 March 2017 were (£52.0m); an increase of (£9.2m) in the year, entirely due to the (£9.2m) HRA surplus transferred to reserves at year end. There are no HRA revenue rollover proposals this year.
- 1.22 The Council's overall capital budget for 2016-17 was £110.5m, and actual spend was £69.3m, resulting in an underspend of (£41.2m); (37.4%) variance compared to budget. This is summarised in Table 2 below.

Table 2 – Summary Capital Outturn 2016-17

Description	Budget	Outturn	Variance
	£000	£000	£000
Strategic Priorities	5,134	10,926	(14,208)
Baseline	55,416	36,725	(18,691)
Risks & Pressures	5,501	5,406	(95)
One-Off Initiatives	5,000	0	(5,000)
General Fund	91,051	53,056	(37,995)
Housing Revenue Account	19,478	16,210	(3,268)
Total	110,529	69,266	(41,263)

- 1.23 Of the capital underspend, the proposal is to roll-forward all existing commitments into 2017-18; £36.8m general fund and £2.4m HRA; £39.2m in total.
- 1.24 Council Financial Procedure Rules require that the Council receives an annual report on Treasury Management borrowing and investment activity during the financial year, and a review of treasury management activity for 2016-17 is incorporated into this report, for information.

2. Information required to take a decision

- 2.1 Appendix A, Sections 1-4 attached, sets out in more detail the financial outturn position of the Council in 2016-17 in relation to the Council's general fund revenue, HRA revenue, Council capital budgets, and performance on treasury management activity.
- 2.2 Annual revenue rollover proposals are informed by Council Financial Procedure Rules, which set out the following principles to annual revenue rollover considerations :
- i) total rollover proposals cannot exceed the overall net underspend position of the Council, and
 - ii) rollover proposals by Directorate should not exceed the net underspend position by Directorate

- 2.3 There are no revenue rollover proposals from 2016-17 to 2017-18 as the reported £2.7m overspend does not meet the Financial Procedure Rule principles for revenue rollover set out in paragraph 2.2 i) above.
- 2.4 The reported £2.7m general fund revenue overspend in 2016-17 is effectively offset by existing Council revenue reserves as at 31 March 2017.
- 2.5 The (£9.2m) HRA surplus in 2016-17 reverts to HRA reserves at year end. There are no HRA revenue rollover proposals from 2016-17 to 2017-18. HRA capital rollover proposals total £2.4m and this will be financed from the £9.2m surplus transferred to HRA reserves.
- 2.6 The balance of £6.8m HRA surplus transferred to HRA reserves will be considered as part of the overall resourcing available to support the re-fresh of the longer term HRA business plan through 2017-18.
- 2.7 Total capital rollover proposals (including HRA) total £39.2m. These are factored into the updated Capital Plan 2017-22, alongside revisions to external funding assumptions and a review of profiled spend across years. These are set out in more detail at Appendix A, section 3.
- 2.8 The annual re-fresh of Council's multi-year budget strategies and plans will be reported to full Council in Autumn 2017, and will include a further review of the updated capital plan as part of this annual re-fresh.

3. Implications for the Council

- 3.1 This report provides information on the Council's overall financial performance in 2016-17 against available resources, incorporating as well an overall updated capital plan for 2017-22. The overall activity to which the report's financial performance relates, supports the delivery of the following Council objectives and Priorities within available resources:
 - i) Early Intervention and Prevention (EIP)
 - ii) Economic Resilience (ER)
 - iii) Improving Outcomes for Children
 - iv) Reducing demand of services
- 3.2 The Council continues to face significant financial challenges and must ensure it can achieve a sustainable balanced budget over the medium term and beyond.
- 3.3 Approved revenue budget plans include a significant planned (net) saving requirement of £54m in 2017-18 and further savings of £50m over the following 3 years; £104m in total over the 2017-21 period. The planned savings requirement in 2017-18 is also net of the approved drawdown of £11.1m from available reserves to deliver an overall balanced general fund revenue budget in 2017-18.

- 3.4 The 'early closedown review' report to Cabinet on 2 May 2017 included a number of early measures incorporated in the 2016-17 final accounts process that released a further £10.1m revenue resources into risk reserves at year end.
- 3.5 While this has improved the overall financial resilience of the Council, it is anticipated that further actions will be required to ensure the Council can continue to manage within its means. This includes strengthened governance arrangements, supported by the Council's Transformation Business Partner, to monitor and review progress on the deliverability of the £54m planned savings requirement through 2017-18.
- 3.6 The impact on the HRA of an annual 1% rent reduction for social housing tenants over the 2016-20 period is a forecast reduction in annual rental income of £10.5m by 2020, against an annual turnover of £95m (equivalent to about 11%) The financial impact of this has previously been factored into the HRA business plan which will continue to be re-freshed and updated regularly through the year to help inform both medium and longer term HRA budget planning.
- 3.7 A key indicator used to ensure borrowing fulfils the criteria of being affordable, prudent and sustainable, is the actual proportion of overall revenue budget taken up with interest and debt repayments. The actual percentage was 7.91% in 2016-17. When the Capital Plan was presented to Budget Council in February 2017, the estimated percentage in 2017-18 was 8.04%, increasing to 8.96% by 2021-22.
- 3.8 After taking account of capital rollover, the re-phasing of schemes and changes to grant assumptions factored into the update 5 year capital plan 2017-22, the overall impact on the estimated percentages is not materially different. As revenue resources remain under considerable pressure, close scrutiny will need to continue to ensure overall Council borrowing remains Prudent and sustainable going forward.

4. Consultees and their opinions

This report has been prepared by the Chief Financial Officer (Service Director, Financial, IT and Transactional Services), in consultation with the Executive Team.

5. Next steps

Subject to member approval, capital rollover proposals and the update of the 5 year capital plan will be incorporated into in-year financial monitoring in 2017-18, and reported quarterly to Cabinet, from Quarter 1 onwards.

6. Officer recommendations and reasons

Cabinet are asked to support the following officer recommendations :

General Fund Revenue

- 6.1 note the revenue outturn position for 2016-17 (Appendix A, Section 1 & Appendix B);
- 6.2 note the year end position on corporate reserves, including available 'financial resilience' reserves (Appendix A, Section 1, paragraphs 1.40 to 1.52, & Appendix C);
- 6.3 note the regular monitoring & review of corporate reserves in 2017-18 to be reported to Cabinet as part of the Quarterly financial monitoring cycle; including consideration of the potential re-direct of earmarked reserves to support deferred District Committee spend commitments (Appendix A, Section 1, paragraphs 1.28 to 1.29);

Housing Revenue Account (HRA)

- 6.4 note the revenue outturn position for 2016-17 (Appendix A - Section 2 and Appendix B);
- 6.5 note the year end position on HRA reserves (Appendix A, Section 2 paragraph 2.2, Table 1);

Capital

- 6.6 note the Council capital outturn position for 2016-17 (Appendix E)
- 6.7 approve £39.2m capital rollover from 2016-17 to 2017-18 (Appendix A, section 3, paragraphs 3.5 to 3.7);
- 6.8 approve the revised Capital Plan for the 5 year period 2017-22, after taking into account rollover, the re-phasing of schemes and changes to grant assumptions (Appendix A, section 3, paragraphs 3.8 to 3.16, & Appendix G);
- 6.9 note the further review of the updated capital plan to inform the annual re-fresh of Council multi-year budget strategies and plans to be reported to full Council in Autumn 2017 (Appendix A, Section 3, paragraph 3.8);

Treasury Management

- 6.10 note the review of treasury management activity for 2016-17 (Appendix A, Section 4).

7. Cabinet portfolio holder recommendation

The Cabinet portfolio holder supports the recommendations in this report.

8. Contact officer

Eamonn Croston, Strategic Council Finance Manager
eamonn.croston@kirklees.gov.uk

Tim Mitchell, Finance Manager
tim.mitchell@kirklees.gov.uk

James Buttery Finance Manager
james.buttery@kirklees.gov.uk

9. Background Papers and History of Decisions

Annual budget report 2016-19

Annual budget report 2017-21

Early review of Closedown report 2016-17

CIPFA's code of Practice on Treasury Management in the Public Services

CIPFA's Prudential Code for Capital Finance in Local Authorities

Public Works Loan Board website

10. Service Director responsible

Debbie Hogg, Chief Financial Officer (&Service Director, Financial, IT & Transactional Services); debbie.hogg@kirklees.gov.uk

SECTION 1 – GENERAL FUND REVENUE OUTTURN 2016-17

1. Summary revenue outturn position

- 1.1 The Council's general fund net revenue (controllable) budget for 2016-17 was set at **£310.8million (m)**.
- 1.2 Any reported variance against net revenue budget also takes into account approved (net) funding transfers between reserves and general fund during the year.
- 1.3 There was a (net) funding transfer from reserves to general fund totalling **£854k** in 2016-17. This resulted in a revised budget of **£311.7m**.
- 1.4 Council spend was **£314.4m** in 2016-17.
- 1.5 There was a reported **overspend of £2.7m**; equivalent to 0.8% against the revised budget of **£311.7m**.
- 1.6 The revenue outturn position is summarised by Directorate at Appendix B, the reserves position summarised at Appendix C and the more significant variances against Directorate activity, reported at Appendix D.

Service Directorates

- 1.7 Overall, Directorates overspent by £6.5m against a revised budget of £266.6m; equivalent to 2.4% variance.
- 1.8 There was significant investment during the year totalling £6m on measures to support a number of key service improvements in Children's Services. These include additional capacity to support interim management arrangements and additional volumes of work. Some of these measures are "one-off" investment, some recurrent (see also paragraph 1.9 below)
- 1.9 These service improvements are ongoing and have been supported by the Government appointment of an Independent Children's Commissioner to oversee these improvements. This follows the OFSTED inspection of the Council's Family & Safeguarding Service, which was reported to Cabinet on 28 November with an assessed rating of 'inadequate'.
- 1.10 In addition, there were volume pressures totalling £6.7m in relation to numbers of looked after children and associated placement or placement equivalent support. This includes pressures on External residential placements £2.0m; internal/external fostering at £2.8m; leaving care supported accommodation £946k and special guardianship/child arrangement orders at £785k.
- 1.11 The annual budget report to full Council on 15 February 2017 included additional resources allocated to Children's activity totalling £11.1m from 2017-18 onwards; £7.4m relating to volume pressure relating to numbers of looked after children,

and £3.7m relating to ongoing service improvement capacity requirement across all levels of the service.

- 1.12 There were also significant Adult Social Care demand led pressures at £5.4m; mainly Learning Disabilities at £4.2m, Mental Health at £0.9m and Physical Disabilities at £0.7m. These service pressures have been reported regularly through the year through quarterly monitoring reports presented to Cabinet, including a separate report on learning disabilities overspend, which was reported to Cabinet on 12 December 2016.
- 1.13 The annual budget report to full Council on 15 February 2017 included additional resources totalling £3m allocated across Adult Social Care demand led activity, specifically in acknowledgement of the extent of current and forecast future service pressures. This is in addition to a £4m base budget uplift previously allocated to service budget from 2017-18 onwards, as part of the budget strategy update report 2017-21, presented to full Council on 12 October 2016.
- 1.14 There was an overall underspend of (£2.7m) against Place Directorate activity. The most significant underspends include additional income from the Driver Training Contract at (£866k). Schools Facilities Management had a surplus of (£1.5m); mainly increased efficiencies on food and labour costs in relation to the provision of universal free school meals. Corporate Landlord also underspent by (£1.4m); in part reflects reduced overall asset portfolio, in part lower facilities management costs. The cost offsets noted here were all factored into Directorate budget plans in 2017-18 as planned savings.
- 1.15 There were a number of cost offsets against the above, including exceptional costs incurred of £1.1m to deal with environmental contamination at a site in Huddersfield. There were also volume pressures on Waste management totalling £151k, and volume pressures on home to school transport of £1.1m. Additional revenue resources totalling £1m were added to Waste Management budget allocation from 2017-18 onwards to reflect both current year and anticipated volume pressures going forward.
- 1.16 There was an overall underspend of (£2.9m) against Resources Directorate activity. This includes (£1.9m) early delivery of 2017-18 savings on the following; (£1.1m) Library & Information Centre activity, (£505k) on IT and (£257k) savings on corporate subscriptions and annual audit fee.

Cross-Directorate

- 1.17 There was an overall (£7.1m) underspend on Cross-Directorate theme activity. This includes Economic Resilience at (£3.4m); mainly reflects deferred implementation of service re-design resulting in certain budgets not being committed during the year.
- 1.18 Early Intervention and Prevention theme activity underspent by (£3.7m). This includes (£3.1m) early delivery of savings required in 2017-18, and in part, (£2.5m) due to the deferred implementation of service re-design, again resulting in certain budgets not being committed during the year. Also pending completion

of service re-design, vacancies held across service activity totalled (£958k). This was in-part offset by an overspend on Supporting People activity totalling £2.9m.

Central Budgets

- 1.19 Central Budgets underspent by (£3.2m) in 2016-17, against a revised budget of £44.0m. The treasury management underspend was (£1.9m). The treasury management underspend is net of two approved transfers to risk reserves at year end.
- 1.20 The first of these relates to a specific treasury management underspend of (£8.0m) in 2016-17 resultant from a change to Council treasury management policy approved as part of the overall annual report approval at Budget Council on 15 February 2017.
- 1.21 The policy change relates to a re-profiling of the amount set aside from revenue resources annually for repayment of debt; also referred to as the Council's minimum revenue provision or MRP. The policy change was implemented in 2016-17, resulting in an immediate cash benefit to the Council of (£8.0m) in 2016-17, in addition to future year cash benefits from MRP re-profiling factored into annual treasury management budgets over the 2017-21 period.
- 1.22 The annual budget report approved the transfer of the 2016-17 (£8.0m) underspend to Council risk reserves at year end; one of the Council's early measures to increase financial resilience reserves at the start of 2017-18, in light of the unprecedented scale of the financial challenges and risks facing the Council, in particular over the forthcoming 12 months.
- 1.23 The other approved transfer to risk reserves at year end relates to direct revenue funded capital expenditure. Approved revenue budget funding totalling £1.8m are normally transferred from service budgets to treasury management in the first instance. These budgets would then have been applied to fund capital expenditure. The early closedown review report to Cabinet on 2 May 2017, included the recommendation to use borrowing, thereby freeing up an equivalent (£1.8m) revenue resources, for transfer to risk reserves at year end.
- 1.24 Net of the approved transfers set out at paragraphs 1.22 and 1.23 above, the reported year end treasury management underspend at (£1.9m) largely reflects lower borrowing requirement than anticipated due to slippage in the capital plan. This underspend has also been factored into the approved 2017-21 budget plans.
- 1.25 There were also savings in contingency budgets relating to inflation at (£1.1m); energy and inflation contingency not required. Approved budget plans for 2017-21 include significant inflation savings over the period; effectively cash limited (zero inflation) on a range of non-employee budgets over the next 4 years.
- 1.26 Other contingency underspends include insurance fund surplus at (£1.7m) and carbon reduction commitment budget not required at (£0.5m). Again, these underspends had been anticipated in 2017-21 budget plans.

1.27 As part of the Chief Financial Officer's year-end review of year end earmarked reserves requirements, there was an offsetting transfer from contingency budgets to earmarked reserves, totalling £1.9m. This is in respect of the Council's share of potential future payments due to Municipal Mutual Insurance (MMI) under a scheme of arrangement between MMI and its creditors.

District Committee Managed Budgets

1.28 District Committee managed budgets underspent by £644k in 2016-17 against a revised budget provision of £1.1m. This underspend relates to timing issues between approvals to spend at an individual District Committee level, and when actual spend is incurred.

1.29 The Chief Financial Officer will incorporate regular monitoring and review of overall Council reserves requirements as part of the Quarterly financial reporting cycle to Cabinet through 2017-18. This will include consideration of the re-direct of existing earmarked reserves to support any unfunded District Committee spend commitments falling in 2017-18 due to timing issues noted in paragraph 1.28 above.

Collection Fund

1.30 The Collection Fund is a ring-fenced revenue account. It is administered by the Council (the billing authority).

1.31 Responsibilities include council tax and business rates annual billing, income collection, and annual planned payments from the Collection Fund to the billing authority's own general fund, relevant precepting bodies (fire, police and parishes), and central government.

1.32 Planned payments to the relevant bodies are set in advance of each financial year as part of the formal budget approval process, based on estimated income. Actual income collected during the year can vary from estimated, and any such differences are retained within the Collection Fund as surpluses or deficits.

1.33 The intention is that any (surpluses)/deficits built up are 'smoothed out' over time, through adjusting annual re-payments to/from the Council's general fund. Due to timing issues and emerging income trends, it often takes a number of financial years to achieve smoothing out of surpluses/deficits accumulated, in practice.

1.34 Table 1 below reflects the change in the Council share of the Collection Fund (surplus)/deficit, between 2015-16 and 2016-17, including income performance in-year:

Table 1- Collection fund (Council share); 2016-17 outturn

Collection Fund	Council Tax	Business Rates
	£000	£000
Actual (surplus) / deficit at 1 April 2016	(4,660)	5,032
Transfer to (+) /from (-) general fund in 2016-17	3,921	(4,214)
Balance of (surplus) / deficit carried forward	(739)	818
In-year income performance (surplus)/deficit	(2,283)	493
Actual (surplus)/deficit at 1 April 2017	(3,022)	1,311
Transfer to (+) /from (-) general fund in 2017-18	2,000	(1,900)
Balance of (surplus) carried forward	(1,022)	(589)

- 1.35 In-year income performance on council tax reflects a surplus of (£2.3m); equivalent to (1.5%) against planned income of (£149.4m), and is mainly due to council tax income collection performance in excess of targeted.
- 1.36 In-year income performance on business rates reflects a deficit of £493k ; equivalent to 0.1% against planned income of £51.4m, and is due mainly to continued volatility on outstanding backdated rating valuation appeals.
- 1.37 Council approved budget plans for 2017-21 had largely anticipated the in-year Collection fund income performance trends noted above, in setting 2017-18 council tax base and business rates estimates. However, the position with regard to rating valuation appeals remains volatile.

Council Reserves

- 1.38 Reserves here means accumulated “one-off” resources built up over time. These are categorised under a number of broad categories, and summarised at Table 2 below:

Table 2 – Current Reserves position

General Fund Reserves	31 st March 2016	Transfers in (-) /out (+)	31 st March 2017	Budget Approved Movements 2017-18	Remaining reserves
	£000	£000	£000	£000	£000
Schools (statutory)	(19,900)	8,048	(11,852)	-	(11,852)
Earmarked (excluding Risk)	(57,316)	17,822	(39,494)	7,700	(31,794)
Earmarked - Risk Reserves	(9,968)	(18,078)	(28,046)	-	(28,046)
Unallocated Balances	(25,972)	15,254	(10,718)	8,485	(2,233)
Total Finance Resilience Reserves	(35,940)	(2,824)	(38,764)	8,485	(30,279)
Grand Total	(113,156)	23,046	(90,110)	16,185	(73,925)

- 1.39 Overall, Council general fund reserves have reduced from (£113.2m) as at April 2016, to (£90.1m) as at 31 March 2017; equivalent to a 20% (net) reduction in revenue reserves over the 12 month period.
- 1.40 There was a net drawdown of £23.1m reserves during 2016-17. Appendix C attached includes a more detailed review of the Council's general fund reserves movements between years.
- 1.41 The £23.1m net drawdown includes £19.8m drawn down as part of Council approved 2016-17 budget plans to deliver an overall balanced budget.
- 1.42 Risk reserves movements in-year includes the 'transfer-in' of a specific 2016-17 (£8.0m) treasury management underspend;; change in treasury management policy on minimum revenue provision for debt repayment (see also, paragraphs 1.21 to 1.22 earlier).
- 1.43 It also included the transfer-in of (£1.8m) revenue resources released from Treasury Management budgets; substitute fund approved revenue funded capital expenditure from borrowing (see also, paragraph 1.23 earlier).
- 1.44 The 'early review of closedown' report also included funding of £5.4m Council wide voluntary severance costs from 'in-year' generated capital receipts; allowable under Government flexible capital receipts funding guidelines. These costs would otherwise have been met from existing earmarked (workforce restructure) reserves. The equivalent (£5.4m) reserves 'saving' was re-directed from earmarked to risk reserves.
- 1.45 The same report also noted that the Chief Financial Officer would be undertaking a year-end review of earmarked reserves requirements, and subsequently identified (£2.9m) existing earmarked reserves that were no longer required for the original purposes that they had been set aside for. This was also transferred to risk reserves at year end.
- 1.46 As part of the same exercise, (£1.9m) was also transferred from central budgets to earmarked reserves at year end for the Council's share of potential future payments due to Municipal & Mutual Insurance (see also paragraph 1.27 earlier).
- 1.47 Budget Council in February 2017, approved a further drawdown from reserves, totalling £11.1m in 2017-18, to support the Council's budget plans in 2017-18 in the delivery of a balanced budget. There was also approval for a minimum £5m 'balances' requirement.
- 1.48 Adjusting for the above, remaining reserves at the start of 2017-18 total £73.9m. Excluding £11.9m statutory (school) reserves, which cannot be re-directed by the Council for any other purpose, remaining earmarked reserves at the start of 2017-18, totals £62.0m.
- 1.49 The £62m includes the following :
- i) £31.8m earmarked reserves (excluding risk). This is non-recurrent funding set aside in part due to timing issues between "one-off" external funding

contributions received and expenditure incurred on a range of developmental activity. It also includes earmarked reserves set aside to support the organisation's ongoing transformation to New Council

- ii) £30.2m 'risk' reserves, inclusive of £2.2m unallocated balances; effectively reflects the extent of the 'financial resilience' reserves available to the Council at the start of 2017-18.

1.50 Early measures included in the early closedown report to Cabinet on 2 May 2017 effectively increased the level of financial resilience reserves by £10.1m than they would otherwise have been at the start of 2017-18.

1.51 It is recommended that Council reserves should be retained for their agreed purposes as set out above, and that further assessments of reserves requirements will be undertaken through the year, and reported to Cabinet as part of established quarterly corporate revenue monitoring reporting processes.

Future developments

1.52 The annual Budget Report 2017-21 approved at Budget Council on 15 February 2017, includes a planned savings of £54m in 2017-18 alone, to deliver a balanced budget, and further planned savings of £50m over the following 3 years; £104m planned savings requirement in total over the 2017-21 period.

1.53 To ensure that the longer financial position of the Council is affordable and sustainable within approved budget plans over the 2017-21 period, the Council will need to deliver in line with the Medium Term Financial Plan. This means working at pace, with support from the Council's external Transformation Business Partner. This includes strengthened corporate financial and programme governance arrangements, to monitor and review progress on the deliverability of the £54m planned savings requirement through 2017-18.

1.54 While early measures set out in the early closedown report to Cabinet on 2 May 2017 have improved the overall level of financial resilience reserves available to the Council, it is anticipated that further actions will be required during the year to ensure the Council can continue to manage within its means.

SECTION 2 – HOUSING REVENUE ACCOUNT OUTTURN 2016-17

2. Key Points

- 2.1 The Housing Revenue Account (HRA) is a statutory ring-fenced account. All income streams and costs relating to the provision of landlord services to about 23,000 Council tenancies, are wholly accounted for in a separate statutory, ring-fenced account.
- 2.3 The HRA is wholly self-financing, and as with the general fund, has to live within its means.
- 2.4 The HRA budgeted for a (£2.9m) surplus in 2016-17. The actual surplus was (£9.2m); a favourable variance of (£6.4m) against an annual turnover of (£94.5m); equivalent to (6.8%). This is summarised at Appendix B. The surplus transferred to HRA reserves at year end.
- 2.5 The most significant variance was an underspend of (£3.1m) on revenue contribution to capital expenditure. This was due to slippage on the HRA capital plan in 2016-17 which underspent by (£3.3m) overall (see also, Appendix E).
- 2.6 Other highlight variances include repair & maintenance at (£1.1m) and Other Expenditure; reduction in bad debt provision requirement at (£1.3m). Highlight variances across a range of HRA activity headings are summarised at Appendix C.
- 2.7 HRA rollover proposals from 2016-17 to 2017-18 total £2.4m and are all capital related (see also, Appendix A, Section 3, paragraph 3.6). This will be funded from the £9.2m surplus transferred to HRA reserves at year end. This then leaves a balance of uncommitted HRA surplus at £6.8m which will carry forward in HRA reserves.
- 2.8 The HRA faces a number of significant financial challenges over the medium term. In particular, the Government national social housing rent policy, now enacted through the Welfare & Work Reform Act, has meant an absolute 1% annual rent reduction from April 2016; each year for the next 4 years, for social housing rents.
- 2.9 The financial impact has been a forecast rental income loss of £10.5m per annum by 2020. Rental income accounts for 90% of total HRA income. The modelled financial impact of this has been factored into Council approved HRA budget plans over the 2017-21 period, and longer term HRA business plan forecasts.
- 2.10 The HRA business plan will be re-freshed through 2017-18, and will include consideration of the £6.8m uncommitted surplus (as per paragraph 2.7 above), as part of the overall resourcing available to fund HRA business plan medium and longer term requirements.

HRA Reserves

- 2.11 The HRA statutory ring-fence applies equally to HRA reserves. In-year surpluses or deficits at each year end transfer to HRA general reserves, which build up over time and can be drawn down to support both HRA revenue and capital resourcing requirements.
- 2.12 In addition, there is also a major repairs reserve. This is funded from the annual depreciation charge to HRA . This reserve can only be statutorily used for capital debt repayment or capital investment. The year-end HRA reserves position is summarised in Table 1 below:

Table 1 - HRA Reserves at April 2017 :

HRA Reserves	Balance as at 31 march 2016	Surplus transfer from HRA	Reserve s used to repay capital debt	Reserves used to fund capital expenditure	Balance as at 31 March 2017
	£000	£000	£000	£000	£000
General Reserves	(37,304)	(9,209)	0	0	(46,513)
Working balance	(1,500)	0	0	0	(1,500)
Risk reserves	(4,000)	0	0	0	(4,000)
Major Repairs	0	(17,224)	6,259	10,965	0
Total	(42,804)	(26,433)	6,259	10,965	(52,013)

- 2.13 Net movement in HRA general reserves during 2016-17 reflects the £9.2m year-end surplus transfer to HRA reserves.
- 2.14 HRA reserves commitments over the medium term include £4.0m set aside for business risks; in particular, with regard to a number of welfare reform changes such as universal credit, and potential transitional impact on HRA rent arrears. There is also a set aside £1.5m working balance.
- 2.15 As noted at paragraph 2.7 earlier, in total £2.4m of the £9.2m surplus transferred to reserves at year end will be used to fund HRA capital rollover proposals from 2016-17 to 2017-18. This would then leave a balance of £44.1m general reserves available to support future HRA business plan requirements.
- 2.16 Current HRA reserves strategy is largely driven by long term HRA business plan requirements; in particular the planned build-up of capital resources in earlier years, rolled forward through general reserves. This funding will then be released over the longer term in line with capital investment needs to maintain housing stock decency over the 30 year lifetime of the HRA business plan.
- 2.17 The recently enacted Housing & Planning Act 2016 includes government policy intent with regard to high value council housing assets; namely an annual levy or charge to Council HRA's, 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.

- 2.18 The indicative levy calculation for individual Councils and accompanying consultation has not been released yet by government. The current timescale is uncertain. It is anticipated that short-term, existing HRA general reserves would have to absorb any short-term cash-flow impact at the point of implementation of the levy.
- 2.19 Subject to further Government clarification on the detail and timeline of any implementation, this is acknowledged to represent a significant future budget pressure on the HRA which would need to be modelled through the HRA business plan, and the resource implications incorporated accordingly into future budget rounds.

HRA borrowing 'cap'

- 2.20 As part of HRA self-financing implementation, Government set different borrowing limits for Councils with HRA's. This Council's HRA borrowing limit was set at £247.6m as at April 2012.
- 2.21 In practice, actual HRA debt outstanding at the time was £215.6m. The difference between HRA debt outstanding and the borrowing limit is also referred to as 'borrowing headroom'; £32m in this case. Since April 2012, the Council has continued to re-pay HRA debt annually, in line with current Council treasury management policy, and as at 31 March 2017, HRA debt outstanding was **£186.2m** (see also, Appendix E), effectively increasing the HRA borrowing headroom to £61.4m.
- 2.22 While there is borrowing headroom, as with the general fund, the Council has to ascertain whether or not the HRA can "afford" to take on new borrowing, in view of the additional financing costs that HRA would have to incur. Consideration of any scope to review the current approach will be taken as part of the regular re-refresh of the HRA business plan.

Future developments

- 2.23 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 other business risks potentially impacting on HRA, including the impact of universal credit on income collection, and the levy proposal noted earlier in paras 2.15 to 2.17 above. These business risks will continue to be reviewed in conjunction with the regular re-refresh of the HRA business plan in-year, to inform future budget rounds.
- 2.24 This also includes the planned delivery of significant efficiency savings over the medium term; in particular sustainable medium term savings following the merger between Building Services & the Council's Arms Length Management Organisation partner, Kirklees Neighbourhood Housing (KNH), implemented in October 2016.

SECTION 3 – CAPITAL OUTTURN 2016-17

3. Capital Outturn Summary Position

- 3.1 The Capital Plan for 2016-17 (inclusive of rolled over funds from 2015-16) was approved by Council on 29th June 2016 and totalled £102.0m. Following adjustments reported as part of Quarter 3 monitoring to Cabinet, the Capital Plan stood at £103.2m.
- 3.2 Subsequent adjustments increased the Capital Plan total to **£110.5m** by the end of the financial year. The increase in budget of £7.3m is mainly due to the £5.4m staff capitalisation with matched funding from in-year capital receipts (see also, Appendix A, Section 1, paragraph 1.45). A breakdown of budget changes can be found in Appendix E iii).
- 3.3 Actual spend at year end was £69.3m. There is a headline outturn **underspend of £41.3m** (37.4% variance compared to budget).
- 3.4 The outturn position across headline activities and highlight variances are explained at Appendix E i) and ii), along with explanations of the principal variations.

Capital Rollover Proposals

- 3.5 The General Fund underspend is £38m. Of this, £36.8m relates to slippage rather than anticipated scheme underspends. The proposal is to roll-forward this forward into future years. The remaining £1.2m underspend has been identified with no existing commitments. This will not be rolled forward into 2017-18.
- 3.6 The Housing Revenue Account (HRA) underspend is £3.3m. Of this, £2.4m relates to slippage and it is proposed that this also be rolled forward into future years. This includes baseline works of £500k, Estate Environmental of £1m and Strategic Priorities of £900k
- 3.7 At this stage there is no recommendation for extra investment over and above the recommended plan for 2017-18 to 2021-22 noting that Cabinet will be updated on the Council's exposure to capital risks and pressures during the upcoming financial year.
- 3.8 The annual re-refresh of Council's multi-year budget strategies and plans will be reported to full Council in Autumn 2017, and will include a further review of the updated capital plan as part of this annual re-refresh.

Updated Capital Investment Plan 2017-22

- 3.9 The Capital Plan approved at Budget Council on 15 February for the period 2017-22 totalled £346.3m. This has been now been updated to take account of capital rollover proposals totalling £38.5m. The plan has also been updated to reflect minor changes in the estimated levels of external grant

funding/contributions available over the 2017-22 period. Services have also taken the opportunity to review progress on programmes and schemes with a view to achieving a more realistic capital budget profile over the 5 year Plan period, including an appropriate profiling of capital rollover proposals over the period.

- 3.10 The revised Capital Investment Plan for the period 2017-22 totals £362.1m. The Plan is summarised at Table 1 below (see Appendix G i) – G iii)) for detail, including capital resourcing detail).

Table 1 - Overall Expenditure Summary 2017-18 to 2021-22

	17-18 £000	18-19 £000	19-20 £000	20-21 £000	21-22 £000	Total £000
Strategic Priorities	33,343	25,987	22,409	5,343	545	87,627
Baseline	53,935	28,422	26,125	25,398	22,060	155,940
One-Off Initiatives	95	0	0	0	0	95
Risks & Pressures	2,500	2,500	2,500	2,500	2,500	12,500
Total General Fund	89,873	56,909	51,034	33,241	25,105	256,162
HRA	20,022	23,020	18,172	17,646	27,105	105,965
Council Total	109,895	79,929	69,206	50,887	52,210	362,127

- 3.11 In addition to capital rollover, other key revisions to the 5 year Plan include the proposed reduction by £1m of uncommitted borrowing from Risks & pressures from 2017-18 onwards, the reduction of £165k from the Powerhouse scheme within Strategic Priorities in 2017-18, and the reduction of £662k in relation to Huddersfield Leisure Centre, which is no longer required in 2017-18. Also, £1m rollover is not required for the Councils short term loan facility to Kirklees College, since the maximum £6m loan facility (approved by Cabinet 23rd August 2016) was already built into the February Budget Capital Plan.
- 3.12 The above proposals total £2.8m and were all funded by borrowing. Their removal from the capital plan would generate additional treasury management revenue savings of £189k per annum from 2017-18 onwards.
- 3.13 Cabinet approval was given on 20 September 2016 to fund a further £4m loan advance to Kirklees Stadium Development Ltd from the Risks and Pressures line, in addition to the £9m loan previously approved. The plan for the HD-One scheme within Strategic Priorities has been updated to £13m overall to fund the loan on a commercial basis which is secured against specific developments.
- 3.14 The main Strategic Priority schemes funded by borrowing (Huddersfield Town Centre Action Plan, Dewsbury Town Centre Action Plan, European Grant Funding Opportunities and Spenborough Sports Facility) have been reviewed to ensure the capital budget profiles across years remain realistic. Overall borrowing requirements (including rollover) remain unchanged.
- 3.15 Strategic Priorities Programme includes funding allocated (mandated) from the Combined Authority to the Council, to fund early feasibility work on West Yorkshire Transport Fund (WYTF) strategic priorities. The updated plan

reflects existing mandates rolled forward from 2016-17. No further mandates have yet been agreed for 2017-18, however the plan will be updated to reflect new mandates throughout the new financial year.

- 3.16 The Department for Education has confirmed the education basic need grant allocations for the 2017-20 period. Years 4 and 5 assume a continuation of the new year 3 allocation. Overall there has been a significant funding reduction over the 5 years from £30.4m to £17.5m; an overall reduction of £12.9m over the period compared to previous estimates. This reduction has entirely fallen on the New Pupil Places Programme within Strategic Priorities.
- 3.17 Other changes incorporated into the Plan, affecting Baseline plans, relate to:
- i) The Disabled Facilities Fund which is part of the Better Care Fund can only be used for the specific purpose of providing adaptations for disabled people who qualify under the scheme. A grant allocation of £2.7m, an increase of £0.2m, for 2017-18 was announced on 20th April 2017 and is built into the Housing Private capital plan.
 - ii) Cabinet approval (20 September 2016) was given for £150k of Better Care Fund grant to be allocated to the Adults Capital Plan pending the firming up of capital spend proposals from the service.
 - iii) Government announced on 4th March 2017 an un-ringfenced grant “to support local authorities to make capital investments in provision for pupils with special educational needs and disabilities. Local authorities can invest in new places and improvements to facilities for pupils with education, health and care (EHC) plans in mainstream and special schools, nurseries, colleges and other provision.” Kirklees allocation is £352k each year for the next 3 years and has been included within the Children and Young Peoples Baseline capital plan.
 - iv) The Department for Education announced in March 2017 that the level of Capital Maintenance grant for 2017-18 will be £3.7m (a reduction of £57k compared to the previous assumption of £3.6m).
 - v) a net increase in external grant funding (£905k) for Highways in 2017-18

Prudential Indicators

- 3.18 The overall capital resourcing of the updated 2017-22 capital plan is set out in more detail at Appendix G iii). This includes new borrowing over the 2017-22 period totalling £115.4m; equivalent to 32.1% of total capital funding of £362.1m over the period.
- 3.19 The Council is able to undertake borrowing without central government approval under a code of practice called the Prudential Code. This requires prudential indicators (indicators/limits which help manage the Council's borrowing and treasury management activities) to be set as part of the budgeting process, monitored through the year and reported at outturn.

- 3.20 Appendix F provides a schedule of the prudential indicators applicable to affordability and prudence which have been reported as part of capital monitoring in 2016-17. Indicators applicable to treasury management are reported in the Annual Report on Treasury Management.
- 3.21 The impact on the prudential indicators from the adoption of the proposed updated 5 Year Capital Plan 2017-22 including rollover has a minimal impact due to actively using short term borrowing which has low interest rates. This therefore has a low impact on debt charges.
- 3.22 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.

SECTION 4 – TREASURY MANAGEMENT

4. Borrowing and Investment Strategy 2016/17

- 4.1 With the continuation of instabilities in the financial markets and fragility of economic activity, the over-riding policy was one of ensuring the security of the Council’s balances. The Council chose to invest externally balances of around £30 million, largely for the purpose of managing day-to-day cash flow requirements, with any remaining balances invested “internally”, offsetting borrowing requirements. The investment strategy was designed to minimise risk, investments being made primarily in instant access accounts or short-term deposits, with the major British owned banks and building societies, or Money Market Funds.
- 4.2 It was expected that the Council’s external borrowing would increase by up to £30 million, arising mainly from the need to replace balances 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).

The economy and interest rates

- 4.3 Politically, 2016/17 was an extraordinary twelve months which defied expectations when the UK voted to leave the EU and Donald Trump became President of the USA. Uncertainty arising from these outcomes and the slowdown of the Chinese economy in early 2016 all resulted in significant market volatility during the year.
- 4.4 The referendum result caused a sharp fall in the Sterling exchange rate and initial falls in interest rates and equity prices. Higher import prices, together with higher energy prices, resulted in CPI rising to 2.3% year/year in March 2017. Repercussions on economic growth were judged by the Bank of England to be sufficiently severe to prompt a cut in Base Rate to 0.25% in August and embark on further gilt and corporate bond purchases. Despite growth forecasts being downgraded, economic activity was fairly buoyant and the labour market also proved resilient. The UK’s sovereignty rating was downgraded to AA by two of credit rating agency.
- 4.5 At the beginning of each quarter, interest rates for the UK were as follows:

		<u>Base rate</u>	<u>50 year PWLB (maturity)*</u>
2016	Apr	0.50%	2.95%
	Jul	0.50%	2.17%
	Oct	0.25%	2.17%
	Jan	0.25%	2.50%
2017	Apr	0.25%	2.34%

*Includes the 0.20% discount that the Council can access as part of the “certainty rate” scheme.

Investment activity

- 4.6 The Council's treasury management investments totalled £31.3 million as at 31 March 2017 (£38.3 million 31 March 2016). The Council invested an average balance of £41.8 million externally during the year (£59.0 million 2015/16). Income of £0.153 million was generated through these investments (£0.264 million 2015/16). Appendix H shows where investments were held at the beginning of April, the end of September and the end of March, by counterparty, by sector and by country. The Council's average lending rate for the year was 0.37% (0.45% 2015/16), being above the weighted average 7 day London Interbank borrowing rate of 0.33%. The fall in rates between the years reflects the Base Rate cut in August.
- 4.7 The majority of investments were placed in instant access bank deposit accounts/Money Market Funds (MMFs). MMFs offer greater diversification of counterparties and thus lower risk, as well as instant access and relatively good returns.
- 4.8 At the end of November, the Bank of England released the results of its latest stress tests on the seven largest UK banks and building societies (Barclays, HSBC, Lloyds/Bank of Scotland, Santander UK, HSBC, RBS/NatWest and Nationwide BS). The 2016 stress tests were more challenging and designed under a new Bank of England framework, which tested the banks' resilience. No banks failed the test, but Royal Bank of Scotland, Barclays and Standard Chartered Bank were found to be the weakest performers. It should be noted that the tests were based on banks financials as at 31 December 2015 (11 months out of date), but our advisors, Arlingclose, regularly undertake analysis of relevant ratios in order to keep its clients informed of current bank creditworthiness.

Borrowing requirement and debt management

- 4.9 In terms of borrowing, long-term loans at the end of the year totalled £400.5 million and short-term loans (excluding interest accrued) £37.7 million (£408.4 million and £16.0 million 31 March 2016), an overall increase of £13.8 million. The only new long-term borrowing in the year was an interest free loan for £109k from West York Combined Authority, linked to a housing development scheme being undertaken by the Council. Appendix I details repayments of long-term loans during the year and short-term loans outstanding as at 31 March 2017.

	Actual £m
Decrease in Capital Financing Requirement excluding PFI	-4.7
Decrease in net balances	17.8
Increase in external borrowing and deferred liabilities	13.1

The Capital Financing Requirement (CFR) is the authority's underlying need to borrow for a capital purpose.

- 4.10 Fixed rate loans account for 82.5% of total long-term debt giving the Council stability in its interest costs. The maturity profile for fixed rate long-term loans is shown in Appendix J and shows that no more than 11% of fixed rate debt is due to be repaid in any one year. This is good practice as it reduces the Council's exposure to a substantial borrowing requirement in future years when interest rates might be at a relatively high level.
- 4.11 The primary source of the Council's borrowing is from the Government ie Public Works Loan Board (PWLB). In January 2015, DCLG announced that the PWLB would be abolished. It is likely that Treasury will take over the PWLB's responsibilities and lending arrangements will remain unaffected.
- 4.12 In June 2016, the Council received deed polls from Barclays Bank stating that it would not exercise its options to increase interest rates on £30 million of LOBO (Lender's Option, Borrower's Option) loans held by the Council. This effectively makes the loans fixed rate maturity loans. The interest rates on these loans range from 3.81% to 4.10%. This effectively brings the total of LOBO loans down to £76.6 million which represents 17.5% of total external borrowing. LOBO loans are when 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. No options were exercised during the year.
- 4.13 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. It has yet to issue any loans but officers will continue to monitor developments of this potential new funding source.
- 4.14 In terms of debt rescheduling, the premium charge for early repayment of PWLB debt remained relatively expensive for the loans in the Council's portfolio and therefore unattractive for debt rescheduling activity.
- 4.15 The average borrowing rate for 2016/17 was 4.78% (4.95% 2015/16).

Trends in treasury management activity

- 4.16 Appendix K shows the Council's borrowing and investment trends over the last 9 years. The analysis shows that at the onset of the "Credit Crunch" (2008), the Council was externally investing over £100 million, with average investment rates over 5%. From 2009/10 onwards as the banking crisis grew worse and investment rates fell, the Council adopted a policy of holding external investments for cash flow purposes only, initially at around £50 million and then further reduced to £30 million. Any further balances have effectively been "invested internally" to offset new borrowing requirements. For the first time in six years, the net debt position increased as the Council began to use its balances to support budget pressures.

- 4.17 The Capital Financing Requirement (CFR) for General Fund and HRA is currently £412.8 million and £186.2 million respectively. It is funded by external borrowing and balances internally invested.

Revenue Budget Monitoring

- 4.18 The outturn showed an under-spend of £11.6 million on a net spend of £23.6 million. The under-spend arose largely from the policy on debt repayment being modified (£8.0 million) and the decision to replace service revenue contributions to fund capital with borrowing (£1.8 million). There was member approval to transfer the cash benefit from these 2 measures, to strengthen available risk reserves at year end (see also, Appendix A Section 1, paragraphs 1.22 to 1.23).

Risk and Compliance Issues

- 4.19 The Council can confirm that it has complied with its prudential indicators for 2016/17, which were approved as part of the Treasury Management Strategy. Details can be found in Appendix L. Indicators relating to affordability and prudence are reported at Appendix A, Section 3 ,paragraphs 3.17 to 3.21).
- 4.20 On two occasions (June and September 2016) when the Council has received unexpected monies late in the day, officers have had no alternative but to put the monies into the Barclays Business Reserve Account overnight. This led to a marginal breach of the investment limit on Barclays on each occasion (£553k and £733k), mainly because the Council was also investing with Barclays at the time, taking advantage of a preferential rate offered as a new current account customer. The offer ended in October and the Council has not invested with Barclays since then.
- 4.21 In addition at the end of April 2016, a Barclays' software problem prevented the Council from transmitting funds to other counterparty deposit accounts. This caused the Council to have £11 million in excess of its own investment limit with Barclays over the weekend. The Council was compensated by Barclays for any loss of interest and the problem has not re-occurred.
- 4.22 In line with the strategy, the Council has not placed any direct investments in companies as defined by the Carbon Underground 200.
- 4.23 The Council is aware of the risks of passive management of the treasury portfolio and, with the support of the Council's consultants (Arlingclose), has proactively managed the debt and investments over the year.
- 4.24 The CIPFA Code of Practice requires that treasury management performance be subject to regular member scrutiny. The Corporate Governance and Audit Committee performs this role and members have received reports on strategy, half yearly monitoring and now the outturn for the year 2016/17. Training was provided to Members in March 2015 and consideration should be given to requesting Arlingclose to provide a refresh in the summer.

REVENUE OUTTURN 2016-17

APPENDIX B

General Fund	Net Controllable Budget	Funding transfer from (+) / to (-) reserves	Total Resources available	Revenue Outturn	Variance	Variance
	£000s	£000	£000	£000s	£000s	%
Children & Young People	57,959	9,540	67,499	80,984	13,485	20.0%
Commissioning, Public Health & Adults	84,217	648	84,865	91,193	6,328	7.5%
Place	35,738	-	34,095	31,375	(2,720)	(8.0%)
Resources	36,631	518	37,149	34,211	(2,938)	(7.9%)
Communities, Transformation & Change	5,299	272	5,571	5,101	(470)	(8.4%)
Economic Resilience	14,405	1,118	12,047	8,627	(3,420)	(28.4%)
Early Intervention & Prevention	25,382	-	25,382	21,627	(3,755)	(14.8%)
Directorate Totals	253,906	12,702	266,608	273,118	6,510	2.4%
Central Budgets	55,832	(11,848)	43,984	40,809	(3,175)	(7.2%)
District Committee managed budgets	1,098	-	1,098	454	(644)	(58.7%)
Grand Total	310,836	854	311,690	314,381	2,691	0.8%

APPENDIX B (continued)

Housing Revenue Account	Net Controllable Budget	Revenue Outturn	Variance	Variance
	£000s	£000s	£000s	%
Repair & Maintenance	22,377	21,139	(1,138)	(5.1)
Housing Management	32,474	31,785	(689)	(2.1)
Other Expenditure	28,856	27,480	(1,376)	(4.8)
Total operating expenditure	83,707	80,504	(3,203)	(3.8)
Rent Income	(82,639)	(82,791)	(152)	0.2
Other income	(11,839)	(11,745)	94	-0.8
Total operating income	(94,478)	(94,536)	(58)	nil
Revenue contribution to capital expenditure	7,919	4,823	(3,096)	(39.0)
Net surplus (-) /deficit (+)	(2,852)	(9,209)	(6,357)	(30.2)
Planned Transfer to HRA Reserves	2,852	9,209	6,357	-
Net Surplus (-) / deficit (+)	0	(9,209)	0	-

APPENDIX C

GENERAL FUND RESERVES & BALANCES	Reserves at 1 April 2016	Reserves supporting 2016-17 MTFP	in-year movements (Council approval Feb/July 2017)	Planned use of reserves in-year	Early closedown review - Cabinet Report May 2017	Year end transfer to General Reserves - Council overpend	Reserves at 1 April 2017	Reserves supporting 2017-18 MTFP	Remaining reserves at April 2017
	£000	£000	£000	£000	£000	£000	£000	£000	£000
STATUTORY (SCHOOL) RESERVES									
Earmarked Reserves - School Balances	(13,492)	-	-	3,960	-	-	(9,532)	-	(9,532)
Earmarked Reserves - Dedicated Schools Grant	(6,407)	-	-	4,088	-	-	(2,320)	-	(2,320)
Statutory (School) Reserves Total	(19,900)	-	-	8,048	-	-	(11,852)	-	(11,852)
EARMARKED (OTHER)									
Prepayments (PFI)	(3,148)	-	-	(167)	-	-	(3,314)	-	(3,314)
Joint Adults Social Care / Health	(7,964)	-	-	227	34	-	(7,703)	7,700	(3)
Workforce Restructure	(10,910)	-	300	119	5,400	-	(5,091)	-	(5,091)
Insurance (Municipal Mutual Insurance)	-	-	-	-	(1,900)	-	(1,900)	-	(1,900)
Revenue Grants / Contributions	(15,038)	1,221	-	1,825	1,155	-	(10,837)	-	(10,837)
Revenue Rollover	(9,752)	397	3,307	1,543	499	-	(4,006)	-	(4,006)
Business Rates Reserve	(3,714)	3,145	-	56	512	-	(0)	-	(0)
New Council Transformation	(4,000)	-	(1,433)	489	-	-	(4,944)	-	(4,944)
Other Earmarked Reserves	(2,790)	-	-	401	692	-	(1,698)	-	(1,698)
Earmarked Reserves (Other) Total	(57,316)	4,763	2,174	4,493	6,392	-	(39,494)	7,700	(31,794)
EARMARKED - RISK	(9,968)	-	(8,000)	-	(10,078)	-	(28,046)	-	(28,046)
UNALLOCATED BALANCES	(25,972)	15,037	(2,174)	-	(300)	2,691	(10,718)	8,485	(2,233)
Financial Resilience Reserves Total	(35,940)	15,037	(10,174)	-	(10,378)	2,691	(38,764)	8,485	(30,279)
All Reserves & Balances	(113,156)	19,800	(8,000)	12,541	(3,986)	2,691	(90,110)	16,185	(73,925)

General Fund Outturn highlight variances

APPENDIX D

Directorate	Activity	Highlight Variances £000	Additional comments on highlight variances
<p>Children & Young People</p>	<p>Safeguarding & family support; demand led activity</p>	<p>+6,745</p>	<p>(Underlying overspend +3,570k in 2015-16). Includes internal/external fostering +2,827k, external placements +2,026k, leaving care supported accommodation +946k, Special guardianship/child arrangement orders +785k</p>
	<p>Safeguarding & family support</p>	<p>+5,982</p>	<p>Mainly net cost of additional agency staffing costs at + 5,243k due to Interim Service Management arrangements</p>
	<p>Safeguarding Assurance</p>	<p>+1,085</p>	<p>Mainly due to Medium Term Financial Plan savings not achieved +£195k , Agency costs +£786k, and unfunded posts +£134k.</p>
	<p>Learning & Skills</p>	<p>(577)</p>	<p>Includes specialist learning support -£223k, savings on employee budgets; savings across a range of support services provided to Partnership Service activity at -£290k</p>
	<p>Disabled Children's Service</p>	<p>+200</p>	<p>Mainly pressure on direct payments +£342k & +£158k Agency staffing, offset by drawdown from Kirklees Integrated Community Equipment Store pooled reserves (£327k)</p>
	<p>Child Sexual Exploitation Team</p>	<p>+369</p>	<p>Additional costs arising from Child Sexual Exploitation unfunded to be met from reserves</p>

Directorate	Activity	Highlight Variances £000	Additional comments on highlight variances
	Safeguarding & family support; Legal Costs	+474	Pressure on legal disbursements
Commissioning, Public Health & Adults	Placement equivalent demand	+5,453	(Underlying overspend £1,700k in 2015-16) ; Older People (£0.3m), Physical disabilities +£0.7m, Learning disabilities +£4.2m and Mental health +£0.9m,. In addition there has been £2m Better Care Funding already allocated to placement equivalents from 16/17 monies for supporting social care.
	(Older People) In-house residential	+538	Net employee overspends ; largely agency costs arising from sickness/vacancy cover.
	Best Partnering	+953	Deferral of assumed budget savings from joint review of commissioned activity currently directly provided by Adults.
	Re-ablement	+304	Budget savings not made in full
	Commissioning	(800)	Includes Contracted Services including extra care housing (£172k), savings in other contracted services (£414k), reduced Kirklees Integrated Community Equipment Store contribution (£361k); part offset by Deprivation of Liberty Safeguarding - External Assessors to meet demand +£366k

Directorate	Activity	Highlight Variances £000	Additional comments on highlight variances
	Public Health	+224	Mainly savings on Substance Misuse, Smoking and Sexual Health (£778k), Healthy Child programme (£146k), Weight Management Resources +£34k, Health Checks (£208k), Health Protection (£109k), staff savings (£347k) and other PH savings (£238k) to offset the public health grant reduction of £2,016k in 2016-17.
Place	Waste Services	+1,176	Exceptional costs relating to site environmental clean-up (Hunters) at +£1,129k, Waste disposal volumes (tonnages) at +£151k . Delayed implementation of budget savings at +£501k ;partly offset by other savings in- year across a range of activity at (£605k)
	Driver Training	(866)	Higher than anticipated referral numbers across the region for driver training
	Policy, Strategy & Commissioning	(471)	Early delivery of 2017-18 planned savings.
	Transport	(233)	Mainly sales (£247k) favourable
	Strategic Housing	(219)	Includes underspends on employees (£46k), reduced costs on stair-lift requirement at (£41k) and minor underspends across a range of other activity totalling (£80k)
	Markets	+200	Income target shortfall +£332k partly offset by savings across various cost headings (£132k)

Directorate	Activity	Highlight Variances £000	Additional comments on highlight variances
	Schools Transport	+1,148	Mainly relates to volume pressures on Home to School Transport at (£1,067k)
	Schools Facilities Management	(1,544)	In the main, relates to Catering surplus (£1,193k) due to increased efficiency on labour and food costs of supplying Universal Free School Meals; Cleaning surplus of (£330k)
	Corporate Landlord	(1,354)	Capacity created to fund transformational type works e.g. asset transfers, reduced number of buildings and lower facilities management spend
Resources	Customer & Exchequer services	(1,758)	Mainly due to Library & Information Centres savings in advance (£1,071k), Welfare & Complimentary Benefits employee savings (£327k), and additional Benefit Subsidy Grant of -£454k
	Support for Council as Democratic Org	(356)	Includes Councillor allowances at -177k and Governance services - 80k;
	Looking Local	+248	Operates as a traded activity; reflects net income shortfall in-year against traded activity
	Corporate & Democratic Core	(257)	Mainly savings on annual Council subscriptions /external audit fees.

Directorate	Activity	Highlight Variances £000	Additional comments on highlight variances
	Information Technology	(505)	Release of budgets set aside for Transformation projects to help mitigate other Council pressures.
Communities, Transformation & Change	All Service activity	-	No key variances at Outturn
Cross-Directorate Themes	Economic Resilience	(3,420)	Mainly (£3,593k) underspend on add back budgets partially offset by slippage in delivery of achieving current year budget savings in the Integrated Community Safety Hub model
	Early Intervention & Prevention	(3,755)	Includes underspend on add-back budgets at (£2,475k), plus Early Intervention & Targeted Support savings made early at (£2,285k) and other vacancy management totalling (£958k) pending wider service review, plus Community grants budget savings in advance (£756k) ; partly offset by overspend on Supporting People activity of +2,922k
Central Budgets	Treasury Management	(1,876)	Mainly due to reduced borrowing cost; capital rollover from 2015-16 to 2016-17 being less than had been anticipated when budgets were set.
	Contingencies	(1,389)	Includes Contingency and energy inflation not required at (£1,104k), savings on carbon reduction commitment budget at (£500k), and insurance fund surplus of (£1.7m). The variance here takes account of the year end transfer of £1.9m to Council earmarked reserves in respect of the Council's share of

Directorate	Activity	Highlight Variances £000	Additional comments on highlight variances
			potential future payments due to Municipal Mutual Insurance (MMI) under a scheme of arrangement between MMI and its creditors
	Joint Committees	(213)	Mainly relates to saving on the annual Integrated Transport Authority levy payment to the Combined Authority
Ring-fenced Corporate Budgets	District Committee managed budgets	(644)	Largely reflects deferred spend commitments against budgeted Activity

APPENDIX D (continued)

Housing Revenue Account (HRA) revenue outturn 2016-17 ; highlight variances

Directorate	Activity	Variance £000	Additional comments on variances
HRA	Repairs & Maintenance	(1,138)	Mainly reflects year end trading surplus transfer from building services to HRA at (£888k), contingency budget not required (£300k), empty homes theme at (£80k) , re-chargeable repairs reduced costs at (£280k), and unplanned works at (£191k) ; partly offset by Responsive theme +£458k and Planned works +138k
	Housing Management	(689)	Includes reduced costs for Excellent Homes for Life PFI at (£290k), deferred development costs on new build at (£221k) and reduced cost of communal lighting at (£131k)
	Other Expenditure	(1,376)	Mainly due to reduced bad debt provision - delayed implementation of Universal credit (£1,337k)
	Income	(58)	Includes dwellings rent Income at (£152k), Service charges at (£135k); part offset by ;part offset by reduced rechargeable repairs income at £280k
	Revenue Contribution to capital expenditure	(3,096)	Reduced funding requirement due slippage on capital plan expenditure in-year

CAPITAL PLAN 2016/17 OUTTURN – SUMMARY

APPENDIX E i)

Capital Plan	Revised Budget	Outturn	Variance	Variance
	£'000	£'000	£'000	%
Strategic Priorities Total	25,134	10,926	(14,208)	(56.5)
Baseline				
Childrens & Young People	10,706	5,946	(4,761)	(44.4)
Adults	500	20	(480)	(96.0)
Place	39,279	27,775	(11,505)	(29.3)
Communities, Transformation & Change	1,424	176	(1,248)	(87.6)
Resources	1,633	1,484	(149)	(9.1)
Leeds City Region Revolving Fund	1,874	1,324	(550)	(29.3)
Baseline Total	55,416	36,725	(18,691)	(33.7)
One-Off Initiatives	5,501	5,406	(95)	(1.7)
Risks & Pressures	5,000	0	(5,000)	(100.0)
General Fund Total	91,051	53,056	(37,995)	(41.7)
HRA	19,478	16,210	(3,268)	(16.8)
Overall Total	110,529	69,266	(41,263)	(37.3)

Strategic Priorities Capital Plan	Highlight Variance	Comments on Highlight Variances
	£'000	
New Pupil Places in Primary Schools	(8,140)	Slippage to the start on site date at Beaumont Academy has meant that only enabling works will go ahead this financial year and the New North primary school will not start on site until 2017/18. Any underspend in funding on Strategic Priorities will be required to rollover to 2017-18 to enable the rolling programme on schools to be delivered as part of the Schools Investment Needs Strategy.
Spensborough Sport Facility	(619)	Expenditure in 2016/17 was for feasibility only.
Huddersfield Sport Centre	(712)	Final retention payment agreed was less than the estimated figure after the gain share was determined on the contract. £50k rollover required for outstanding commitments & fee element
Kirklees College Loan	(1,000)	The College has not fully utilised the short term loan facility this year
Local Growth Fund	(644)	There have been some delays encountered compared to the original timetable, as is common with large and complicated housing developments. However, as the project is now due to start delivery, all the resource identified is still required, and should be rolled forward to allow for successful implementation.
Pioneer House	(1,070)	The project has not spent/committed expenditure at the rate anticipated during 2016/17 but will progress fairly quickly in 2017/18 and the expenditure is required to continue with these project.
Strategic Priorities Total	(12,185)	

Baseline Capital Plan	Highlight Variance	Comments on Highlight Variances
	£'000	
Childrens		
Basic Need	(842)	The 2016-17 Basic Need Programme was approved at the 8th March 2016 Cabinet. Any underspend in funding will be required to rollover to 2017-18 to enable the rolling programme to be delivered and borrowing on DCYP Strategic Priorities to be reduced
Capital Maintenance	(1,137)	The underspend on 16/17 budget is largely due to the masterplan for essential works at Woodley School being determined. Underspends in other areas will help mitigate against the reduction in grant funding for 2017/18.
One-off Initiatives	(2,536)	Some contributions not received from developers. Majority of funds remain unallocated either whilst discussions occur to identify schools to benefit or funds held pending emergence of new Investment Need Strategy. Contingency amounts for outstanding commitments on disputed final accounts and internal charges not accrued for. Any potential underspend will be used to mitigate against the reduction in Basic Need funding in future years. Required for match funding on Early Years Capital successful bid for '30 hours free childcare' Scheme will be committed by year end
Childrens Total	(4,515)	
Place		
Housing (Private)	(1,493)	Includes Section 106 budget of £969k for which there are no schemes ongoing, Demolition at Wakefield Road budget of £176k awaiting a CPO and Capital Allowances budget of £193k which is to be spent on future Large Housing Schemes work
Highways	(2,413)	There are four causes of underspend in the Higways Capital Plan: (i) Works ongoing and not complete at the financial year end £650k which include road surfacing at Town Street and Whitehead Lane, Streetlighting programme, VMS signs and the flood management programme (ii) Specific funded works programmes re-profiled for construction in 17/18 £480k which include retaining walls through the Challenge Fund and car parks through RCCO (iii) Scheme delays through external influences £740k which include permissions for unadopted road works, Springwood car park approvals, Scrutiny review of Hudds Town Centre Access and Connectivity Project to influence completion of Hudds TC works and Hudds TC Cycle Infrastructure through CCAG2 (iv) Safer Roads £540k.
		The projects have not spent/committed expenditure at the rate anticipated during 2016/17 but the projects will continue in

Economic Delivery	(2,184)	2017/18 and the expenditure is required to continue with these projects.
Corporate Landlord Asset Investment	(998)	Includes £377k schemes slipped in year and/or late additions but not yet committed, responding to changing priorities and £586k schemes on site and/or committed but not yet complete.
Asset Strategy	(2,505)	In the late 2016 the Strategic Assets programme was re-profiled to reflect a number of strategic corporate priorities and the changing pace for moves toward New Council. This took into account a number of logistical issues in the availability of sites and resources to achieve the original programme. Accordingly, a number of schemes were revised to start in 2017/18. These decisions had an impact on the subsequent programming of 6 larger schemes (circa £2.1m) and RCCO contributions (£450k) to the Strategic Assets programme which were added late in the year. The majority are schemes which have been carried forward as work in progress and are due to complete on May and June 2017
Place Total	(9,593)	
KAL Self-Funded	(899)	KAL have underspend in 2016/17 while developing business plans for schemes at two sites. Total cost of the two schemes will be around £3m; KAL have requested that rollover is carried forward to enable these schemes to progress.
CTC Total	(899)	
Baseline Total	(15,007)	
Risks & Pressures Total	(5,000)	Cabinet Approval given on 20.9.16 to fund the loan advance to Kirklees Stadium Development Ltd from the Risks & Pressures line. The commitment against these resources is anticipated to fall into future years.

HRA Capital Plan	Highlight Variance	Comments on Highlight Variances
	£'000	
Baseline	(1,012)	Member led budget
Strategic Priorities	(1,800)	This variance is the sum of two projects individual variances. One project was delayed, with further options to be considered during 17/18, this resulted in a variance of (£800K). With regards to the other project, the rollover was not required, resulting in a variance of (£1,000K)
HRA Total	(2,812)	

**BREAKDOWN OF CAPITAL BUDGET CHANGES
(SINCE QUARTER 3 MONITORING)**

	£'000	£'000
Quarter 3 Budget		103,175
Revenue contributions to Capital**		
Asset Utilisation – Headlands Depot	200	
Asset Utilisation - Depot Rationalisation	250	
Highways – Multi Storey works	100	
Children’s Social Care IT system	133	
Individual schemes less than £100k (Director delegated authority)	<u>257</u>	940
Additional External Funding :		
Highways – West Yorkshire transport Fund	380	
Highways – Environment Agency Flood Mngt	269	
Economic Delivery – Dewsbury THI	110	
East Brierley Loan	175	
Individual schemes Less than £100k (director delegated authority)	<u>81</u>	1,015
Revised Budget		<u>105,130</u>
Capitalisation of staff voluntary severance (funded by “in-year” generated capital receipts)		5,400
FINAL REVISED BUDGET		<u>110,530</u>

***borrowing subsequently used to fund capital instead of revenue contributions, as per member approval; early closedown report 2016-17 to Cabinet on 2 May*

APPENDIX F

PRUDENTIAL INDICATORS ACTUALS 2016/17

Capital Expenditure, Capital Financing Requirement and External Debt

The table below draws together the main elements of Capital Plan expenditure and financing arrangements. The table also shows the Capital Financing Requirement (CFR), which is the Council's underlying external indebtedness for a capital purpose, compared with the expected borrowing position.

	2015/16	2016/17	
	Actual £000s	Estimate* £000s	Actual £000s
Capital Expenditure			
General Fund	50,796	72,141	53,056
General Fund - PFI	1,539	0	1,392
HRA	22,655	19,478	16,210
HRA – PFI	151	173	174
Total	75,141	91,792	70,832
Financed by -			
Borrowing	11,264	26,697	17,092
PFI	1,690	173	1,566
Other	62,187	64,922	52,174
Total	75,141	91,792	70,832
CFR as at 31 March			
General Fund excl PFI	411,332	413,930	412,844
General Fund PFI	58,058	55,473	55,474
HRA excl PFI	192,440	186,181	186,181
HRA PFI	58,910	56,824	56,824
Total CFR	720,740	712,408	711,323
External debt as at 31 March			
Borrowing (excl interest accrued)	424,418	451,216	438,208
Other LT Liabilities	121,360	116,718	116,553
Total debt	545,778	567,934	554,761

*The PI estimates include an allowance for anticipated slippage of capital expenditure during the year.

The difference between the CFR and total debt reflects the amount of internal balances that are being "borrowed" to finance capital indebtedness.

Limits to Borrowing Activity

The first key control over the Council's borrowing activity is a Prudential Indicator to ensure that over the medium term, net borrowing will only be for a capital purpose. Net external borrowing should not, except in the short-term, exceed the total CFR. This allows some flexibility for limited early borrowing for future years. As can be seen from the table above, the Council kept its total debt within the CFR and this has also been the case in previous years.

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 Actual (max) £m	2016/17	
		Limits/ Boundary £m	Actual (max) £m
<u>Authorised limit for external debt</u>			
Borrowing	443.7	554.6	438.2
Other Long Term Liabilities	126.3	121.4	121.4
Total	570.0	676.0	559.6
<u>Operational boundary for external debt</u>			
Borrowing	443.7	505.2	438.2
Other Long Term Liabilities	126.3	121.4	121.4
Total	570.0	626.6	559.6

The Council was well within its Authorised limit and Operational Boundary for the year.

There is also a limit on HRA indebtedness set by the Department for Communities and Local Government under the recent HRA self-financing reform. The limit is set at £247.6 million for the HRA CFR, excluding PFI liabilities. The actual HRA CFR excluding PFI liabilities as at 31 March 2016 is £186.2 million which is well within the limit.

Affordability Prudential Indicators

Ratio of financing costs to net revenue stream

This indicator identifies the cost of capital (borrowing costs net of investment income) against the net revenue stream. The net revenue stream for General Fund is defined as the amount to be met from unringfenced government grants and local taxpayers, and for HRA it refers to the total HRA income (rent, other income and grant).

	2015/16 Actual	2016/17	
		Estimate	Actual
<u>Ratio of financing costs to net revenue stream</u>			
General Fund	12.65%	12.70%	10.00%
General Fund excl PFI	10.61%	10.70%	7.91%
HRA	30.89%	30.22%	32.07%
HRA excl PFI	28.51%	27.93%	30.07%

The actual for General Fund for 2016/17 was less than estimated largely due to the Council's decision to change its policy for the repayment of debt (MRP), thus resulting in a much lower charge for 2016/17. The PIs have increased for HRA because of an increased depreciation charge for council dwellings.

BASELINE CAPITAL PLAN	Funding	2017/18 Budget £'000	2018/19 Budget £'000	2019/20 Budget £'000	2020/21 Budget £'000	2021/22 Budget £'000	Total Budget £'000
Learning & Early Support							
Basic Need	G	1,742	500	500	500	500	3,742
Capital Maintenance	G	4,880	3,600	3,400	3,200	3,000	18,080
Devolved Formula Capital	G	1,246	950	900	850	800	4,746
One-Off Initiatives	S106	2,322	352	352	352	0	3,378
Learning & Early Support Total		10,190	5,402	5,152	4,902	4,300	29,946
Adults Social Care Operation	G	1,190	0	0	0	0	1,190
Economy Regeneration & Culture							
Housing Private Sector							
Disabled Facilities Grants	B/G/R	2,877	2,600	2,600	2,600	2,600	13,277
Discretionary Assistance	R	183	100	100	100	100	583
Minor Adaptations	R	326	290	290	290	290	1,486
Other	G/R	2,100	0	0	428	0	2,528
		5,486	2,990	2,990	3,418	2,990	17,874
Economic Resilience	B	3,084	900	900	900	900	6,684
KAL - Self Funded	B*	2,266	1,059	617	617	617	5,176
Economy Regeneration & Culture Total		10,836	4,949	4,507	4,935	4,507	29,734
Commercial Regulatory & Operational Services							
Highways							
<i>Maintenance :</i>							
Principal Roads	G	2,613	2,600	2,600	2,600	2,600	13,013
Roads Connecting Communities	G	2,100	1,574	1,369	1,164	856	7,063
Local Community Roads	B/G	2,814	2,247	2,247	2,247	2,247	11,802
Structures	G	1,888	1,200	1,200	1,200	1,200	6,688
Street Lighting Replacement Strategy	B*	2,605	3,000	3,000	3,000	1,000	12,605
Unadopted Roads	B	189	50	50	50	50	389
<i>Integrated Transport :</i>							
Integrated Public Transport	G	342	450	0	0	0	792
Network Management	B/G	800	400	100	100	100	1,500
Cycling & Walking	B/G	1,491	20	20	20	20	1,571
Safer Roads	B/G	1,556	750	650	650	650	4,256
Town Centre Car Parking	B	229	100	100	100	100	629
Flood Management and Drainage Improvements	B/G	918	680	680	680	680	3,638
		17,545	13,071	12,016	11,811	9,503	63,946
Corporate Landlord Asset Investment	B	3,597	2,000	2,000	1,300	1,300	10,197
Strategic Asset Utilisation/Rationalisation	B	3,615	300	0	0	0	3,915
Transport	B	2,614	1,500	1,250	1,250	1,250	7,864
Environment & Strategic Waste	B	147	100	100	100	100	547
School Catering	B	253	200	200	200	200	1,053
Commercial Reg & Operational Total		27,771	17,171	15,566	14,661	12,353	87,522
Services Solutions, Transformation & Change							
District Committees	B	349	0	0	0	0	349
Services Solutions, Transf & Change Total		349	0	0	0	0	349
Finance & Transactional Services							
Information Technology	B*	1,049	900	900	900	900	4,649
Finance & Transactional Services Total		1,049	900	900	900	900	4,649
Leeds City Region Revolving Fund	B	2,550	0	0	0	0	2,550
TOTAL BASELINE		53,935	28,422	26,125	25,398	22,060	155,940

KEY :

B = Borrowing	G = Grant	R = 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.

STRATEGIC PRIORITIES	Funding	2017/18 Budget £'000	2018/19 Budget £'000	2019/20 Budget £'000	2020/21 Budget £'000	2021/22 Budget £'000	Total Budget £'000
A62 Leeds Road Corridor (Cooper Bridge)	G	111	0	0	0	0	111
A653 Dewsbury to Leeds Corridor (Mirfield to Dewsbury)	G	71	0	0	0	0	71
A629 Huddersfield to Halifax Corridor	G	-95	0	0	0	0	-95
M62 Junction 24a	G	32	0	0	0	0	32
Highways Non-Core Schemes	G	149	0	0	0	0	149
Dewsbury Learning Quarter	B/G	2,445	0	2,000	0	0	4,445
Huddersfield Town Centre Action Plan	B	500	3,172	5,672	1,637	0	10,981
Dewsbury Town Centre Action Plan	B	150	1,850	2,000	1,000	0	5,000
European Grant Funding Opportunities	B	1,750	1,250	0	0	0	3,000
Town & Village Centres	B	10	0	0	0	0	10
Empty Clusters	G	177	0	0	0	0	177
New Huddersfield Sports Centre	B	50	0	0	0	0	50
Sports Facility (Spenborough area)	B	619	4,000	8,000	2,000	0	14,619
New Pupil Places in Primary Schools	G	11,083	11,251	4,737	706	545	28,322
Reprovision of Lydgate Special School	B	838	214	0	0	0	1,052
HD-One (KSDL)	B	8,750	4,250	0	0	0	13,000
Kirklees College Loan	B	6,000	0	0	0	0	6,000
Contingencies	B	39	0	0	0	0	39
Local Growth Fund	B	664	0	0	0	0	664
STRATEGIC PRIORITIES TOTAL		33,343	25,987	22,409	5,343	545	87,627

RISKS & PRESSURES TOTAL	B	2,500	2,500	2,500	2,500	2,500	12,500
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ONE-OFF INITIATIVES TOTAL	B	95	0	0	0	0	95
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HOUSING REVENUE ACCOUNT PLAN

	Funding	2017/18 Budget £'000	2018/19 Budget £'000	2019/20 Budget £'000	2020/21 Budget £'000	2021/22 Budget £'000	Total Budget £'000
HRA STRATEGIC PRIORITIES							
Miscellaneous Properties-Conversions/Back into Stock		817	703	680	694	708	3,602
New Build Phase 1 - Ashbrow Extra Care		500	6,000	694	0	0	7,194
New Build Phase 2 - Soothill Extra Care		0	0	3,631	3,703	0	7,334
New Build Phase 3		0	0	0	0	7,555	7,555
New Build Phase 4 - Environmentally Friendly Housing		2,036	2,075	0	0	0	4,111
New Build - KNH/Building Services Pilot		800	0	0	0	0	800
Strategic Priorities		0	0	0	0	5,504	5,504
		4,153	8,778	5,005	4,397	13,767	36,100
HRA BASELINE							
Heating Programmes(Boilers)		1,583	1,555	1,477	1,481	1,480	7,576
Maintaining Decency		8,530	8,248	7,216	7,205	7,204	38,403
Batched works		268	265	255	260	265	1,313
Fire Safety Works		295	47	47	48	50	487
Tenant Allowances		255	259	265	270	275	1,324
Fuel poverty		781	662	638	650	663	3,394
Major Adaptations		2,443	2,490	2,539	2,590	2,642	12,704
Minor Adaptations		244	249	254	259	264	1,270
Estate & Environmental Works (Managed through District)		1,470	467	476	486	495	3,394
		15,869	14,242	13,167	13,249	13,338	69,865
TOTAL		20,022	23,020	18,172	17,646	27,105	105,965

FUNDING SUMMARY	2017/18 Budget £'000	2018/19 Budget £'000	2019/20 Budget £'000	2020/21 Budget £'000	2021/22 Budget £'000	Total Budget £'000
TOTAL FUNDING REQUIREMENT	109,895	79,929	69,206	50,887	52,210	362,127
Funded by...						
Direct/Earmarked Contributions to Schemes						
Capital Grants / Contributions						
- In year	24,687	23,277	15,041	14,586	13,676	91,267
- Funding brought forward from previous year	16,142	1,708	1,656	1,656	1,228	22,390
- Funding carried down to following year	(1,708)	(1,656)	(1,656)	(1,228)	(1,228)	(7,476)
Earmarked Capital Receipts	4,768	3,141	2,011	1,826	4,637	16,383
Revenue Contributions (HRA)	5,640	6,980	4,506	4,589	12,073	33,788
Reserves (HRA)	13,162	13,162	11,917	11,493	10,658	60,392
Pooled resources						
Non Earmarked Capital Receipts	6,000	6,000	6,000	6,000	6,000	30,000
Corporate Prudential Borrowing	41,204	27,317	29,731	11,965	5,166	115,383
TOTAL FUNDING REQUIREMENT	113,311	83,241	72,518	53,343	54,666	377,079

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 and assumes a level profile of spend over the five years. This is considered a realistic assumption based on historical information on slippage on major capital programmes of this level.

	2017/18 Budget £'000	2018/19 Budget £'000	2019/20 Budget £'000	2020/21 Budget £'000	2021/22 Budget £'000	Total Budget £'000
Assumed Slippage b/f	0	21,936	14,612	13,678	8,344	58,570
General Fund Maximum Authorised Spend	89,873	56,909	51,034	33,241	25,105	256,162
Assumed Slippage c/f	(21,936)	(14,612)	(13,678)	(8,344)	(6,036)	(64,606)
	67,937	64,233	51,968	38,575	27,413	250,126
HRA Planning Allocation	20,022	23,020	18,172	17,646	27,105	105,965
TOTAL FUNDING REQUIREMENT	87,959	87,253	70,140	56,221	54,518	356,091
Funded by...						
Direct/Earmarked Contributions to Schemes						
Capital Grants / Contributions						
- In year	24,687	23,277	15,041	14,586	13,676	91,267
- Funding brought forward from previous year	16,142	9,483	6,273	4,615	4,182	40,695
- Funding carried down to following year	-9,483	-6,273	-4,615	-4,182	-3,914	-28,467
Earmarked Capital Receipts	4,768	3,141	2,011	1,826	4,637	16,383
Revenue Contributions (HRA)	5,640	6,980	4,506	4,589	12,073	33,788
Reserves (HRA)	13,162	13,162	11,917	11,493	10,658	60,392
Pooled resources						
Non Earmarked Capital Receipts	6,000	6,000	6,000	6,000	6,000	30,000
Corporate Prudential Borrowing	27,043	31,483	29,007	17,294	7,206	112,033
TOTAL	87,959	87,253	70,140	56,221	54,518	356,091

APPENDIX H

Kirklees Council Investments 2016-17										
Counterparty	Credit Rating Mar 2017*	1 April 2016			30 September 2016			31 March 2017		
		£m	Interest Rate	Type of Investment	£m	Interest Rate	Type of Investment	£m	Interest Rate	Type of Investment
Specified Investments										
Bank of Scotland	Bank	F1/A+								
Svenka Handelsbanken	Bank	F1+/AA	2.9	0.45%	Instant Access	6.0	0.40%	Instant Access	1.3	0.20%
Std Life	MMF**	AAAmf	7.5	0.49%	Instant Access	7.5	0.37%	Instant Access	8.7	0.28%
Aviva	MMF**	Aaa-mf	7.3	0.48%	Instant Access	8.6	0.31%	Instant Access	7.3	0.22%
Aviva - Govt	MMF**	Aaa-mf				1.5	0.17%	Instant Access		
Deutsche	MMF**	AAAmf	6.7	0.46%	Instant Access	6.2	0.32%	Instant Access	6.9	0.20%
Goldman Sachs	MMF**	AAAmf	6.0	0.44%	Instant Access	7.7	0.30%	Instant Access	7.1	0.20%
Santander UK	Bank	F1/A	5.0	0.65%	31 day notice	3.0	0.40%	31 day notice		
Non-specified investments										
Barclays***	Bank	F1/A	2.9	0.10%+0.40%	Instant Access	2.9	0.10%+0.40%	Instant Access		
			38.3			46.5			31.3	
Sector analysis										
Bank			£m	%age		£m	%age		£m	%age
Bank			10.8	28%		10.3	22%		1.3	4%
Building Society										
MMF**			27.5	72%		36.2	78%		30.0	96%
Local Authorities/Cent Govt										
			38.3	100%		46.5	100%		31.3	100%
Country analysis										
UK			£m	%age		£m	%age		£m	%age
UK			7.9	21%		7.9	17%		1.3	4%
Sweden			2.9	7%		2.4	5%			
MMF**			27.5	72%		36.2	78%		30.0	96%
			38.3	100%		46.5	100%		31.3	100%

*Fitch short/long term ratings, except Aviva MMF (highest Moody rating). See next page for key. ** MMF – Money Market Fund. These funds are domiciled in Ireland for tax reasons, but the funds are made up of numerous diverse investments with highly rated banks and other institutions. The credit risk is therefore spread over numerous countries, including the UK. The exception to this is the Aviva Government Liquidity Fund which invests directly in UK government securities and in short-term deposits secured on those securities.

Key – Fitch’s credit ratings:

		Long	Short	
Investment Grade	Extremely Strong	AAA	F1+	
		Very Strong		AA+
				AA
	Strong	AA-		
		A+		F1
		A		
	Adequate	A-		F2
		BBB+		
		BBB		F3
Speculative Grade	Speculative	BBB-	B	
		BB+		
		BB		
	Very Speculative	BB-		
		B+		
		B		
	Vulnerable	B-		C
		CCC+		
		CCC		
CCC-				
Defaulting	CC	D		
	C			
	D			

Appendix I

Long-term loans repaid and short-term loans outstanding 31 March 2017

Long-term loans repaid during 2016/17

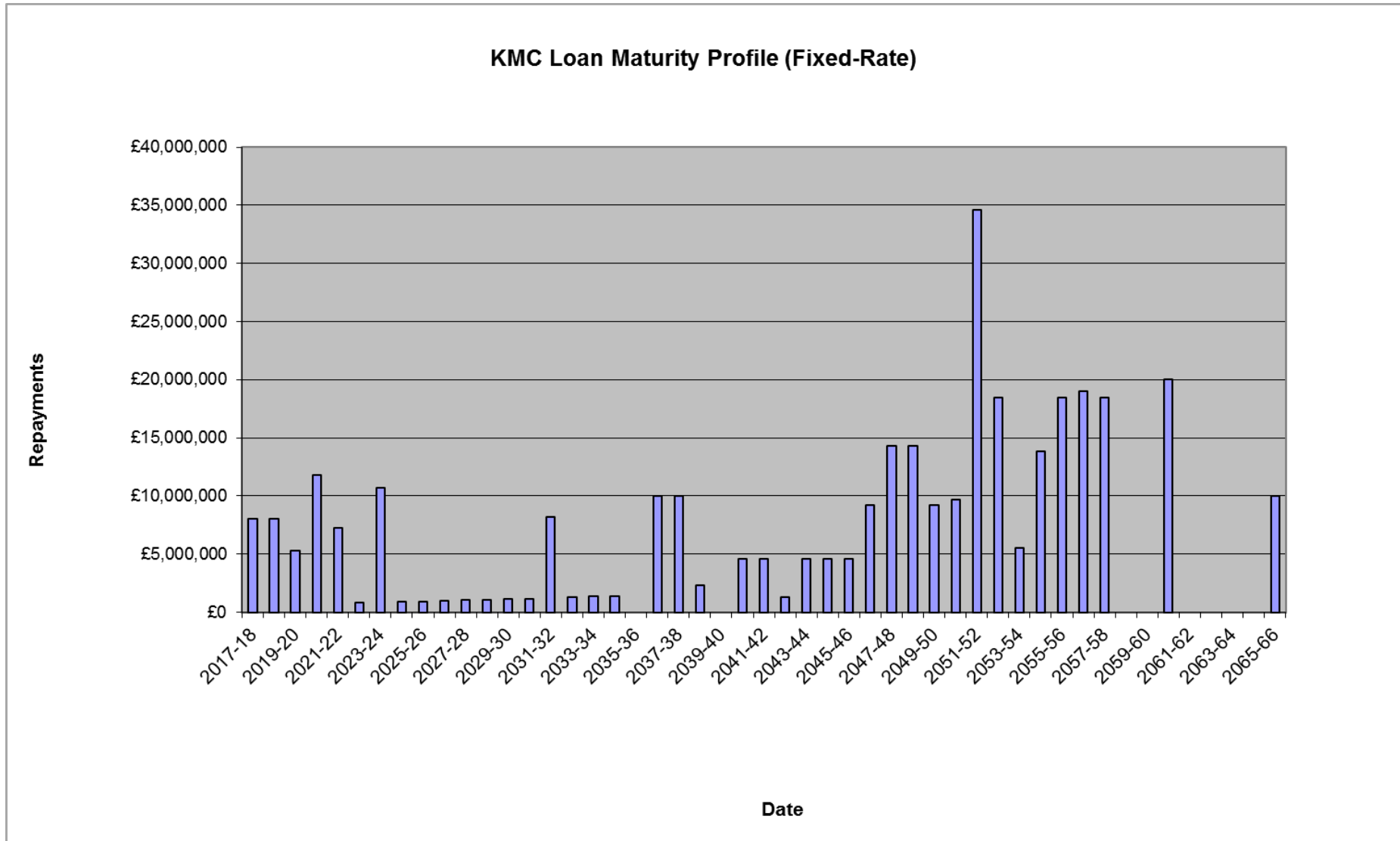
	Amount £000s	Rate %	Date repaid
Repayments on maturity			
PWLB (468634)	9,225	11.0	1 Jul 16
PWLB (498418)	4,613	3.84	15 Mar 17
Repayments on annuity loans			
PWLB (496956)*	308	4.58	29 Sep 16
PWLB (496956)*	315	4.58	29 Mar 17
Total	14,461		

* represents loan extended to Kirklees College, for which the College is making similar repayments to the Council

Short-term loans outstanding 31 March 2017

	Amount £000s	Rate %	Length (days)
Temporary borrowing from the Money Market			
Police and Crime Commissioner Warwickshire	1,000	0.25	35
Leicester City Council	5,000	0.35	18
Halton Borough Council	10,000	0.25	14
Neath Port Talbot Council	5,000	0.25	10
Middlesbrough Council	7,500	0.30	11
Local lenders/Trust Funds	1,196		
Long-term loans due to mature in the next twelve months	8,032		
Total*	37,728		

* excludes interest accrued



Appendix K

Kirklees Council - Borrowing and Investment Trends

At 31 March	2017	2016	2015	2014	2013	2012	2011	2010	2009
Investments	31.3m	38.3m	38.7m	33.1m	30.2m	19.3m	42.7m	38.7m	102.1m
ST Borrowing (excl interest accrued)	37.7m	16.0m	21.1m	29.6m	27.3m	30.6m	33.2m	18.6m	9.1m
LT Borrowing	400.5m	408.4m	422.6m	432.4m	452.1m	471.5m	527.1m	525.1m	528.4m
Total Borrowing	438.2m	424.4m	443.7m	462.0m	479.4m	502.1m	560.3m	543.1m	537.5m
Deferred liabilities (non PFI)	4.1m	4.3m	4.4m	4.5m	4.7m	4.8m	5.0m	5.1m	5.2m
Net debt position	411.0m	390.4m	409.4m	433.4m	453.9m	487.6m	522.6m	509.5m	440.6m
Capital Financing Requirement (excl PFI)									
General Fund	412.8m	411.3m	422.2m	447.5m	448.5m	458.6m	458.9m	435.9m	369.5m
HRA	186.2m	192.4m	196.6m	203.3m	209.3m	215.6m	242.4m	241.0m	241.0m
Total CFR	599.0m	603.7m	618.8m	650.8m	657.8m	674.2m	701.3m	676.9m	610.5m
Balances "internally invested"	156.7m	175.0m	170.7m	184.3m	173.7m	167.3m	136.0m	128.7m	67.8m
Ave Kirklees' investment rate for financial year	0.4%	0.5%	0.4%	0.4%	0.5%	0.6%	0.8%	1.5%	5.2%
Ave Base rate	0.3%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Ave LT Borrowing rate	2.5%	3.2%	3.7%	4.3%	4.1%	4.4%	5.3%	4.7%	4.6%

APPENDIX L

Treasury Management Prudential Indicators

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 Prudential Code requires the setting of upper limits for both variable rate and fixed interest rate exposure:

	Limit Set 2016-17	Actual 2016-17
Interest at fixed rates as a percentage of net interest payments	60% - 100%	83%
Interest at variable rates as a percentage of net interest payments	0% - 40%	17%

The interest payments were within the limits set.

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.

Amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate	Limit Set 2016-17	Actual Levels 2016-17
Under 12 months	0% - 20%	0% - 5%
12 months to 2 years	0% - 20%	2% - 3%
2 years to 5 years	0% - 60%	5% - 8%
5 years to 10 years	0% - 80%	5% - 7%
More than 10 years	20% - 100%	80% - 84%

The limits on the proportion of fixed rate debt were adhered to.

Total principal sums invested for periods longer than 364 days

The Council has not invested any sums longer than 364 days.

Name of meeting: Cabinet
Date: 30th May 2017
Title of report: Update on the Kirklees Local Plan and the Community Infrastructure Levy

Purpose of report

1. To provide Cabinet with an update on progress on the Local Plan and the Community Infrastructure Levy.
2. To delegate to the Strategic Director, Economy and Infrastructure, the power to update the Local Plan timetable (the Local Development Scheme) on a regular basis throughout its Examination in Public via the Council's website.
3. To delegate to the Strategic Director, Economy and Infrastructure, in consultation with the Leader and Deputy Leader of the Council, the power to prepare and agree a schedule of proposed main modifications (related to matters discussed at the examination hearings) for a 6 week public consultation and other minor modifications as may be necessary to modifications to make the plan sound and comply with other legal requirements.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Yes. Updates to the Local Development Scheme and potential modifications to the Local Plan and CIL have the potential to affect all wards
Key Decision - Is it in the Council's Forward Plan (key decisions and private reports?)	Yes - Key Decision Notice published 28 th April 2017
The Decision - Is it eligible for call in by Scrutiny?	Yes
Date signed off by Strategic Director & name	Naz Parkar - 19.05.2017
Is it also signed off by the Service Director - Finance, IT and Transactional Services?	Debbie Hogg - 03.05.2017
Is it also signed off by the Service Director - Legal Governance and Commissioning?	Julie Muscroft - 17.05.2017
Cabinet member portfolio	Cllr Peter McBride (Economy, Skills, Transportation & Planning) Cllr David Sheard (Strategy and Strategic Resources, New Council and Regional Issues) Cllr Shabir Pandor (Strategy and Strategic Resources, New Council and Regional Issues)

Electoral wards affected: All

Ward councillors consulted: None

Public or private: Public

1. Summary

Members will recall that the decision to publish and submit the Publication Draft Local Plan and the Community Infrastructure Levy (Draft Charging Schedule) were considered at an extra-ordinary Council meeting on 12th October 2016 where it was agreed that they would be made available for comments on legal and soundness tests and that authority be delegated to the Strategic Director, Economy and Infrastructure, to submit the Local Plan and the Draft Charging Schedule to the Secretary of State for independent examination in public together with any proposed minor modifications.

The publication stage consultation closed on 19th December 2016 and following completion of analysis of the comments received and completion of the Habitat Regulations Assessment and Sustainability Appraisal, the Local Plan was submitted to the Secretary of State for the purposes of an Examination in Public in accordance with the Town and Country Planning (Local Plans) (England) Regulations 2012 on 25th April 2017. In addition the Community Infrastructure Levy (Draft Charging Schedule) was also submitted for examination in accordance with the Community Infrastructure Levy Regulations 2010 (as amended) on 25th April 2017. Both documents will now be examined by an independent Planning Inspector appointed by the Secretary of State.

This report:

- Sets out a summary of the outcomes of the publication consultation and the process of submission and examination.
- Seeks a decision to delegate authority to the Strategic Director, Economy and Infrastructure, to update the Local Plan timetable (the Local Development Scheme) on a regular basis throughout its Examination in Public via the Council's website.
- Seeks a decision to delegate authority to the Strategic Director, Economy and Infrastructure, in consultation with the Portfolio Holder(s), to prepare and agree a schedule of proposed main modifications (related to matters discussed at the examination hearings) for a 6 week public consultation, if required by the Planning Inspector, in accordance with the Council's statement of community involvement, and other minor modifications as may be necessary to make the plan sound and comply with other legal requirements.
- The timetable for the local plan is set out in the existing Local Development Scheme with the Examination set out for April-November 2017 and adoption of the plan early 2018. The more detailed timetable for the Examination, including hearing sessions and any additional consultation will be dictated by the appointed Planning Inspector, via the Programme Officer.

2. Information required to take a decision

a. Outcomes of the Publication Draft Local Plan and CIL Draft Charging Schedule consultation and submission to the Secretary of State for examination

As required by planning legislation the Council has prepared statements of consultation for the Local Plan and the Community Infrastructure Levy. These reports are available to view on the Council's website. The Council consulted on the following documents between 7th November to 19th December 2016, in accordance with the protocols agreed by Cabinet/Council and as required by planning legislation and the Statement of Community Involvement:

- Kirklees Publication Draft Local Plan - Strategies and Policies
- Kirklees Publication Draft Local Plan - Allocations and Designations
- Green belt boundary changes
- Rejected site options
- Kirklees Publication Draft Local Plan Sustainability Appraisal
- Community Infrastructure Levy (CIL) - Draft Charging Schedule

In total the Council received 5815 comments on the Local Plan documents which break down as follows:

Local Plan Strategy and Policies	752
Local Plan Allocations and Designations	3723
Green Belt Boundary Changes	27
Rejected Site Options	1244
Sustainability Appraisal	69
	Total comments = 5815

In addition to individual comments the Council also received 7 petitions which were recorded against relevant policies and proposals as follows:

Petition Group	Number of signatures	Policy/Site Reference
Merchant Fields Residents	10	H69 (Merchant Fields, Hunsworth Lane, Cleckheaton)
Smithies Community Group	127	H138 (Land south of Mill Street, Birstall)
Horses not Houses	36,663	H2089 (Land to the south of Raveithorpe Road/Lees Hall Road, Dewsbury))
Cumberworth Community Association	235 (over 4 separate petitions)	ME2248a, ME2248b, ME2248c and ME2314 (Bromley Farm Quarry, Upper Cumberworth and Land north of Cumberworth Lane, Lower Cumberworth)

In relation to the Local Plan documents most respondents focussed on soundness issues rather than legal issues. In terms of soundness issues the majority of comments related to whether the strategy and policies were 'justified' i.e. the plan should be the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence. This was particularly the case in relation to land use allocations where respondents suggested that the evidence base underpinning the Council's decision was not sufficiently robust.

As well as the above 24 new site options were received. These options have been submitted to the Secretary of State for consideration during the Examination in Public. New site options can only be added to the Local Plan though making main modifications which would require further public consultation and technical assessment.

In total the Council received 23 comments on the Community Infrastructure Levy Draft Charging Schedule. Most of the comments related to how CIL revenue should be spent in the future, challenges to the viability assumptions for different parts of Kirklees, and to how the Council might collect CIL revenue from landowners/developers.

The Council is required to provide a summary of the main issues raised. This information is set out in the 'Statement of Publication Consultation and Summary of Main Issues' document and the 'Kirklees CIL Statement of Consultation and Summary of Representations' document.

In all cases the comments will now be considered during the respective examinations for the Local Plan and the Community Infrastructure Levy.

b. The Examination in Public

The Local Plan and the Community Infrastructure Levy (Draft Charging Schedule) will be examined by an independent Inspector from the Planning Inspectorate whose role is to assess whether the plan has been prepared in accordance with the Duty to Cooperate, legal and procedural requirements, and whether it is sound. The Examination in Public is conducted by the Inspector and they are responsible for the timing of the examination and its main stages.

The Council has appointed a Programme Officer to liaise between the Council, other interested parties and the Inspector and to run the day to day Examination in Public programme.

The Council's current Local Development Scheme sets out a high level timeframe for the completion of the Examination in Public, however it does not contain detailed information regarding the weekly progress of the examination, including the information requests from the Planning Inspector and their deadlines, the potential timing of oral hearing sessions, the timing of any additional consultation on modifications and the timing of the Inspector's final report. The Council is required to provide up-to-date information on its website throughout the Examination in Public to keep interested parties informed about the latest information and events. This could result in daily updates to the website. This report seeks the delegated authority to the Strategic Director, Economy and Infrastructure, to update the Local Plan timetable (the Local Development Scheme) on a regular basis throughout its Examination in Public via the Council's website.

The Examination in Public starts from the submission date and closes upon receipt of the final Inspectors Report. As well as reviewing written representations the Planning Inspector is likely to conduct a series of roundtable public hearings. It is very common during the course of a Local Plan Examination in Public (particularly during the hearing sessions) for additional modifications to the Local Plan/Community Infrastructure Levy to be suggested by either the Council or third parties. The Council may be required to prepare and agree a draft schedule of proposed modifications for further discussion with the Inspector. The Council can ask the Inspector to recommend main modifications to make the plan sound or comply with other legal requirements during the Examination in Public. If main modifications are required, it will be necessary to carry out a 6 week public consultation in accordance with the Council's statement of community involvement.

In order to avoid delays in the Examination programme this report seeks delegated authority to the Strategic Director, Economy and Infrastructure, in consultation with

the Portfolio Holder(s), to prepare and agree a schedule of proposed main modifications (related to matters discussed at the examination hearings) for a 6 week public consultation in accordance with the Council's statement of community involvement, and other minor modifications as may be necessary to modifications to make the plan sound or comply with other legal requirements.

c. Final Adoption of the Local Plan

If the plan is found to be 'sound' following its Examination in Public, the Council will then need to make a final decision to adopt the plan. This would include the decision to adopt the plan with its proposed modifications. Until this stage, i.e. adoption of the Local Plan, the existing Unitary Development Plan will remain the statutory development plan for Kirklees. The decision to 'adopt' the plan after the Examination in Public requires a full Council meeting decision to be made at a later date. The Council's Local Development Scheme suggests this is likely to be in early 2018.

3. Implications for the Council

3.1 Early Intervention and Prevention (EIP)

None.

3.2 Economic Resilience (ER)

The timely production, examination and adoption of the Local Plan is a key building block for the Council's economic resilience theme. The Local Plan will have a direct impact on establishing a strong and sustainable economy (through forward planning for new jobs and employment land), leading to thriving communities (through forward planning for homes, open spaces and planning policy framework to manage new development in the district).

3.3 Improving Outcomes for Children

The Local Plan, will create thriving communities through forward planning for jobs, homes, open spaces and the necessary infrastructure to support growth. The production of the Local Plan has involved working with key infrastructure providers, including the Council's school planning team and our partners, to ensure that the infrastructure provision is sufficient or can be provided in line with the levels of development proposed through the Local Plan.

3.4 Reducing demand of services

None.

3.5 Legal/Financial or Human Resources

The publication and submission stages of the Local Plan have been carried out in accordance with the Town and Country Planning (Local Plans) (England) Regulations 2012 and the Community Infrastructure Levy Regulations 2010 (as amended).

The cost of the Examination in Public will be met from already agreed budgets.

4. **Consultees and their opinions**

N/A

5. **Next steps**

Appendix 1 of this report sets out the process of preparing a Local Plan. The Council has now reached the Examination stage. Further details will be published regarding the Examination in Public by the Planning Inspector and the Programme Officer through the Council's website. The Planning Inspector is likely to identify a series of main matters, issues and questions which will provide the main context of the Examination and initially seek written representations on these. Once the dates for any hearing sessions are provided the Council is required to advertise the date, time and venue of the hearings for a 6 week period before the hearings commence. Further public consultation and technical evidence may need to be prepared regarding potential modifications.

6. **Officer recommendations and reasons**

1. Officers recommend that Cabinet note the update and progress on the Local Plan and the Community Infrastructure Levy (Draft Charging Schedule).

Reason: to ensure that Cabinet are aware of the progress on the Local Plan and the Community Infrastructure and are aware of the Examination in Public process and it's potential timeframe.

2. Offices recommend that Cabinet approve delegated authority to the Strategic Director, Economy and Infrastructure, to update the Local Plan timetable (the Local Development Scheme) on a regular basis throughout its Examination in Public via the Council's website.

Reason: To ensure regular, timely updates can be made via the Council's website to the timetable for both the Local Plan and the Community Infrastructure depending on the latest advice from the Planning Inspector and the Programme Officer, including the timing of hearing sessions, potential timing of further public consultation on modifications and the timing of the Inspector's final report on the Local Plan and the Community Infrastructure Levy.

3. Officers recommend that Cabinet Members approve delegated authority to the Strategic Director, Economy and Infrastructure, in consultation with the Portfolio Holder(s), to prepare and agree a schedule of proposed main modifications (related to matters discussed at the examination hearings) for a 6 week public consultation, if required by the Planning Inspector, in accordance with the Council's statement of community involvement, and other minor modifications as may be necessary to make the plan sound or comply with other legal requirements.

Reason: To prepare modifications as the need arises during the hearing sessions which may be required to prevent the plan being found unnecessarily 'unsound' or being prematurely withdrawn as a result of a prolonged delay.

7. Cabinet portfolio holder's recommendations

Councillor Peter McBride, has been briefed on the content of this report and agrees with the officer recommendations set out.

8. Contact officer

Richard Hollinson, Policy Group Leader - Planning Services
richard.hollinson@kirklees.gov.uk
(01484) 221000

9. Background Papers and History of Decisions

Agenda and decision of the extraordinary Council meeting held Wednesday 12th October 2016

<https://democracy.kirklees.gov.uk/ieListDocuments.aspx?CId=534&MId=5200>

'Statement of Publication Consultation and Summary of Main Issues'

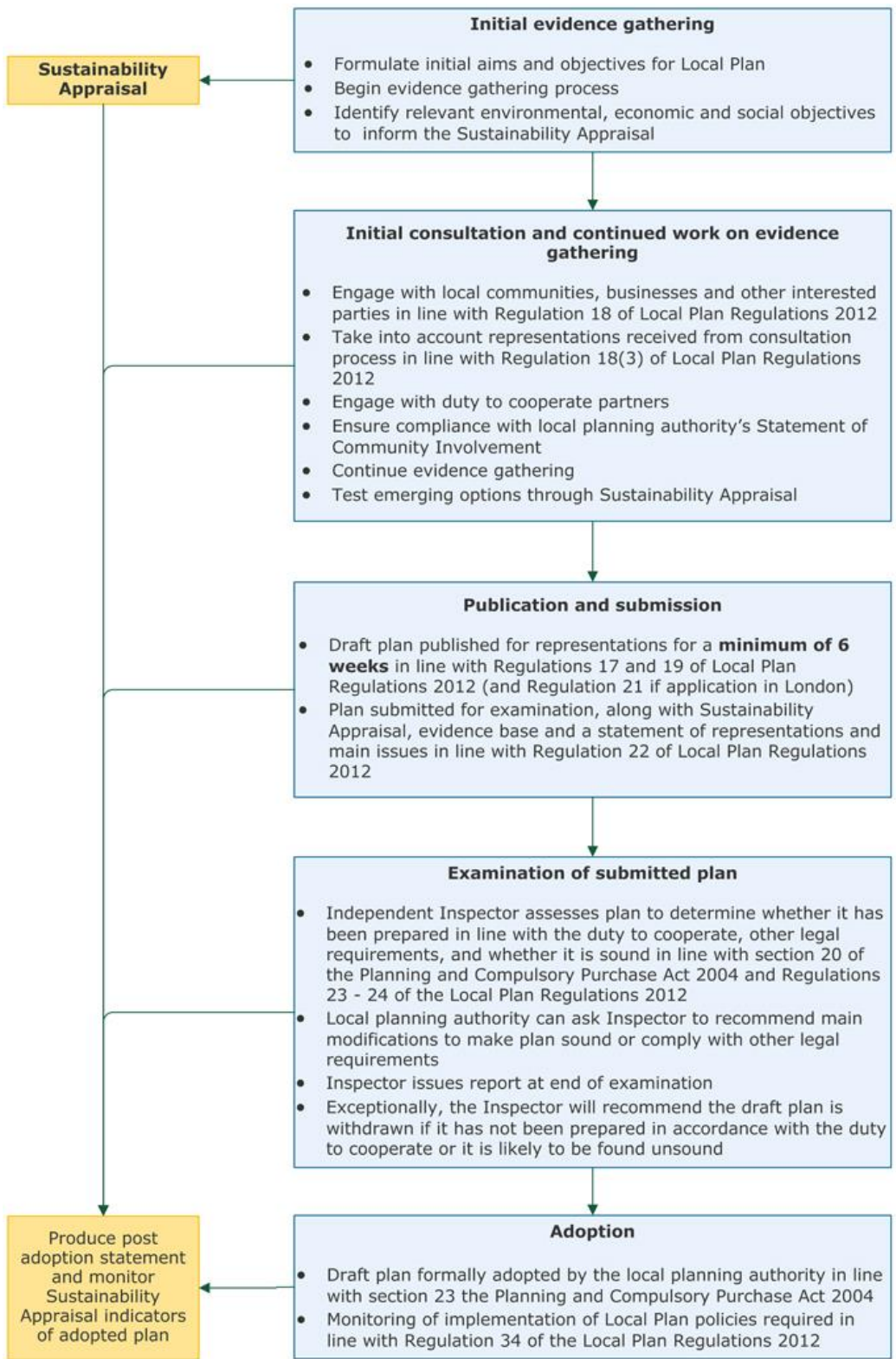
<http://www.kirklees.gov.uk/beta/planning-policy/local-plan-submission-documents-2017.aspx>

'Kirklees CIL Statement of Consultation and Summary of Representations'

[http://www.kirklees.gov.uk/beta/planning-policy/pdf/submission-documents/CIL_010_Kirklees_CIL_Statement_of_Consultation_and_Summary_of_Representations_\(April%202017\).pdf](http://www.kirklees.gov.uk/beta/planning-policy/pdf/submission-documents/CIL_010_Kirklees_CIL_Statement_of_Consultation_and_Summary_of_Representations_(April%202017).pdf)

10. Assistant Director responsible

Paul Kemp (Service Director - Economy, Regeneration and Culture)
paul.kemp@kirklees.gov.uk
(01484) 221000



Name of meeting: Cabinet

Date: Cabinet 30th May 2017

Title of report: Quarter 4 Corporate Performance Report 2016/17

Purpose of report:

The purpose of the Corporate Performance Report is to provide Members with an overview of the Council's corporate performance at the end of quarter 4 2016/17. Also included are reports on progress against outcomes in the Joint Health and Wellbeing Strategy and Kirklees Economic Strategy.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	No
Key Decision - Is it in the <u>Council's Forward Plan (key decisions and private reports)?</u>	Not applicable
The Decision - Is it eligible for "call in" by Scrutiny?	Not applicable
Date signed off by Director & name	Debbie Hogg, Service Director for Finance, IT and Transactional Services, 12 May 2017
Is it also signed off by the Service Director, Finance and Transactional Services?	Debbie Hogg, 12 May 2017
Is it also signed off by the Service Director, Governance and Commission Monitoring Officer?	Julie Muscroft, 12 May 2017
Cabinet member portfolio	Cllr Graham Turner

Electoral wards affected: All

Ward councillors consulted: N/A

Public or private: Public

1. Summary

Our approach to performance management provides details of our Core Business Indicators, Corporate Health, Service Volumes and a stronger focus on outcomes in the Joint Health and Wellbeing Strategy (JHWS) and the Kirklees Economic Strategy (KES).

2. Information required to take a decision

- 2.1 The performance report provides updates on progress on the outcomes and an overview of performance, risk and the New Council programme. This is presented along with the Financial Monitoring Report. Executive Team have noted and responded to the quarter 4 updates.
- 2.2 Key points to note are:
- The Stronger Families Programme has exceeded the engagement target for the year with 1055 families engaged. 392 families have made claims and 83 have found work.
 - The Kirklees Hate Crime Strategy 2017-20 has been launched.
 - A series of events were held during the quarter, coinciding with International Women's Day. A conference 'Be Bold for Change' was held in North Kirklees to encourage women to appreciate the daily impact they make on their Community.
 - Over 1500 staff across Children's and Adults Services is trained in Raise Awareness of Prevent (WRAP). A 'Tolerance & Respect' project has been piloted in South Kirklees Primary School, engaging 300 children in focussing on fundamental British values.
 - There have been 18 IPC audits undertaken in Kirklees Care Homes in Q3, with an average score of 95%. (Scores ranged from 53% - 99%). As a result of the audits 3 Care Homes were escalated to contracting via Notification of Concern and 1 to Safeguarding.
 - This is the first quarter that Meningitis B coverage has been reported, reporting that we have achieved 95.3%
 - 167 volunteers have supported the sport and physical activity offer across Kirklees in Q4 with an average of 1,180 hrs of volunteering per month. A total of 186 local people were trained in Q4 to deliver quality activity in the community
 - Introduction of improved telephone access to other MASH and Assessment & Intervention related calls through Kirklees Direct and establishment of a new MASH telephone Consultation Service for professionals/partners, resulting in a significant reduction in email referrals and inappropriate referrals.
 - DC's have collectively funded 85 projects, allocating a total of £653,319 from their devolved budgets (New Homes Bonus and Revenue and Capital Activity Budget)
 - We continuing to work closely with the CCG's in the development and production of a Sustainability and Transformation Plan (STP) for Kirklees. The Plan was presented to joint SMT (CCG's Meeting) and Health & Wellbeing Board in March 2017.
 - A draft Housing Policy has been produced whilst the Housing Strategy out for consultation. Future management and maintenance of the Council's housing stock is in place.
 - Overall, the Council has worked to secure a total of £2.2m of Grant Support which has leveraged £12.5m of private sector investment. Growth Managers have intensively supported 143 businesses this year, which accessed almost £1.6m of grant support which leveraged £10.6m of private sector investment.

- Through combined engagement, including the business centres and flood grant support, the Business Team has supported a total of 1,151 businesses this year and created a total of 343 jobs.
- The Council has successfully bid to develop the Works Better programme across the district and from May 2017 will have the capacity and funding to enable people to find work and employers to recruit staff
- The Advice Kirklees Service, including BetterOff Kirklees, is working well. Overall customer satisfaction at 96%, there are no waiting times for appointments within the Advice Kirklees and the service has seen double the number of customer in the year - 46,000 on all channels.
- The introduction of the new service redesign BetterOff has saved the Council approximately £500k. There are over 9,000 unique on the “BetterOff” platform. Monetary gains are over £6m for customers of the service. There have been 20,000 unique job search page views.
- Completion of major planning applications within agreed timescales currently stands at 93% against a target of 70%. There were 40 major planning applications processed during the course of Q4 and 96 for the year as a whole.
- The preferred bidder developer selected for the 3 large housing sites. These will deliver 180 homes, a 50 unit Extra Care scheme and 17 other affordable homes.

3. Implications for the Council

- 3.1 The attached Appendix shows progress in relation to all aspects of Council activity, highlighting performance against the Council’s key strategies and the Corporate Plan for 2016/17.

4. Consultees and their opinions

- 4.1 The attached reports have been considered by Directorate Management Teams prior to presentation to Executive Team.

5. Next steps

- 5.1 The report may be considered by the Council’s Overview & Scrutiny Management Committee.

6. Officer recommendations and reasons

- 6.1 That the report and contents of Appendix A be noted.

7. Cabinet portfolio holder recommendation

Not applicable

8. Contact officer

Directorate Performance Lead Officers:

Sue Grigg, (Adults, and Children’s Services & Public Health)

Nick McMillan (Place, Communities Transformation & Change, Resources)

9. Background Papers and History of Decisions

None

10. Service Director responsible

Debbie Hogg, Service Director for Finance, IT & Transactional Services



January to March 2017

**Quarter (4)
Executive Team
Corporate Performance
Report**



2016/17



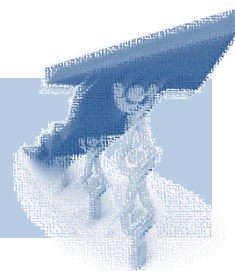
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RAG Key:

	On Track
	Off Track
	At Risk
ND	Data Not Due
	Not Provided

1. Core Performance Indicators



Quarter 4 Performance status for the full suite of Core Performance Indicators

Adult Services: Commissioning & Health Partnerships and Social Care & Wellbeing

PI Ref	Title	Good Performance Shown by	Target	Quarter Figure	RAG
KI 156	Achieving independence for older people through Rehabilitation / intermediate care (%)	Increase	90	85	Yellow
KI 158	Social Care clients receiving Self Directed Support (%)	Increase	95	97.1	Green
KI 158a	Social Care clients receiving Direct Payments (%)	Increase	35	38.5	Green
KI 159	Acceptable waiting times for social care assessment (All adults %)	Increase	85	75.6	Red
KI 206	Clients receiving a review (%)	Increase	65	57.6	Orange
KI 442a	Permanent Admissions for Older people to residential and nursing care homes (per 100,000 population)	Decreasing	506	426.4	Green
KI 487	Effectiveness of short term support services (%)	Increasing	74	83.9	Green
KI 501	Permanent admissions of Adults to residential and nursing care homes (per 100,000 population)	Decreasing	12	14.1	Red

Positive progress against the targets

- KI 158 Social Care clients receiving Self Directed Support (%)**
 Quarterly performance remains consistent and above target. At Q4 3,946 out of 4,063 service users receive Self Directed Support. The figure of 97.1% is at week 48. The final year end figure will not be available until our year end returns are submitted and verified in May/June 2017.
- KI 158a Social Care clients receiving Direct Payments (%)**
 The figure of 38.5% remains largely consistent and is above the 35% target. At Q4 1,564 out of 4,063 service users receive Direct Payments. The figure of 38.5% is at wk. 48. The final year end figure will not be available until our year end returns are submitted and verified in May/June 2017.
- KI 442a Permanent admissions of Old people to residential and nursing care homes (per 100,000 population)**
 426.4 Per 100,000 based on 312 admissions. A full year projection is 462 (based on a projected 338 admissions). This is well below the target of 506 and represents good performance. The figure of 426.4 is to week 48, with full year end figures available following the submission and validation of our year end returns in late May/early June 2017.
- KI 487 Effectiveness of short term support services (%)**
 The Reablement service continues to deliver positive outcomes for service users. The figure of 83.9% represents the initial year end position. However this will differ from the full year figure which will be available following the submission and validation of our year end returns in late May/early June 2017. This is primarily due to some service users still being in receipt of service, and typically when all outcomes are known and data made available this negatively affects the performance figure and will most likely align more closely with the target of 74%.




Areas of risk or concern against the targets

- **KI 156 Achieving independence for older people through rehabilitation/intermediate care. (%)**
 As with Q3, an estimated figure of 85% has been submitted this is below the 90% target. (An actual figure will be available following the submission and validation of our year end returns in late May/early June 2017. The data needed to drive this KPI takes a large amount of manual checking and unfortunately we have only had time to do a sample of the full data set. The indicator ASCOF 2D is based on Q4 data (rather than full year data), so more comprehensive checking of the data will be done as part of the year end returns submission process and will therefore yield a more accurate and actual figure).
- **KI 159 Acceptable waiting times for social care assessment (all adults). (%)**
 Performance has declined for the last 3 (4 weekly) periods to 75.6%, a level which is now below target of 85%. 2611 out of 3453 client's assessments were completed in 28 days or less. 842 service users therefore had assessments which took longer than 28 days to complete. (The figure is as at week 48. The final year end figure will not available until late May/early June 2017).
- **KI 206 Clients receiving a review. (%)**
 Performance (57.6%) continues to be lower than the target of 65%. At the request of the Service we have taken the view that Deprivation of Liberty Best Interests Assessments contain elements equivalent to Social Care reviews. Therefore the reporting now includes BIA assessments in addition to Reviews. Including BIA assessments does mean more service users had been reviewed within the year, and the impact on the reported figures would look less good, e.g. Q4 figures would be 61.7% instead of the reported figure of 57.6%. The Q4 figures are for week 48.
- **KI 501 Permanent Admissions of Adults to residential and nursing care homes (per 100,000 population)**
 14.1 per 100,000 is based on 37 admissions. A full year projection is 15.3 (based on a projected 40 admissions). This is above the target of 8.4 and represents a slight regression in performance, though it should be noted that the absolute numbers of admissions needed to affect performance either positively or negatively are small. The figure of 14.1 is to week 48.

Children's Services: Family Support & Child Protection

*Denotes Cumulative Figures

PI Ref	Title	Good Performance Shown by	Target	Quarter Figure	RAG
KI 069	Rate of proven re-offending by young offenders (No.)	Decrease	1.2	1.3	●
KI 220	YP within the Youth Justice System receiving a conviction in court, sentenced to custody (No.)	Decrease	18	*12	●
KI 223	First time entrants to the Youth Justice System aged 10-17 years (No.)	Decrease	175	153	●
KI 391	Average time between a child entering care and moving in with its adoptive family (Days)	Decrease	426	513.6	●
KI 392	Average time between LA receiving authority to place a child and LA deciding a match to adoptive family (day)	Decrease	121	153.9	●
KI 397	Percentage of assessments completed within 45 working days (as per Working Together)	Increase	85	60.7	●
KI 443	Successful outcomes for Kirklees LAC who successfully completed their interventions with YOT (%)	Decrease	50	44.4	●
KI 458	Young People aged 16+ on an Order to the YOT who are EET at the end of their intervention (%)	Increase	70	68	●

KI 476	Former relevant young people aged 19 - 21 who were in education, employment or training (%)	Increase	50	39.3	
KI 477	Number of Looked after Children (LAC) per 10,000 aged 0 - 17 years (per 10,000)	Decrease	60	71.2	
KI 479	Repeat Referrals - Percentage of referrals within 12 months of a previous referral (%)	Decrease	20	27.6	

Positive progress against the targets

- KI 220 Young people within the Youth Justice System receiving a conviction in court who are sentenced to custody. (Number)**
 In the period January 2017 to March 2017 we have had 1 custodial sentence, thus for the full year we have had 12 convictions which significantly bettered our annual target (18). It is anticipated that this performance will be in line with local and national averages.
- KI 223 First time entrants to the Youth Justice System aged 10-17 years. (Number)**
 The figure of 153 (actuals October 2015 to September 2016) is a small increase on the same period last year (135). Kirklees performance is again in line with local and national averages and is better than our target.
- KI 392 The average time between a local authority receiving court authority to place a child and the local authority deciding on a match to an adoptive family (Days)**
 This indicator has seen major improvement this financial year but is still performing worse than target, Q4 153.9 days against a target of 121 days.
- KI 477 Number of Looked after Children (LAC) per 10000 aged 0 - 17 years (per 10000)**
 This rate equates to 703 LAC and is currently stable around the 700 mark. During this financial year the number of LAC has been as high as 706, compared to 652 in March 2016. This rate remains significantly below the statistical neighbour average of 80.7 (per 10,000 aged 0-17 years) although it is well above the national average of 60.0.









Areas of risk or concern against the targets

- KI 069 Rate of proven re-offending by young offenders. (Number)**
 The figure of 1.3 (April 14 to March 15) is a worsening in performance of the same period of last year (1.08). The national trend is also one of worsening performance and we still compare well with local and regional YOTs. There is a continuing reduction in the cohort size to 246 which means that overall the numbers of the young people who offend are declining.
- KI 391 The average time between a child entering care and moving in with its adoptive family, for children who have been adopted (Days)**
 Performance against this indicator has fluctuated widely throughout the year, ending more positively at 513.6 days, against the target of 426 days.
- KI 397 Percentage of assessments completed within 45 working days (as per Working Together)**
 The percentage of assessments completed within 45 working days has seen a decline in performance this year. This outcome is significantly below the latest available national comparator data (2015/16). This shows a statistical neighbour average of 83.6% and an England average of 83.4%.
- KI 443 Successful outcomes for Kirklees Looked after Children who successfully completed their interventions with YOT (%)**
 The number of LAC young people who have offended in the 4th quarter is 0.87% which compares with 0.93% at the same period last year. For the year 2016/17 the cumulative figure is 6.14%, which is a slight increase on the 2015/16 figure of 5.9%. For the year 2016/17 44.4% of LAC young people completed their orders successfully, compared to 29% for the previous. Over the same period 2016/17 64% of the general population completed orders successfully

compared with 69.7% 2015/16. This gives a clear indication that the YOT is achieving its aim of bringing the successful completion rate of LAC young people more into line with that of the general YOT population. Performance remains below target.

- **KI 458 The percentage of Young People aged 16+ on an Order to the YOT who are in full-time education/training/employment at the end of their intervention (%)**
In 2016/17 we have achieved 68% of our young people aged 16+ in full time Employment, Training or Education at the end of their orders, compared to 70.2% last year.
- **KI 476 The percentage of former relevant young people aged 19 - 21 who were in education, employment or training (%)**
Performance (39.3%) of care leavers in employment, education or training has not met expectations this year. This outcome compares to a 2016 statistical neighbour average of 50.2% and a national outcome of 49%.
- **KI 479 Repeat Referrals - Percentage of referrals within 12 months of a previous referral. (%)**
This has been a volatile indicator this year. This outcome (27%) is significantly higher than the 2015/16 outcome of 23.7% and the statistical neighbour average is 19.4%.

Children's Services: Learning and Skills Service

PI Ref	Title	Good Performance Shown by	Target	Quarter Figure	RAG
KI 012a	Number of schools judged as in an Ofsted category	Decrease	0	4	
KI 029	Percentage of 16-18 year olds not in employment, education or training (NEET).	Decrease	4.7	4.7	
KI 369	Take up of free early education and care by 2 year olds (%)	Increase	80	76	
KI 490	% of early learning providers rated good or outstanding	Increase	to agree	95	
KI 491	% of children under 5 learning with good or outstanding provision	Increase	to agree	97	
KI 492	% of LAC under 5 accessing good or outstanding provision	Increase	to agree	92	
KI 493	% of Kirklees pupils in good or outstanding schools	Increase	to agree	86.1	
KI 494	% of Kirklees schools that are good or outstanding	Increase	to agree	86.9	

Positive progress against the targets

- **KI 029 Percentage of 16-18 year olds not in employment, education or training (NEET).**
It is noted that DfE no longer use this cohort for counting NEET.
- **KI 369 Take up of free early education and care by 2 year olds (%)**
A steady rise in Kirklees take-up levels reached 79% in autumn 2016, close to the national target of 80% take-up. In spring 2017 take-up declined to 76%. This follows an emerging seasonal trend with the same 3% decline recorded last year. Intensive work continues across Kirklees with locally based Childcare Co-ordinators. There is significant variation at a local level. This is particularly evident for Batley East and Cleckheaton. There are also large variations from term to term in areas with fewer eligible children such as in Colne Valley and Holme Valley North.
- **KI 490 % of early learning providers rated good or outstanding**
95% of children childcare providers are rated good or outstanding by Ofsted. There has been a fluctuating trend between 93%-97% across the last year.
- **KI 491 % of children under 5 learning with good or outstanding provision**

97% of children accessing free early education do so in provision rated good or outstanding by Ofsted. There has been an improving trend across the last year.






- **KI 492 % of LAC under 5 accessing good or outstanding provision**
35 of the 38 placed children are attending provision judged by Ofsted to be good or outstanding.
- **KI 493 % of Kirklees pupils in good or outstanding schools**
86.9% of Kirklees schools are currently good or outstanding. This is below the national figure of 88.3% but above the Yorkshire & Humber figure of 84.7%. (Each school equates to 0.59%)

Areas of risk or concern against the targets

- **KI 012a Number of schools judged as in an Unsatisfactory Ofsted Category**
Currently, we have four schools in an Ofsted category. This is 2.5% of all schools, whereas the national figure is currently 2.0%. It was 2 schools in the previous quarter.
- **KI 494 % of Kirklees schools that are good or outstanding**
Kirklees (86.9%) are currently below the national (88.3%) and above the Yorkshire & Humber (84.7%) averages for percentage of schools that are good/outstanding.

Communities Transformation & Change

*Denotes Cumulative Figures

PI Ref	Title	Good Performance Shown by	Target Figure	Quarter	RAG
KI 190	Number of visits to museums	Increase	228,000	*194978	
KI 462	Number of apprentices within the Council workforce	Increase	120	89	
KI 480	Numbers of sports and physical activity coaches, leaders and volunteers trained	Increase	400	*631	
KI 519	Number of people engaged in work to build resilience through Community cohesion interventions	Increase	17000	*21031	
KI 520	Number of interventions delivered to build resilience through Community cohesion	Increase	700	*1064	

A Blue RAG denotes 'in year' change of Targets and Tolerances and where quarterly performance remains off-track

Positive progress against the targets

- **KI 480 Numbers of sports and physical activity coaches, leaders and volunteers trained**
167 volunteers have supported the sport and physical activity offer across Kirklees in Q4 with an average of 1,180 hrs of volunteering per month. A total of 186 local people were trained in Q4 to deliver quality activity in the community
- **KI 519 Number of people engaged in work to build resilience through Community cohesion interventions**
A total of 21,031 people engaged in cohesion and wellbeing interventions. Targets for the year were exceeded due a higher participation in both cohesion and wellbeing activities across priority areas. The School Linking programme, Bloom and Grow Together engaged more children, parents and community activists than was expected.
- **KI 520 Number of interventions delivered to build resilience through Community cohesion**
A total of 1,064 engagement opportunities were delivered for both cohesion and wellbeing and exceeded predicted targets. A greater number of health interventions have been delivered due to an increased take up e.g., project to engage people around bowel cancer screening; cohesion work has generated additional projects.

Areas of risk or concern against the targets

- KI 190 Number of visits to museums**
 A 'Blue' RAG to note that visitor figure targets were adjusted with a reduction to 194,978 to reflect the permanent closure of Dewsbury Museum in October 2016 and Red House in December 2016, together with the temporary closure of Oakwell Hall in October 2016 for essential upgrade works.
- KI 462 Number of apprentices within the Council workforce**
 The Council currently has 89 apprentices set against a target of 120, hence the Red RAG. The challenge grows next year with changes to government expectations and the apprenticeship levy.

Place

*Denotes Cumulative Figures

PI Ref	Title	Good Performance Shown by	Target	Quarter Figure	RAG
KI 060a	Take up of paid school lunches - Primary schools (%)	Increase	71	71	
KI060b	Take up of paid school lunches - Secondary schools (%)	Increase	62	65	
KI 067	People killed or seriously injured in road traffic accidents	Decrease	144	*153(J/D)	
KI 074	Number of Homeless Acceptances	Decrease	340	*319	
KI 130	Number of affordable homes delivered	Increase	235	*149	
KI 131a	Percentage of major planning applications determined within agreed timescales	Increase	70	93	
KI 325	External investment secured (measured in £m)	Increase	3	*7.9	
KI 432	Work with Businesses to create apprenticeship opportunities	Increase	30	*45	
KI 433	We will increase the number of jobs created as a result of Council interventions	Increase	250	*341	
KI 437	Secure £4 of investment from the private sector for every £1 of business investment by the Council	Increase	10	*12.3	
KI 439	Number of unemployed young people getting a job through Headstart	Increase	20	*38	
KI 457	Increase the number of cases where homelessness has been prevented or relieved	Increase	1,971	*2101	

Positive progress against the targets

- KI 131a Percentage of major planning applications determined within agreed timescales**
 Completion within agreed timescales currently stands at 93% for this quarter. There were 40 Major planning applications processed during the course of Q4 and 96 for the year as a whole.
- KI 325 External investment secured (measured in £m)**
 A successful year, with a total of £7.81m brought into the District, exceeding the target
- KI 432 Work with Businesses to create apprenticeship opportunities**
 The Apprenticeship Hub extension has completed, with the target of 35 starts exceeded and 45 starts reported
- KI 433 We will increase the number of jobs created as a result of Council interventions**
 With 341 jobs created this year, we have exceeded target by almost 100.
- KI 437 Secure £4 of investment from the private sector for every £1 of business investment by the Council**
 At £12.3 million, we have exceed target by £2.5m

- **KI 439 Number of unemployed young people getting a job through Headstart**
This was an interim year between the close of one scheme and the opening up of a newly funded scheme. Our target was to place 20 young people and we achieved 38

Areas of risk or concern against the targets

- **KI 067 People killed or seriously injured in road traffic accidents**
The January to December 2016 figure was 153 KSIs (9%) which is above the progressive target, but lower than 2015 (159 KSIs). Children and young people figures along with Cyclist KSIs are where we have seen high numbers. The Road Safety Team is looking to address the concerns regarding children and young people and the Engineering Team is looking at cycling accidents sites of concern.
- **KI 074 Number of Homeless Acceptances**
Homelessness Acceptances are 104 for Q3 (reported a quarter lagging). The figure is down by 7% on same period last year. However, indicative figures for Q4 to date are extremely challenging, showing significant increase on the same quarter last year.
- **KI 130 Number of affordable homes delivered**
The 121 affordable homes are falling far short of the 235 target.
- **KI 457 Increase the number of cases where homelessness has been prevented or relieved**
Homelessness Prevention activity dipped in Q3 to 475, a 9% decrease on same. Reduction in preventions linked to short term staffing shortages in Housing Solutions. Preventions will increase final quarter (reported a quarter lagging)

Public Health

PI Ref	Title	Good Performance Shown by	Target	Quarter Figure	RAG
KI 057a	Prevalence of Breastfeeding at 6 – 8 weeks	Increase	43	42.7	
KI 284	Smoking during pregnancy in Kirklees	Decrease	11	11	
KI284a	Smoking in pregnancy excluding South Asian women (%)	Decrease	14	13	
KI 298a	Drug users that left treatment successfully, not re-presenting to treatment within 6 months...	Increase	9	7.2	
KI 309	NHS Health Checks (%)	Increase	20	58	
KI 488	Successful completions as a proportion of all in alcohol treatment	Increase	48	47.1	

Positive progress against the targets

- **KI 057a Prevalence of Breastfeeding at 6 – 8 weeks**
 - Quarter 3 2016/17 data is being reported as we report this data a quarter lagging.
 - Kirklees Q3 overall actual performance = 42.7% but note that GHCCG is consistently performing better than NKCCG.

There were a lot of positive activities delivered in promoting an increase in breastfeeding.

- Localised version of the National Infant Feeding Survey, developed to enable better understanding of issues related to the drop-off in breast feeding rates across Kirklees, Calderdale and Wakefield has been analysed. The focus ongoing will be the concept of support for new mums during the first few weeks.

- The Nurturing Parents Preparation for Parenthood courses are being very well received, having a focus on infant feeding including the importance of responsive feeding and sensitive parenting.
- Work is ongoing with Hospital Trusts and neighbouring Local Authorities around ways to address inequity in the provision of breastfeeding peer support in hospital and immediately after discharge/in the community.
- **KI 284 Smoking during pregnancy in Kirklees**
- **KI 284a Smoking in pregnancy excluding South Asian women (%)**
Please note the data provided is for Q3 as the reporting runs one quarter lagging.
There is ongoing work with CHFT and MYHT as well as both CCG's to focus on smoking in pregnancy. Stop Smoking service provision will be moving to a primary care delivered model from Q1 2017/18 so work is ongoing to make sure all partners are aware.
- **KI 309 NHS Health Checks (%)**
The data is a quarter lagging due to the deadlines for receiving claims from practices. The uptake in Q3 was 58.5%. Work is ongoing to scope how Health Checks are encompassed into the Wellness Model. It is anticipated that there will be a challenge for Health Checks in extracting additional data from GPs.
- **KI 488 Successful completions as a proportion of all in alcohol treatment**
Latest data available for this indicator is for Q3 which puts us at 47.1%. Providers have been asked to investigate if there are specific reasons for this slight drop in performance.
- **KI 298a Drug users that left treatment successfully, not re-presenting to treatment within 6 months**
The latest performance figure available from Public Health England has Kirklees at 7.2% for Q3. This is a drop from Q1 and 2 figures and the target we set ourselves at 9%. A deeper investigation by the provider in the calculation of this target highlights it counts people who may no longer be resident in Kirklees or accessing Kirklees services hence this may have skewed figures. This is a difficult target to achieve as it requires no repeat treatment to be delivered to be recorded as being successful. We have raised this with Public Health England data team and investigation is ongoing.

Areas of risk or concern against the targets

None reported this quarter.

Resources

*Denotes Cumulative Figures

PI Ref	Title	Good Performance Shown by	Target	Quarter Figure	RAG
KI 075	Time taken to process Housing Benefit / Council Tax Benefit Change of circumstance [days]	Decrease	10	3.42	
KI 076	Time taken to process new claims for Housing Benefit/Council Tax Benefit [days]	Decrease	25	24.68	
KI 083	Proportion/amount of council tax previous years arrears Collected as at 31 March. [%]	Increase	38	*61	
KI 085	Proportion/amount of business rates previous years arrears as at 31st March collected [%]	Increase	35	*67	
KI 147a	Number of ICT standard requests completed within agreed timescales	Increase	90	71.2	
KI 363	% of FOI and Environmental Information Regulation (EIR) requests responded to within 20 working days	Increase	100	81	
KI 366	% of Data Protection information requests replied to within 40 calendar days	Increase	100	79	

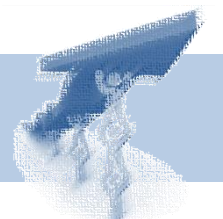
Positive progress against the targets

- **KI 075 Time taken to process Housing Benefit / Council Tax Benefit Change of circumstance [days]**
It has been a difficult year of legislative changes for the processing change of circumstances for Housing benefit / Council Tax. However, we have exceeded target for the year - 7.82 days against a target of 10
- **KI 076 Time taken to process new claims for Housing Benefit/Council Tax Benefit [days]**
The same difficulties as above, but exceeded target - 24.68 days against a target of 25 days
- **KI 083 Proportion/amount of council tax previous years arrears collected as at 31 March. [%]**
Arrears have significantly reduced this year by targeting debts that can be recovered and addressing debts that need to be written off – target achieved, 61% against the target of 40%
- **KI 085 Proportion/amount of business rates previous years arrears as at 31st March collected [%]**
Arrears are at 67% against the target of 35% - significantly exceeded

Areas of risk or concern against the targets

- **KI 147a Number of ICT standard requests completed within agreed timescales**
This stands at 71.2% against a target of 90%. Following the changes in reporting and the capturing of other types of call via the new portal; there has been a drop in actual figures - however the volume has increased by 65%.
- **KI 363 % of FOI and Environmental Information Regulation (EIR) requests responded to within 20 working days**
As has been the case for most of the year, the volume of FOI requests remains high (10% more than the same period last year) and is continuing to put pressure on services to comply with the 20 day response period. The average compliance rate over the quarter is 81% which is below the ICO's minimum compliance rate of 90% and a dip on the previous quarter.
- **KI 366 % of Data Protection information requests replied to within 40 calendar days**
The overall compliance rate for this quarter is 79% which is below the ICO's minimum expected rate (90%) and lower than performance in the previous two quarters. There were two particularly voluminous requests received during the reporting period which took up a significant resource available to deal with requests. It is also worth noting that the number of information access requests across all legislation has increased this year which adds to that pressure. Note: Proposals under the new General Data Protection Regulations, due to come into law in May 2018, recommend that the number of days in which to respond to a request for information should reduce from 40 days to 30 days. This will have an impact in the longer term and plans are in place to address this issue.

2. Corporate Health



Quarter 4 Performance status for the full suite of Corporate Health Performance Indicators (17 total)
12 On Track, 2 Off Track and 3 At Risk

Positive progress against the targets

- Collection rate for Council Tax have been exceeded (95.54% against a target of 95%). Significant automation and improved working practices have helped, as has the quicker targeting of defaulters to ensure timely recovery action has been taken. Also self-serve by the customer has freed up staff time to be more proactive in dealing with accounts.
- Business rate collection for in year collection was 96.52% (20.6% in Q4) – achieved target and excellent performance especially changes affecting business rates this year.
- At above 99%, availability of both the ICT network and servers has recovered since the outage reported at the close of Q3.
- Overall performance for processing of invoices across the year is 97.6%, slightly short of the target of 98% but encouraging in that the team was able to deliver against higher Q4 volumes within resource constraints. The total volume of invoices received increased in Q4 in comparison to Q3 by 31%.
- Both payroll accuracy and debtor days are operating above target levels – 99.9% against a target of 99% and 50 days against 53 days respectively.
- Over 90% of the revised audit plan has been delivered through the course of 16/17. 89 out of 108 audits were deemed to be at least adequate or better. Therefore, we can conclude that the overall control environment continues to be sound.
- 86 Third Stage Complaints received in 2016-17 - exactly the same number for the third year running. 19 complaints were upheld or partly upheld in comparison with 18 in the preceding two years.
- Our target for this year was 10% of employees feeling that the Council is a better place to work compared with 6 months ago (measured through the pulse survey). As the pulse survey is currently an annual survey, this was measured once this year in October 2016, with 11% agreeing - slightly above target, hence a green rating.

Areas of risk or concern against the targets

- The target set for council housing rent collection was a challenging one and as predicted the year end figure is slightly lower than it was at Q3, but an improvement on 2015/16 year end (97.26% set against a target of 97.50%). The impact of welfare reform continues to affect our tenants, making rent collection and arrears mitigation more difficult.
- The sickness absence figure for the Council at Quarter 4 is 11.73%. Performance has continued to exceed the target of 10% for the whole of 2016/17.
- There is no new data this quarter for leaders and manager's doing a good job of leading, as this indicator is measured through our annual pulse survey. Data from last quarter demonstrated that staff perceptions of how well leaders and managers are leading change, is at the same level as October 2015 – 36% set against a target of 55%, hence the Red rating.

Financials	To succeed financially, what are the key monetary processes that we must manage?
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Objective	Measure	Figure	Q4 RAG
Effective management of income to the Council	Rent collected by the Council as a proportion of rents owed	97.38%	
	Proportion of Council Tax collected	96 % (95.54%)	
	Proportion of Business Rates collected	96.5%	
	Income from sale of land and property	£1.31m	
Economic impact: Effective procurement: Welfare advice	Maximise the value of monetary gain to residents using 'Better off Kirklees' self-service system and welfare employment advice	£17.6m	

Customers	To achieve our vision, how do we demonstrate a quality customer experience?
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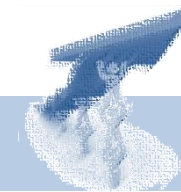
Objective	Measure	Figure	Q4 RAG
Responsiveness to complaints	Percentage of third stage complaints – partial and fully upheld	22.1%	
Effective access to Council services	Percentage of contact centre calls answered	85%	

Internal Business Processes	To satisfy our stakeholders and customers, what business processes must we excel at?
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Objective	Measure	Figure	Q4RAG
Effective deployment of our technology	Availability of ICT network (24 hours) (%)	99.16%	
	Availability of servers and service (24 hours) (%)	99.65%	
	Number of ICT incidents resolved within agreed timescales (%)	89.07%	
	Percentage of undisputed invoices paid within 30 days	97.4%	
	Payroll – percentage of payroll accuracy	99.9%	
Effective Council stewardship	Debtor days	50 days	
	Percentage of audits demonstrating arrangements that provide at least adequate assurance	82%	

Learning and Growth	To achieve our vision, how will we sustain our ability to change and improve?
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Objective	Measure	Figure	Q4 RAG
Effective leadership & Council management	Percentage of leaders and managers doing a good job of leading change	36%	
	Percentage of employees feeling that the Council is a better place to work compared with 6 months ago	11%	
Absence	Number of sick days lost per full time equivalent employee	11.73 days	

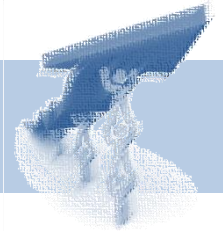


3. Key Service Volumes

Area of Activity	Q3 Data	Q4 Data
Total of authority waste collected (all data lagging)(tonnes)	52871.45 tonnes in period	46109.29 tonnes in period
Percentage of household waste collected	82.16% (43440.91 tonnes)	83.1%
Percentage of local authority collected waste landfilled	4.38% (2318.71)	1.2%
Number of potholes reported	2872	5250 (Cumulative 17896)
Number of potholes repaired	4133	5452 (Cumulative 24708)
Number of kilometres of road substantially resurfaced	9 km 01 Oct to 31 Dec	2.3 km - 01 Jan to 31 Mar (Cumulative 15.3 km)
Number of kilometres of road surface dressed	37 km (year to date)	0 km – 01 Jan to 31 Mar (Cumulative 37 km)
Number of Kirklees Neighbourhood Housing (KNH) managed properties	22504	22504
% KNH managed properties occupied	98.73%	98.75%
Total Number of Children in Need (CiN)cases Of these:	2966	3221
No. of Looked After Children (LAC)	705	701
No. Child Protection Plans	501	440
No. of Early Help Cases	1937	1858
No. of Care Leavers	195	199
Proportion of new referrals proceeding to formal assessment in Adult Social Care	8%	8%
Effectiveness of Short Term Support in Adult Social Care	83.7%	83.9%
Care Act - number of new service user assessments complete	1711 cumulative	2733 Cumulative
Corporate Training delivered (online and class based learning) - (Numbers receiving)	2369	1841
Channel Shift - % of interactions that are self-serve	78.71%	78.87%

4.

Overview for JHWS



Outcome (1) Support prevention and early intervention – i.e. focus on stopping health and wellbeing issues from starting

Headline Action		Q1	Q2	Q3	Q4
CHP001	Legislative framework – Health & Social Care	●	●	●	●
CHP002	Stronger families – Trouble Families Programme	●	●	●	●
CTC001	EI&P – crime, anti-social behaviour and extremism	●	●	●	●
CTC002	Build resilience and identity through improving communities	●	●	●	●
CTC013	Engage communities in initiatives to build resilience to extreme ideologies	●	●	●	●
FSP001	EI&P – Child protection	●	●	●	●
LS001	Revise LA Strategy to ensure good outcomes across all learning settings in response to changing role	●	●	●	●
LS002	Review and implement Quality Assurance Programme	●	●	●	●
LS003	Further develop partnership with Kirklees Teaching School	●	●	●	●
LS004	Support Implementation of Community Hubs Programme	●	●	●	●
LS005	Access to Programmes supporting YP career choices	●	●	●	●
PL001	School catering - Best nutritional start in life	●	●	●	●
PH001	Infection of communicable/non-communicable diseases	ND	●	●	●
PH002	Every child has the best start in life	●	●	●	●
RES001	EI&P – Resources support to specific frontline programmes	●	●	●	●
SCW001	The Care Act - continue to monitor and review impact	●	●	●	●
SCW005	Safeguarding Service promoting wellbeing, safety, support	●	●	●	●

Progress - Outcome 1 - Supporting prevention and early intervention:

- The Stronger Families Programme has exceeded the engagement target for the year with 1055 families engaged. 392 families have made claims and 83 have found work.
- Further work has taken place on the Human Trafficking Action Plan. Businesses have been targeted to raise the awareness of obligations related to modern slavery and human trafficking.
- New migrants are being provided with support and information through the 'Welcome to Kirklees' information pack.
- The Kirklees Hate Crime Strategy 2017-20 has been launched.
- A series of events were held during the quarter, coinciding with International Women's Day. A conference 'Be Bold for Change' was held in North Kirklees to encourage women to appreciate the daily impact they make on their Community.
- A group of parents from Savile Town organised an event, supported by a local gym, to highlight the impact of bullying.
- In the run up to Holocaust Memorial Day 2017 a project was run with schools to help young people to gain an understanding and awareness of issues that affect refugees. This was portrayed through a performance.

- Over 1500 staff across Children’s and Adults Services have been trained to Raise Awareness of Prevent (WRAP). A ‘Tolerance & Respect’ project has been piloted in South Kirklees Primary School, engaging 300 children in focussing on fundamental British values.
- In January, Cabinet approved a new model for EIP. The detail delivery elements of the two primary areas model, Targeted Early Help and Community Plus, continue to be developed. Some elements of support are available, as part of the previous offer, will no longer be available in future.
- The Virtual School age range extension 18+ for those with SEND will bring greater rigour to the support for care leavers and will lead to improvements in NEET figures for this cohort.
- Kirklees Catering employee, Tracy Healy, will be the face of school meals across the country after winning the National School Chef of the Year Competition.
- The Service also retains the Silver ‘Food for Life’ Catermark Award following a recent robust audit.
- There have been 18 IPC audits undertaken in Kirklees Care Homes in Q3, with an average score of 95%. (Scores ranged from 53% - 99%). As a result of the audits 3 Care Homes were escalated to contracting via Notification of Concern and 1 to Safeguarding.
- This is the first quarter that Meningitis B coverage has been reported, reporting that we have achieved 95.3%
- Healthy Child Programme Contract has been awarded and is now in mobilisation stage. The Programme is on track to start 01 April 2017.
- The Library Service successfully won a bid to be one of 5 authorities to partner Mills & Boon in an initiative, ‘Romance on the road’. This targeted the most isolated elderly to deliver to their homes M&B promotion packs to celebrate Valentine’s Day.
- Work is continuing in the re-design of the On Line Pathway for both those eligible for local Authority resource and self-funders. Communication and briefing sessions are planned for May-June 2017.

Risks against Outcome 1

- In relation to safeguarding audits, implementation of the new business model is delayed while amended job descriptions and profiles are agreed as well as whole systems workshops which are underway to jointly manage implementation. This allows for adequate consultation and phased implementation. The Provider Performance and ‘Whole Service Concern’s’ has also been delayed although work is largely complete.
- Issues with the delivery of both Apprenticeship and NEET programmes are causing local partners concerns. Interserve, who provide both contracts has reassured plans to address and staff teams are in placed in the district to resolve

Outcome (2) Enable people to have control, independence and resilience		Q1	Q2	Q3	Q4
Headline Action					
CHP003	Wider safeguarding agenda	●	●	●	●
CTC003	Voluntary Community Sector schemes for active people	●	●	●	●
CTC014	Determine the future for Almondbury Sports Centre		●	●	●
FSP002	Resilience & independence for looked after children	●	●	●	●
LS006	Support for pupils with Social Emotional & Mental Health Difficulties (SEMHD)	●	●	●	●
LS007	Develop and extend Virtual School for LAC	●	●	●	●
LS008	Pupil Admissions Functions to Digital by Default	●	●	●	●
PH003	Self-care approach for people living with Long Term Conditions	●	●	●	●
PH004	Integrated Wellness Model for Kirklees	●	●	●	●
PH005	Personal resilience & emotional wellbeing for Young People	●	●	●	●

PH006	Early intervention/support for long term conditions				
PH016	Readiness and response to major incidents				
RES002	Access to services – through appropriate channels				
SCW002	Avoidable adult admissions to hospital and long term care				
SCW003	Social care – users have more choice, control and flexibility				

Progress - Outcome 2 - Enabling people to have more control and build resilience

- The Kirklees Safeguarding Adults Board has signed off a revised Performance Framework, revised audit plan and the Engagement Strategy will be signed of at the next Board meeting in June
- 167 volunteers have supported the sport and physical activity offer across Kirklees in Q4 with an average of 1,180 hrs of volunteering per month. A total of 186 local people were trained in Q4 to deliver quality activity in the community
- Peer Mentoring training sessions are taking place. It is anticipated that Peer Mentors will be allocated to Looked after Young People by the end of August 2017.
- There has been continued good work by the 'Falls Group' in preventing hospital admissions resulting from falls. 'My Health Tools' V2 has been revised and now incorporates other Long Term Conditions as Diabetes and Depression. The learning from the success of My Health Tools is being incorporated in the development of 'Everybody Active Hub', an online self-care tool.
- The scoping and design of an Integrated Wellness Model for Kirklees is on track.
- The Healthy Child Programme (HCP) Contract is awarded. The Contract is now in mobilisation stage and is on track, due to start 01 April 2017.
- Community Engagement Team continues to deliver the Public Health coordinated ACE Bowel Cancer Campaign throughout Bowel Cancer Awareness month which takes place in April 2017. The progress has been well received by Cancer Research UK who funded this programme.
- Nine sessions on Emergency Preparedness were delivered in schools and colleges.
- 'Project Griffin' training was delivered to 85 people, raising awareness of the National Campaigns and the risks that are associated with terrorism.
- Introduction of improved telephone access to other MASH and Assessment & Intervention related calls through Kirklees Direct
- Establishment of a new MASH telephone Consultation Service for professionals/partners, resulting in a significant reduction in email referrals and inappropriate referrals.
- The Pre-payment Card roll out continues and is underpinned by training to Compliance and Advice Service Officer's (CASO) and Social Workers.
- Service user trials of motion sensing technology commenced in partnership with therapists. Early successes in capturing information that demonstrates levels of service user movement around the home where there have been concerns that service users not moving enough following an operation.

Risks against Outcome 2

- DfE have provided no time scales in place for a new Schools Admissions Code. If there is a new Code at all, the earliest publication date would be 2018/19.
- The service is still analysing the effectiveness of re-ablement and a more targeted approach alongside exploring opportunities to increase the capacity within the service. Current capacity issues within the Independent sector Home Care market continue to present a pressure and minimise the re-ablement services potential to support more people and maximise their independence.
- Assistive Technology Masterclasses have been delivered to colleagues across the council and from health. Work is ongoing to redesign the Adults pathway, using a Systems Thinking approach.

- Almondbury Sports Centre continues to be under review regarding ways of working and staffing level requirements. In its current configuration it remains unviable.

Outcome (3) Promote and create opportunities for improving physical and emotional health and wellbeing					
Headline Action		Q1	Q2	Q3	Q4
CTC004	Sustainable physical activities for target groups	●	●	●	●
CTC005	Improve Community health by delivery of interventions	●	●	●	●
CTC010	Culture and leisure opportunities to improve wellbeing	●	●	●	●
CTC015	District Committee influence in maximising resources and capacity		●	●	●
FSP003	Therapeutic assessment and support for LAC	●	●	●	●
LS009	Joint focus on maximising learning provision	●	●	●	●
LS010	Ensure Service provision match New Council expectations	●	●	●	●
PH007	Public health support to Council commissioning	●	●	●	●
PH008	Health safety wellbeing of council staff	●	●	●	●

Progress - Outcome 3 - Promote & create opportunities for improving physical & emotional health & wellbeing

- Q4 saw strong figures for the PALS scheme - working with 950 people to encourage active lifestyles. 29 weekly classes took place in Q4, with over 4,500 attendances. Active4Life (supporting people with Mental Health problems and/or dementia) worked with 186 people to become more active through 1-1 support/group activities. Sport 4 Life provided opportunities for 23 people with memory issues and/or dementia to be active through 1-1 support or specialist "Pick Me Up" exercise classes.
- Bowel Cancer awareness sessions have been delivered this quarter through engagement events. Kirklees and Bradford Health Watches have agreed to work with health partners to increase access to NHS Dentistry in West Yorkshire over the next 18 months.
- Kirklees Health Watch is also working with the two CCG's on engagement on the redesign of stroke services in West Yorkshire in partnership across the region
- District Committees have collectively funded 85 projects, allocating a total of £653,319 from their devolved budgets (New Homes Bonus and Revenue and Capital Activity Budget)
- At Q4 the Children & Adolescent Mental Health Services (CAMHS) Team is fully staffed, including a psychologist, psychotherapist and two Tier 2 workers.
- Improved data sharing and analysis, through the introduction of NEXUS, has increased the ability of the LA and schools to identify vulnerable learning groups.
- We continuing to work closely with the CCG's in the development and production of a Sustainability and Transformation Plan (STP) for Kirklees. The Plan was presented to joint SMT (CCG's Meeting) and Health & Wellbeing Board in March 2017.

Risks against Outcome 3:

None reported at Q4

Outcome (4) Reduce avoidable differences in health and wellbeing and prioritise according to need and impact

Headline Action		Q1	Q2	Q3	Q4
CHP004	Access to adult social care services to gain independence				
CTC006	Healthwatch Kirklees & NHS Complaints Advocacy				
FSP004	Integration of Special Educational Needs & Disability services				
FSP005	Looked After Children close to home				
FSP006	Youth offender services				
LS011	Children & Families Act Part 3 service compliance				
LS012	Cliffe House – Cost effective resource				
PL002	Access to suitable settled homes				
PH009	Integrated intelligence function across the Council				
SCW004	Personalised adult care support				

Progress - Outcome 4 – Reduce avoidable differences in health and wellbeing and prioritise according to need and impact

- Business review of Cliffe House has responded positively to embrace the wider 'Team Kirklees' approach. Structural changes offer a more cost effective, sustainable future business model.
- A draft Housing Policy has been produced whilst the proposed Housing Strategy is out for consultation. Future management and maintenance arrangements of the Council's housing stock are in place.
- A series of 'Master Classes' have been delivered in January/February 2017 to support senior managers of the Council to understand and implement 'Intelligence led commissioning for outcomes'. Also the new Kirklees Joint Strategic Assessment (KJSA) has been well received by Councillors and promotion is to be continued through a KJSA Blog.
- Year-end Community Partnership figures show invested approx. £287.5k in Q4 (cum. for 2016-17 to approx. £973.5K (final figs. by mid-April). Q4 investment will support 13 projects; totals for 2016-17 are 99 projects supported over year with estimated 13,743 beneficiaries. The total number of volunteer hours/year is 147,223 - total community contribution estimated at £2.4 million, making a 2016-17 community contribution ratio of £2.39.

Risks against Outcome 4

- The next 3 months will see dramatic change in grants/support to Third sector, emphasis from community grants to other support. The Community Partnerships team merges to form a new Community Plus service.
- Reshaping of the Fostering Service is delayed due to recruiting of the Brokerage (place finding) posts. This is having an impact on allocation of all assessments.
- Delays have been experienced in the restructure of the Restorative Justice Service within the YOT. This was originally intended to be completed by October 2016, but was actually completed March 2017
- A review of opportunities for providing 'out of hours' response by Carephone service to extra-care housing schemes. We are also working in partnership with Locala to review existing services to minimise duplication and handoffs
- Homelessness Acceptances are 104 for Q3 (reported a quarter lagging). The figure is down by 7% on same period last year. However, indicative figures for Q4 to date are extremely challenging,

showing significant increase on the same quarter last year. This has increased the use of temporary accommodation and B&B, Homelessness Prevention activity dipped in Q3 to 475, a 9% decrease.

Outcome (5) Ensure collaboration and integration across services and partnership organisations

Headline Action		Q1	Q2	Q3	Q4
CHP005	Integrated commissions to deliver care pathways				
CHP006	Demand on Social Care – Pathway & resource efficiencies				
CHP007	Meeting service user needs – staff commitment & skills				
CTC012	Strategic partnerships-Sports & Physical Activity Strategy				
CTC016	Transformation to New Council				
FSP007	Embed Single Assessment & Multi Agency Safeguarding Hub (MASH)				
LS013	Strategic use of Business Intelligence				
LS014	Infrastructure planning for schools				
PH011	Integrated approach to address Fuel Poverty				

Progress - Outcome 5 - Ensure collaboration & integration across services and partnership organisations

























- The LGA Peer Challenge which focussed on integration of commissioning, service delivery and governance is completed. Recommendation from the Challenge is being used to inform the Integration Plan, identifying priorities, with single plans developed for each area.
- The Adult and Children's Safeguarding Boards and Safer Stronger Board currently working together to: deliver a programme of briefings in relation to Forced Marriage, Female Genital Mutilation and Honour Based Violence; pilot Coercive/Controlling Behaviour briefings and a Basic Safeguarding Adults and Children's Workbook.
- 46 local sports clubs were supported with funding advice, governance support, developing volunteers and delivery. Ten clubs were funded to support delivery and to train up 15 coaches. 74 active volunteers delivering 37 health walks per month with 3,825 people in Q4.
- The MASH Team has increased and now includes: Disabled Children's Service duty worker, Housing Social Workers, CSE rep and MARAC.

Risks against Outcome 5

- The single assessment process is in place, but likely to be reviewed as part of the implementation programme for a new IT system, Liquid Logic. Liquid Logic is to be implemented by December 2017 and progress monitored through the 'Getting to Good Board'.

Outcome (6) Involve people and communities to create and deliver solutions

Headline Action		Q1	Q2	Q3	Q4
ADJ001	Communicate Vision for Social Care				
ADJ002	Support Carers to balance Caring roles				

CHP008	Innovative Social Care improving outcomes for people				
CTC011	Community engagement – self managed arts activities				
FSP008	Early Help Offer – positive relations with partners				
LS015	Strong partnerships across education sector				
LS016	Implement Schools as Community Hubs Programme				
PH012	Community engagement in Joint Strategic Assessment				

Progress - Outcome 6 -Involve people and communities to create and deliver solutions

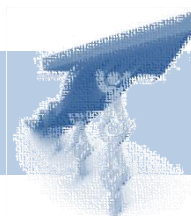
- Developments to the governance and assurance routes undertaken earlier in the year are yielding benefits in adult social care: clearer decision making; robust approach to quality, performance and resources.
- All generic domiciliary care contracts are now being tendered with a specification that encourages the development of more flexible, outcome focused packages of support for.
- We are working closely with our CCG colleagues to identify innovative ways of supporting and improving the provider sector using the Better Care Fund.
- Arts in the Neighbourhood final round of the funding stream was managed and delivered, with 11 grants awarded to community groups across the whole district. Delivery of projects takes place, for most, in 2017/18
- Progression Board continues to focus on pre and post 16 challenges and opportunities across the district, some of the key issues the Board considered include Special Educational Need & Disabilities (SEND) Inspection, Social Emotional and Mental Health & Difficulties(SEMHD) Continuum, Industrial Strategy, Skills Strategy and Strategic Needs Analysis.
- All milestones for the Schools as Community Hubs programme have been met.

Risks against Outcome 6

- Gateway to Care is benefitting from the current pathway work which will improve the service user / carer experience of accessing the self-care offer. A key aspect is the pilot / mainstreaming of the on-line Financial Assessment to be followed by an on line Needs Assessment option. This will significantly reduce hand-offs and establish the likely costs that any input / resource might incur. The current 27% fall-off rate (post the Needs Assessment)is expected to decline as customers will be clear as to what any likely costs will be. The aspiration is for 60% take up of self-service.

5.

Kirklees Economic Strategy



Outcome (1) Business... economic competitiveness and profitable business

Headline Action		Q1	Q2	Q3	Q4
CHP009	Market Oversight & Development – Social Care	●	●	●	●
CTC007	Resilient and competitive creative sector	●	●	●	●
LS017	Enterprise Culture for young peoples	●	●	●	●
PH013	A sustainable food culture to promote health	●	●	●	●
PL003	Kirklees as a manufacturing and engineering cluster	●	●	●	●
PL004	Local economic growth and social value through procurement	●	●	●	●

Business: economic competitiveness and profitable business

- Overall, the Council has worked to secure a total of £2.2m of Grant Support which has leveraged £12.5m of private sector investment. Growth Managers have intensively supported 143 businesses this year, which accessed almost £1.6m of grant support which leveraged £10.6m of private sector investment.
- The 3 EU business support projects – Adventure, Digital Business Support and Resource Efficiency - are all now in delivery and are expecting reported outputs from Q2 of next financial year.

Risks against Outcome 1:

- The tender for all the generic domiciliary care contracts have now been issued. It is hoped that the increased hourly rate and revised terms will help to increase capacity in this sector which continues to experience very real challenges

Outcome (2) People... skilled, able and healthy people/communities, supporting good employment rates and outcomes

Headline Action		Q1	Q2	Q3	Q4
CHP010	Workforce Planning Strategies – Adult Social Care	●	●	●	●
FSP009	Corporate parent - Maximise EET outcomes for LAC	●	●	●	●
LS018	Strong relations between education and businesses	●	●	●	●
PH014	Tackling Poverty Action Plan	●	●	●	●
PL005	Stimulate business and jobs growth across the district	●	●	●	●
RES003	Support benefits claimants employability	●	●	●	●

People: skilled, able and healthy people and communities, with good employment rates and incomes

- Through combined engagement, including the business centres and flood grant support, the Business Team has supported a total of 1,151 businesses this year and created a total of 343 jobs.

- Further training for Primary and Secondary Schools engaging in the Primary Engineering programme has taken place in January and March 2017. A further 13 Primary and 8 Secondary Schools are scheduled for training 2017/18.
- The Council has successfully bid to develop the Works Better programme across the district and from May 2017 will have the capacity and funding to enable people to find work and employers to recruit staff
- The Advice Kirklees Service, including BetterOff Kirklees, is working well. Overall customer satisfaction at 96%, there are no waiting times for appointments within the Advice Kirklees and the service has seen double the number of customer in the year - 46,000 on all channels.
- The introduction of the new service redesign BetterOff has saved the Council approximately £500k. There are over 9,000 unique on the “BetterOff” platform. Monetary gains are over £6m for customers of the service. There have been 20,000 unique job search page views.

Risks against Outcome 2:

- Tackling Poverty: South Yorkshire Credit Union that offers alternative provision to low cost loans for furniture and white goods is looking to operate from the Kirklees Customer Service Centres in Huddersfield and Dewsbury late April 2017.

Outcome (3) Place... high quality places / environments and infrastructure that support business, health & life		Q1	Q2	Q3	Q4
Headline Action					
CTC008	District heritage and culture	●	●	●	●
CTC009	Partnership working across galleries and museums	●	●	●	●
FSP010	Affordable accommodation for Care Leavers	●	●	●	●
LS019	Sufficient quality learning places	●	●	●	●
PH015	Continue to embed the JHWS and KES shared outcomes	●	●	●	●
PL006	Stimulate local economy growth	●	●	●	●
PL007	Improve connectivity – jobs, housing, communities	●	●	●	●
PL008	Housing Strategy – increase/improve quality of homes	●	●	●	●
PL009	Vibrant town centres through regeneration initiatives	●	●	●	●
PL010	Supply of good quality Social Housing	●	●	●	●
RES004	Infrastructure for digital connectivity across Kirklees	●	●	●	●

Place: high quality places, environments and infrastructure that support business health and quality of life

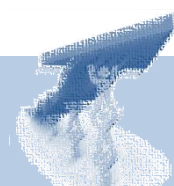
- Pioneer House & Dewsbury Learning Village: Cabinet has approved the funding envelope, with additional funding secured from Heritage Lottery Fund. Heritage Building Conservation (the principal contractor) has commenced on site undertaking the landlord’s stabilisation work. The College’s Listed Building application for Pioneer House has been approved. College will commence fit-out in October 2017. Kirklees College has also commenced the main contract at Springfield (Bradford Road), with site enabling work complete and building steel work being erected. The target opening is in 2017/18.
- Completion of major planning applications within agreed timescales currently stands at 93% against a target of 70%. There were 40 major planning applications processed during the course of Q4 and 96 for the year as a whole.

- Creative Kirklees continues to grow. From a sample month (14th April to 14th March) we had 3,927 sessions, with 14,102 page views. The Site itself has 594 Creative Members and there are 825 members signed up to the weekly newsletter.
- The preferred developer has been selected for the 3 large housing sites. These will deliver 180 homes, a 50 unit Extra Care scheme and 17 other affordable homes.

Risks against Outcome 3:

- The number of homes built in 2015/16 was 1,142 against a target for net completions of 1,730 dwellings.
- At the close of 2016/17, 121 affordable homes were completed, falling far short of the 235 target.

6. Significant Service Issues



This section highlights the significant issues and pressures in service delivery escalated at Directorate Management Teams.

Commissioning & Health Partnerships and Social Care & Wellbeing

- The tender for all the generic domiciliary care contracts have now been issued. It is hoped that the increased hourly rate and revised terms will help to increase capacity in this sector which continues to experience very real challenges

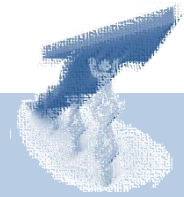
Family Support & Child Protection

- Under the guidance of the Service Director an exercise of remodelling the Service will be undertaken to ensure 'best outcomes' for children.
- This will include a realignment of MASH to strengthen the front door.
- Service structure and team remits will be revisited.
- There has been the introduction of daily briefings across all teams to establish the service and team priorities for the coming week.
- Compliance Clinics have been redesigned to focus on data analysis, the effectiveness of service provision and to identify mitigating actions, to generate improving performance.

Learning and Skills

- Approximately £1m growth in High Needs funding for 2017/18. However this will not fully cover the anticipated 17/18 gap between expenditure and funding received. Figures in the recent funding consultation documentation indicates continued growth in funding to 2020
- Cessation of the Education Services Grant (ESG) in 17/18, which was to support the LA statutory and regulatory duties for schools (£4.7m). Transfer of approximately £1m into the Dedicated School Grant (DSG), for those statutory and regulatory duties that apply to all local pupils no matter what type of school they are taught in; but funding totally withdrawn relating to additional LA duties for pupils taught in schools which the Council maintains. ESG did not relate directly to the provision of learning activities, but covered in broad terms, for example, the costs of strategic management activities including, schools organisation, planning and admissions, psychology etc. and also funded statutory and regulatory duties for schools such as HR, financial reporting and asset management. These duties will still have to be provided. Currently working through opportunities that may exist in partnership with all schools.

- National Funding Formula. Illustrative funding allocations issued and consultation launched, with closure date of 22nd March 2017. This has a significant implication but await outcomes to be understood.
- Changes to National Policy with regards to the proposals to promote Grammar Schools and increase the development of Free Schools.



7. Key Corporate Risks

An internal review has suggested that there are some deficiencies in the current arrangements for dealing with risk management. A new approach is currently being drafted and debated, and will be launched shortly. This will address culture and risk appetite, as well as process. The new risk approach will however look particularly at identifying a more proactive approach to mitigations. Current risks areas identified, along with mitigations and management actions are:

1. The risks associated with “New Council”, and the need to deliver budget savings required by the Medium Term Financial Plan.

2. Growth in volumes of activity, particularly in relation to children in care and adult care.

- There is continued high demand in DoL’s Assessments, Home Care and Re-ablement (Adults)
- Approximately £1m growth in High Needs funding for 2017/18. This will not fully cover the anticipated 2017/18 gap between expenditure and funding received. Figures in the recent funding consultation documentation indicate continued growth in funding to 2020. (Learning & Skills)
- National Funding Formula review: Illustrative funding allocations issued and consultation launched. This has a significant implication; we await outcomes for full impact. (Learning & Skills)

3. The funding impacts of the new “living wage” from direct employees, and contractors, and impacts from other legislative changes.

4. Funding impacts in partner agencies, such as the NHS.

5. Workforce issues (including recruitment difficulties, and those associated with reorganisation)

- Adult Services have been focussing activity on the delivery of a Workforce Summit in April 2017. The aim is to respond to the key challenges facing the Health and Social Care workforce.
- There have been a series of recruitment concerns in Family Support & Child Protection Service. Delays experienced in recruiting exercises across the various Sections are having a ‘knock on’ effect in Service delivery. (Brokerage – Fostering Service; Restorative Justice Service; CAHMS)
- There has been a high dependency on Agency Workers across Children’s Service in 2016/17.

6. Impacts from environmental events (such as flooding).

- The Public Health Service has undertaken work with Highways colleagues to finalise and test the Kirklees Flood Policy and Operational Plan. This is with a view to minimising the impact and cost associated with such events.

7. Compliance with data protection and information management, health and safety and other legislation.

- Throughout 2016/17 we have received high volume of request for information under the Freedom of Information Act and Data Protection. At Q4, the level of response to Data Protection requests fell to a low of 79% against a 100% target. There is concern that new Data Protection Legislation introduced in May 2018, reducing the time for compliance from 40 calendar days to a month, may be difficult to achieve. Our Information Governance Team is working with Services to review processes for dealing with requests to meet our obligation.

8. Risks associated with property ownership and management

- The Capital Receipts for the year to date are £1.31m, against a target of £4m for 2016/17. The receipts at Quarter 4 comprised of £0.4m from assets valued at £10k+ and £13k assets valued at less than £10K. The next Auction of property is planned for April 2017 where receipts of approx., £2.25m are anticipated. An additional auction is planned for September 2017, subject to the delivery and approval of assets being received for sale.

9. Safeguarding risks and those linked with the impacts of Serious Case Reviews.

10. Risk associated with external inspections.

- There is ongoing improvement work taking place in Family Support & Child Protection Service following the Ofsted Inspection and judgement of inadequate. A Government Inspector has been working with the Authority to determine a future plan for Children's Services. There continues to be risks, if we continue to provide unsatisfactory provision and also (Commercial) risk, if certain forms of alternative provision are implemented.

11. The impact of welfare reforms

- Managing the number of homeless acceptances remains a challenge. Whilst there has been a slight improvement at Q3, overall there is a 7% decrease on the same period last year. This compares favourably when compared to National Data where the decrease is 0.4%. However, early indication of Quarter 4 data shows there is a significant increase, confirming an extremely challenging quarter.

12. Concerns related to community tensions and violent extremism

Mitigating Actions:

- Over 1,500 staff in Children & Adults has trained in Raise Awareness of Prevent (WRAP) in 16/17.
- A series of activities with a focus on engaging with Young People: Choices Project – a mobile exhibition to explore values and decision making (12 sessions and 420 YP attending); Tolerance & Respect Project – Focussing on 'British Values' piloted in primary school; Global Acts of Unity – Educating YP to choose unity and friendship over anger and violence.

8. Financial Overview



Please note: This is a high level extract from the more detailed Financial Outturn & rollover Report provided to Cabinet on 30 May 2017 & Full Council on 7 July 2017.

Overview

REVENUE

The Council's net controllable revenue budget for 2016/17 was set at £310.8m. There was a net transfer of funding from reserves during the year, of £0.9m. Total revenue resources available were £311.7m.

Outturn revenue spend was £314.4m, with an overspend of £2.7m (0.8% against total resources available). There will be no revenue rollover this year.

There was a net Directorate overspend of £6.5m; equivalent to 2.4% against a net budget of £266.6m.

Headline pressures include:

- Additional investment of £6m in measures to support improvements in Children's Services – Family & Safeguarding
- Demand led pressures for Children & Young People relating to looked after children ; £6.7m
- Directorate demand led pressures for Adults Service for vulnerable adults £5.4m.
- Schools Transport budget pressures £1.0m.
- Exceptional "one-off" costs relating to environmental work required at the Hunter's tip site (where the Council is Freeholder).

Mitigating underspends – key highlights:

- Place Directorate; including driver Training Contract at (£0.9m), schools facilities management at (£1.5m), Corporate Landlord at (£1.4m);
- Cost offsets in Resources Directorate ; including Library & Information Centres at (£1.1m) and IT at (£0.5m)
- Cross-Directorate themes; Early Intervention & Prevention (£3.7m) – mainly reflecting early implementation of savings required 2017/18. Economic Resilience (£3.4m) – reflecting timing issue on full implementation of redesigned service model.
- Central budgets (£4.0m); includes treasury management (£1.9m) ; Contingency inflation not required (£1.0m)
- District Committee activity underspend (£0.6m); timing issues on scheme approvals and actual spend

General Fund Reserves and Balances

- General fund corporate reserves (excluding statutory schools reserves) reduced from £93m April 2016 to £78.2m at April 2017 (33% reduction over the year).
- Further drawdown of £11.1m in 17-18 to support budget plans, plus £5m minimum general reserves
- Leaves £31.8m set aside or 'earmarked reserves' at the start of 17-18 and
- Financial Resilience Reserves of £30.3m at the start of 17-18
- Financial Resilience Reserves £10.1m higher than would otherwise have been due to early measures approved as part of early closedown review report to Cabinet on 2 May 2017

- Statutory schools reserves reduction from £19.9m April 16 to £11.9m April 2017

Collection Fund

- In-year surplus of (£2.2m) on Council Tax; equivalent to (1.5%) against budgeted income of £149m; mainly due to income collection performance exceeding target.
- In-year deficit of £0.5m against business rates income of £52m; equivalent to 0.1%; due to in-year reduced rates income as a result of successful appeals and a review of outstanding backdated appeals currently with the Valuation Office
- In-year trends largely factored into approved budget plans 17-18

CAPITAL (General Fund)

- 2016-17 Capital budget of £91.0m. Capital outturn of £53.1m. Underspend of (£38.0m); equivalent to (41.7%).
- Capital rollover proposals total £36.8m; rollover reflects slippage on committed expenditure.
- Updated 5 year capital plan 2017-22 totalling £257.1m. Incorporates rollover proposals, plus review of external funding and adjusted re-profiling of scheme budgets across years as appropriate

HRA

- Target revenue surplus of (£2.9m) on annual turnover of £94.5m. Actual surplus (£9.2m); favourable variance of (£6.4m); in-part relates to slippage on capital plan by (£3.3m) with corresponding reduction in revenue funding requirement in-year;
- HRA Capital budget of £19.5m; Outturn of £16.2m; underspend of (£3.3m), or (16.95); capital rollover proposals of £2.4m; slippage on committed expenditure.
- Updated 5 year capital plan 2017-22 totalling £105.9m. Incorporates rollover proposals, plus review of external funding and adjusted re-profiling of scheme budgets across years as appropriate
- HRA reserves at April 2017 of (£52.0m); an increase of (£9.2m) on the previous year; mainly committed for longer term HRA business plan investment needs (Decent Homes sustainability)

MTFP Implications

- Outturn general fund revenue variances across Council activity largely captured in-year through Quarterly monitoring reporting cycle to Cabinet, & factored into approved revenue budget plans 2017-21.
- The Council continues to face significant financial challenges and must ensure it can achieve a sustainable balanced budget over medium term and beyond.
- Challenging budget saving requirement in 2017-18 at £54m; a further £50m over the following 3 years; £104m in total.
- Existing general fund Reserves in part supporting 17-18 budget plans; £11.1m. Continued reliance on reserves to help balance the budget is not sustainable going forward.
- Strengthened corporate governance arrangements for monitoring and review of 2017-18 savings deliverability with support from the Council's Business Transformation Partner.
- Early measures implemented as part of 16-17 final accounts process to release revenue resources into financial resilience reserves
- Further actions anticipated through 2017/18 to ensure the Council continues to manage its budgets within its means; will include further early review of corporate reserves requirements

HRA business plan to be re-freshed through 17-18 to reflect updated resourcing assumptions/ ensure its longer term sustainability

Name of meeting: Cabinet

Date: 30th May 2017

Title of report: Leeds' bid to be European Capital of Culture in 2023

Purpose of report

To approve that Kirklees Council provides a letter of support for the Leeds' bid to be European Capital of Culture in 2023 which will form part of the submission in October 2017

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	No
Key Decision - Is it in the Council's Forward Plan (key decisions and private reports?)	No
The Decision - Is it eligible for call in by Scrutiny?	Yes
Date signed off by <u>Strategic Director</u> & name	Give name and date for Cabinet reports Naz Parkar – 12 th May 2017
Is it also signed off by the Service Director for Finance IT and Transactional Services?	Give name and date for Cabinet reports Debbie Hogg – 19 th May 2017
Is it also signed off by the Service Director for Governance and Commissioning Support?	Give name and date for Cabinet reports Julie Muscroft – 15 th May 2017
Cabinet member portfolio	Cllr Graham Turner

Electoral wards affected: None

Ward councillors consulted: None

Public or private: Public

1. Summary

- 1.1 Leeds is bidding to host the title of European Capital of Culture in 2023.
- 1.2 Liverpool was the last UK city to host the title in 2008. Evaluation of the impact of the Liverpool bid provides evidence that a successful Leeds bid would be a major opportunity for the wider region to boost cultural, social and economic development. The bid will profile culture in a rich and varied way, develop and create more jobs and skills in the creative industries and promote well-being and pride. This in turn can foster better relationships and greater cohesion throughout communities.
- 1.3 Building on the spirit of collaboration among local authorities demonstrated by the Tour de France and the Yorkshire Festival and recent initiatives such as the Yorkshire Sculpture Triangle and Tour de Yorkshire, the Leeds' bid offers a further opportunity to show that, through culture, we can collectively showcase the success, talent and aptitude of Leeds and the wider region on a national and international stage.
- 1.4 It is a requirement of the competition for a city rather than a region to host the title; however the active support of the region is also vital to the success of any application and the benefits of winning would not stop at the Leeds boundary.
- 1.5 This report requests that Cabinet agrees to support the Leeds' bid and to provide a letter of support which will be included in the bid to be submitted by 27th October 2017.

2. Information required to take a decision

- 2.1 European Capital of Culture is a prestigious Europe-wide competition which celebrates the cultural offer of a city. Following the success of Glasgow 1990 and Liverpool 2008, a UK City will host the European Capital of Culture in 2023 along with a city from Hungary. The winner will follow the likes of Barcelona, Lille, Amsterdam and Istanbul in being recognised as a major centre of culture. Hull currently holds the title of UK City of Culture which is a different competition.
- 2.2 For Liverpool, hosting the title brought over £750 million to the economy in addition to major infrastructure development, a growth in tourism of 34% and transformations in overall perceptions of the city. Moreover, the year engaged 60% of Liverpool's residents and saw an increase in city pride.
- 2.3 Hull, the holder of the 2017 smaller UK City of Culture title has attracted over £32 million investment for its programme and major partnerships with the BBC, Tate and other national partners. Hull's media coverage has generated over £60 million media value and its economic value from increased tourism is estimated at £150 million over 4 years.
- 2.4 In 2015, the decision for Leeds to bid for the title in 2023 was approved by Leeds City Council's Executive Board following a city wide consultation. The Leeds' bid needs to have the whole city behind it – politicians, business, universities, cultural organisations and artists, the people and communities of Leeds.
- 2.5 On 16 December 2016, the Department of Culture, Media and Sport announced its decision to launch the competition for the 2023 European Capital of Culture. The timings and process for submitting bids have now been decided and the deadline for the first stage submission is 27 October 2017 with the UK winning city to be announced by the end of 2018.

- 2.6 The other cities known to be bidding for the title are Belfast/Derry, Dundee, Milton Keynes, Nottingham and Truro/Cornwall. The winning city is not based on size or current cultural offering but on which city can best tell the story of how it can transform itself through culture in a European context. It is worth noting that there is only one bid from Northern Ireland and one from Scotland, both of which have the advantage of being able to secure support from their respective devolved administrations and from the relevant national Arts Councils. The English cities do not have this advantage.
- 2.7 The bidding process itself requires investment and, in addition to Leeds City Council support, Leeds has drawn down sponsorship from both HE and FE, with the University of Leeds and Leeds Beckett University being its two Principal Partners. Leeds Trinity University, Leeds City College, Leeds College of Art, Leeds College of Building and the Northern School of Contemporary Dance have also come in as sponsors from the wider education sector. Moreover, Leeds has secured cash support from 11 private sponsors so far (including regional businesses such as Yorkshire Water, Yorkshire Building Society and Yorkshire Bank) as well as Leeds-based telecommunications company AQL and Leeds Bradford Airport. Leeds is not requesting investment from other local authorities for the bid phase.
- 2.8 Winning cities have five or six years to plan the full programme and to raise considerable investment. There will be a balance of local, regional, national and international investment into the programme. The proposed Leeds' delivery budget will be revealed when its application is published in October 2017.
- 2.9 Over the next nine months, Leeds will be strongly focused on writing its bid book, consisting of 52 in-depth questions on Leeds' vision and strategy. In the last few months, there has been a public call for programme ideas, with a number of responses received from the West Yorkshire area.
- 2.10 The timescale for the bid process is:
- Outline bid submitted: 27th October 2017
 - Shortlisting: November 2017
 - Final Application: April 2018
 - Decision: Autumn 2018.
- 2.11 West Yorkshire, outside of Leeds, is already a world-class leader in culture with organisations such as Huddersfield Contemporary Music Festival, the Hepworth, Yorkshire Sculpture Park, National Media Museum and a host of venues including the soon to re-open Piece Hall in Halifax and Lawrence Batley Theatre in Huddersfield. Within Leeds, world class organisations such as Opera North (with whom Kirklees Council collaborates to produce the Kirklees Orchestral Series), Northern Ballet, West Yorkshire Playhouse and the oldest West Indian Carnival in Europe find their home. However, culture is not just in these prestigious organisations but can also be found embedded throughout all the region's communities in a myriad of shapes and forms from community galas to dance classes and book clubs.
- 2.12 Furthermore, collaborations such as the Yorkshire Festival have highlighted the success of regional partnership. In 2014, the cultural festival generated close to £10 million for the county's economy.
- 2.13 Nevertheless, Leeds itself is still thought to 'punch below its weight' culturally in comparison to European cities of a similar scale. It is a city currently better known for retail and sport than it is for culture.

- 2.14 Leeds' bid in 2023 is just one response to this in terms of raising a collective aspiration. The Leeds' bid offers a further opportunity to show that through culture, it can collectively showcase the success, talent and aptitude of Leeds and the wider region on a national and international stage.
- 2.15 Regional support has been a defining factor in the success of other bids and is critical for Leeds as it moves forward. While events like the 2014 Tour de France and recent initiatives such as the Yorkshire Sculpture Triangle have started to build these connections, the new Leeds cultural identity developed through the bidding process will increasingly reference the regional and northern cultural offer.
- 2.16 Consultation work undertaken to date revealed a mix of identities for Leeds residents. Findings show citizens strongly identify with being from Yorkshire and being 'northern'. This highlights an important reason for engaging with the wider region in the bid as an articulation of the identity felt by many across West Yorkshire. The cultural vision adopted by Kirklees Cabinet on 3rd October 2016 includes the statement "*Cultural activities ... shape our places, tell our stories and enable Kirklees to be part of a world class cultural offer in the North of England.*" Supporting the Leeds' bid will help the council to achieve this.
- 2.17 With no other bidding cities in the North, Leeds would like its bid to be fully adopted as a 'Northern bid'. The ambition is to show the UK, Europe and the world that Leeds and the region is open for tourism, business and investment, bringing success to cultural organisations, artists and audiences across the north.
- 2.18 Leeds' decision to bid has been taken with enough lead in time to prepare a winning case and secure wide backing. Leeds was the first UK city to declare publicly its decision to bid and has already attracted additional publicity and press coverage both nationally and internationally.
- 2.19 There is already popular support in the city for a Leeds bid. This will be sustained if wider backing from the city region can be attracted and firm commitments from other partners who will share the initial risk and stand to share in the benefits which will accrue.
- 2.20 If the bid is successful, Kirklees' residents will be able to access high quality and diverse cultural activities in Leeds but there should also be opportunities for some of these activities to take place within Kirklees. For example, if a nationally renowned performance company visits Leeds, it may be possible for any associated outreach activities to take place in Kirklees' schools or community or cultural venues.
- 2.21 The Leeds' programme will offer numerous opportunities for regional artists including Kirklees' based artists. These will include access to employment and skills development plus the opportunity to experience work which inspires their creative practice.
- 2.22 Kirklees will hopefully benefit from any tourism initiatives such as the marketing of the region and demand for bed spaces. Kirklees should take advantage of the proximity of the City of Culture programme to market its own cultural and tourism activities and venues.
- 2.23 The Leeds bid provides an opportunity for regional bodies such as the LEP/WYCA to further develop strategies and plans for cultural investment across West Yorkshire, reflecting the potential link to tourism and the economic benefits listed in this report. Kirklees could then bid for regional investment for some of its proposed cultural projects such as a new museum and art gallery in Huddersfield town centre and the development of Oakwell Hall and Country Park as a key visitor attraction.

- 2.24 The risk for Kirklees is that if the bid is successful and requires significant levels of regional funds, this may reduce the levels of funds to which Kirklees can apply for programmes it wishes to advance.
- 2.25 There is a reputational risk to Leeds, and therefore Kirklees, should the bid not be shortlisted or not win the competition. However, a number of unsuccessful bids in the past have, despite this, led to positive benefits for the cities and regions involved.

3 Implications for the Council

3.1 Early Intervention and Prevention (EIP)

- 3.1.1 The Leeds' bid to become European City of Culture in 2023 supports Leeds City Council's ambition to be a compassionate city with a strong economy whilst tackling inequalities. The bid will seek to engage all the city's diverse communities. The bid has the potential to support the children and family agenda, address issues of learning and citizenship and promote community cohesion.
- 3.1.2 There are likely to be opportunities for Kirklees' residents to access and be involved with cultural activities which contribute to many of the outcomes listed above.

3.2 Economic Resilience (ER)

- 3.2.1 The title of European Capital of Culture has a significant effect on boosting a city's cultural, social and economic development. Many cities with a previously low (and, at times, even negative) profile have experienced an image renaissance, attracting considerable media attention and enhancing local, national and international perceptions. Cities such as Glasgow, Lille, Liverpool have been successful in repositioning themselves as cultural hubs and at a national and/or European level.
- 3.2.2 The evaluation of Liverpool showed that there were significant benefits to the wider Merseyside and Cheshire regions with more hotel beds sold outside the city than in Liverpool itself. The economic benefits of a successful Leeds' bid are likely to be spread across the whole of the Yorkshire region and hopefully, particularly in Kirklees given our close proximity and good transport links to Leeds.
- 3.2.3 Further benefits of winning include:
- The repositioning of Leeds and West Yorkshire's image in the UK and Europe
 - 6 years in the spotlight and the attraction of major national funding and events to the region
 - Development of jobs and skills in the creative industries
 - Provision of a step change in Tourism
 - Promotion of well-being and pride
 - Providing a catalyst for growth and development
 - Raising the profile of Leeds as a major European city capable of hosting major events and boosting Leeds and Leeds city region as cultural destinations with a great quality of life.

3.3 Improving Outcomes for Children

There will be no impact

3.4 Reducing demand of services

There will be no impact

3.5 Other (eg Legal/Financial or Human Resources)

There will be no impact

4. **Consultees and their opinions**

None have been consulted

5. **Next steps**

5.1 If approved, a letter of support, signed by the Leader of the Council, will be sent to the Leader of Leeds City Council in June 2017.

5.2 Leeds will submit their bid, including the Kirklees letter of support, by 27th October 2017.

6. **Officer recommendations and reasons**

6.1 To support Leeds' bid to be European Capital of Culture 2023 by providing a letter of support to be included in the bid. This is because the Leeds' bid presents a significant opportunity for Leeds and the wider region, including Kirklees, in terms of cultural, social and economic benefits.

6.2 To encourage the involvement of cultural organisations from Kirklees in the bid as they will benefit from employment and skills development opportunities and be able to access initiatives which raise their profile leading to further employment and sales opportunities. It will encourage collaboration between artists, cultural organisations and local authorities, hopefully leading to more joined up marketing of the cultural offer in the region.

6.3 To note the potential call on regional funds to invest in the delivery of the bid, should Leeds be successful.

7. **Cabinet portfolio holder's recommendations**

Cllr Graham Turner recommends that the Council:

7.1 Supports Leeds' bid to be European Capital of Culture 2023 and provides a letter of support to be included in the submission. This is because the Leeds' bid presents a significant opportunity for Leeds and the wider region, including Kirklees, in terms of cultural, social and economic benefits.

7.2 Encourages the involvement of cultural organisations from Kirklees in the bid. This bid provides an opportunity to develop a regional brand for the cultural offer and should stimulate more joined up ways of working between local authorities and cultural organisations across the region.

7.3 Notes the potential call on regional funds to invest in the delivery of the bid if it is successful.

8. **Contact officer**

Adele Poppleton, Head of Active and Creative Communities
Tel. 07814 448594; E-mail: adele.poppleton@kirklees.gov.uk

9. **Background Papers and History of Decisions**

None

10. **Service Director responsible**

Paul Kemp, Service Director for Economy, Regeneration and Culture

Name of meeting: Cabinet
Date: 30 May 2017
Title of report: Ward Budgets 2017/18

Purpose of report

To consider a set of criteria in respect of Ward budgets for 2017-18.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	No
Key Decision - Is it in the Council's Forward Plan (key decisions and private reports?)	No
The Decision - Is it eligible for call in by Scrutiny?	Yes
Date signed off by <u>Strategic Director</u> & name Is it also signed off by the Service Director for Finance IT and Transactional Services? Is it also signed off by the Service Director for Governance and Commissioning Support?	Give name and date for Cabinet reports Debbie Hogg – 19/05/17 Julie Muscroft – 19/05/17
Cabinet member portfolio	Cllr David Sheard and Shabir Pandor

Electoral wards affected: All

Ward councillors consulted: N/A

Public or private: Public

1. Summary

- 1.1 In preparing this report, it is assumed that the proposal not to re-establish District Committees is supported at Annual Council meeting on 24th May 2017.
- 1.2 Instead each ward has been allocated £10,000 to spend in 2017/18. New Homes Bonus funding ceased at the end of the current Municipal Year in light of the decision at Budget Council in February 2017.
- 1.3 It is proposed that executive delegations to District Committees, including Housing Revenue Account Estate and Environmental Works Budget and responsibility for street naming and residential parking permits, will revert back to the Executive who will determine decision making arrangements moving forward.
- 1.4 In delivering this approach a criteria will need to be agreed in respect of the £10k ward budgets together with unspent money from previous years for resources previously allocated to District Committees, including resources for commitments made at public meetings held in April and New Homes Bonus, to support ward activities. A proposed criteria for the allocation of monies from the £10k ward budget and the use of outstanding New Homes Bonus resources is set out in Appendix 1 and 2 of this report for consideration along with a proportionate governance process developed in consultation with the Head of Audit and Risk.

2. Information required to take a decision

- 2.1 In previous years, District Committee unallocated resources have been held in earmarked reserves to support District Committee activities.
- 2.2 Going forward, it should be noted that consideration of earmarking District Committee underspends is dependent on undertaking the exercise described in the Financial Outturn and Rollover Report 2016/17 under *District Committee Managed Budgets*, in terms of reviewing overall Council reserves as part of the quarterly financial reporting cycle to Cabinet through 2017/18. The report can be found elsewhere on the agenda.
- 2.3 Proposed criteria in respect of the £10k ward budgets plus any potential reserves to support ward activities 2017/18 are set out in Appendix 1 of this report.
- 2.4 Proposed criteria in respect of any potential New Homes Bonus reserves are set out in Appendix 2 of this report.

3. Implications for the Council

The criteria and proposals set out in this report support the overall delivery of the Council priorities set out below and are intended to increase ward councillor responsibility in terms of devolved resources; recognise the role of ward councillors, with their local knowledge and insight being increasingly vital in maximising the use of local community skills, assets and resources so that people can do something positive to improve lives and make their community thrive; and raise the profile of the ward councillor in a positive way with local citizens. This is consistent with the emerging work of the Democracy Commission which recognises the importance of promoting the councillor role.

- Early Intervention and Prevention (EIP)
- Economic Resilience (ER)

- Reducing demand of services

4. **Consultees and their opinions**

The views of Leadership Management Team and Leading Members have been considered in relation to ward budgets plus any potential reserves to support ward activities 2017/18.

5. **Next steps**

Subject to approval from Cabinet to implement the recommended criteria and process for district committee budgets for 2017/18

6. **Officer recommendations and reasons**

Cabinet is requested to:

- Consider and approve the proposed new criteria in respect of the ward budgets and New Homes Bonus as set out in Appendix 1 and 2 of this report along with a proportionate governance process developed in consultation with the Head of Audit and Risk.

7. **Cabinet portfolio holder's recommendations**

That Cabinet approve the officer recommendations detailed above.

8. **Contact officer**

Vina Randhawa, Senior Area and Neighbourhood Officer
Tel: 01484 221000
E-mail: vina.randhawa@kirklees.gov.uk

Carl Whistlecraft, Head of Governance and Democratic Services
Tel: 01484 221000
E-mail: carl.whistlecraft@kirklees.gov.uk

9. **Background Papers and History of Decisions**

The future arrangements in respect of New Homes Bonus funding were included as part of the reports considered at Budget Council in February 2017. Constitutional changes governing District Committees and Ward Budgets are set out in the report considered by Corporate Governance and Audit Committee on 12 May 2017 and thereafter Annual Council on 24 May

10. **Service Director responsible**

Jacqui Gedman, Chief Executive
Julie Muscroft, Service Director – Governance and Commissioning Support
Debbie Hogg, Service Director - Financial, IT & Transactional Services
Email: debbie.hogg@kirklees.gov.uk

1. Members Local Project Fund

£10K per ward, plus any potential reserves, to support ward activities 2017/18. The recommended criteria are as follows:-

- 1.1 The money will be available for spending after 1st June 2017, and it is expected that funds will be committed by 31 December 2017. Any money not committed by that time, or fully expended by 31st March 2018 will return to corporate funds.
- 1.2 It is Ward Members responsibility to choose and select uses for the money, and to do so in an open and accountable way. Officers will not be assisting or supporting this part of the process, and their input will be restricted to as described in para 1.8 below.
- 1.3 Ward budgets will be allocated on an individual basis per ward member i.e. One third of the total budget each. Ward members can work together if they choose.
- 1.4 When buying goods, works or services, it is expected that quotes will be obtained and recorded for any item above £100. This should reflect trade practice, noted down costs from telephone conversations, catalogues or the internet are acceptable in many cases, although written quotes should be obtained for anything costing more than £3,000.
- 1.5 Ward Members are not required to use council Service providers. If Members choose to do so, they will be expected to charge the full costs of any works, goods or services provided.
- 1.6 Ward Members will be expected to submit a simple form (see para 3 below) for each project, justifying the purpose etc. This along with the evidence of payments made will be published on the Councils website. (There may be limited redaction of some personal information in respect of individual grant recipients).
- 1.7 The Council is able to recover VAT on works, goods or services provided to the Council. Businesses/schools that are grant aided are almost always able to recover VAT, so this element should not be grant aided. Individuals or community groups are not usually able to recover VAT, so you may want any grant to reflect this.
- 1.8 The Area and Neighbourhood Action Team (ANAT) will be responsible for making payments in accordance with Ward Member's instructions. They will expect to receive the form (see para 1.6 above) before making any payment. It is the responsibility of Ward Members to run the choices and procurement process in any way they see fit. Advice on any complex matter (e.g. related to legality or finance such as VAT should be sought from ANAT in the first instance). These activities will not be charged against the budget. Officers in the Area Neighbourhood Action Team may ask you for any information about spending or planned spending at any time.
- 1.9 Grants to groups are permitted (but see also section 2.2 below). Ward members can choose to have a community grants scheme to support communities to do more for themselves and each other. Encouraging community groups to deliver activities that provide genuine community benefit, address community need, bring communities together and promote social cohesion.
- 1.10 Ward Members will be expected to hold at least one meeting in public annually e.g. through a Ward Forum, to report how they have allocated their budgets and the

outcomes they have achieved. A summary of schemes funded will be published on the Councils website.

2. Grants

2.1 Who and What Cannot Be Funded

- The funding may not be given to any school, religious or sectarian body, other than where the purpose of the funding is to promote community access to facilities on a full and open basis (e.g. a legitimate use is to construct a disabled access ramp to a school hall where the school permits to make the facility open, at reasonable charges to any individual, group or part of the community. A community lunch at a church hall would be acceptable, provided that it was fully promoted to every member of the community)
- Organisations with party political aims.
- Lobbying activities.
- Activities and projects that have already been funded from other sources.
- Purely social activities with no other discernible benefits/impacts.
- Grants may not be given to relatives or close personal friends of any Member.
- It would be unwise to use relatives or close personal friends as suppliers of works goods or services, unless it is clear that a competitive process has been followed.
- Payments to meet debts or liabilities.
- Expenses incurred before a grant has been formally awarded.
- If applying for equipment groups are advised to initially contact Kirklees Comoodle website www.comoodle.com as items needed may be available there
- All organisations requesting funding must register the group with Kirklees Community Directory <http://communitydirectory.kirklees.gov.uk/communitydirectory>

2.2 Eligible Groups

- Groups must have all relevant insurances and licenses required for the activities funded.
- Are legally able to carry out the activities described.
- Are financially viable and have appropriate clear financial controls including a bank account with two signatories and the production of annual accounts.
- Have a recognised legal structure with governance arrangements which outline who makes decisions and how decisions are made. In some cases, groups may be new and may not have a constitution or bank account so they must ensure the money is held by a recognised body.

3. MEMBERS LOCAL PROJECT FUND

Members Local Project Fund - Application Form 2017/18	
WARD	
COUNCILLORS NAMES	
PROPOSAL (PURPOSE OF PROJECT/REASON FOR FUNDING)	
LOCATION (Where will the project be delivered)	
PROCUREMENT or GRANT	
NAME OF SUPPLIER or RECIPIENT	
AMOUNT APPROVED	£
DATE APPROVED	
AMOUNT EXPENDED	£
DATE FINALISED	
ANY OTHER ADDITIONAL INFORMATION (e.g. Comoodle, Community Directory etc.)	
APPLICANT DETAILS (NAME, ADDRESS, EMAIL & TELEPHONE)	

1. New Homes Bonus Budget

Proposed criteria in respect of any potential New Homes Bonus reserves are as follows:

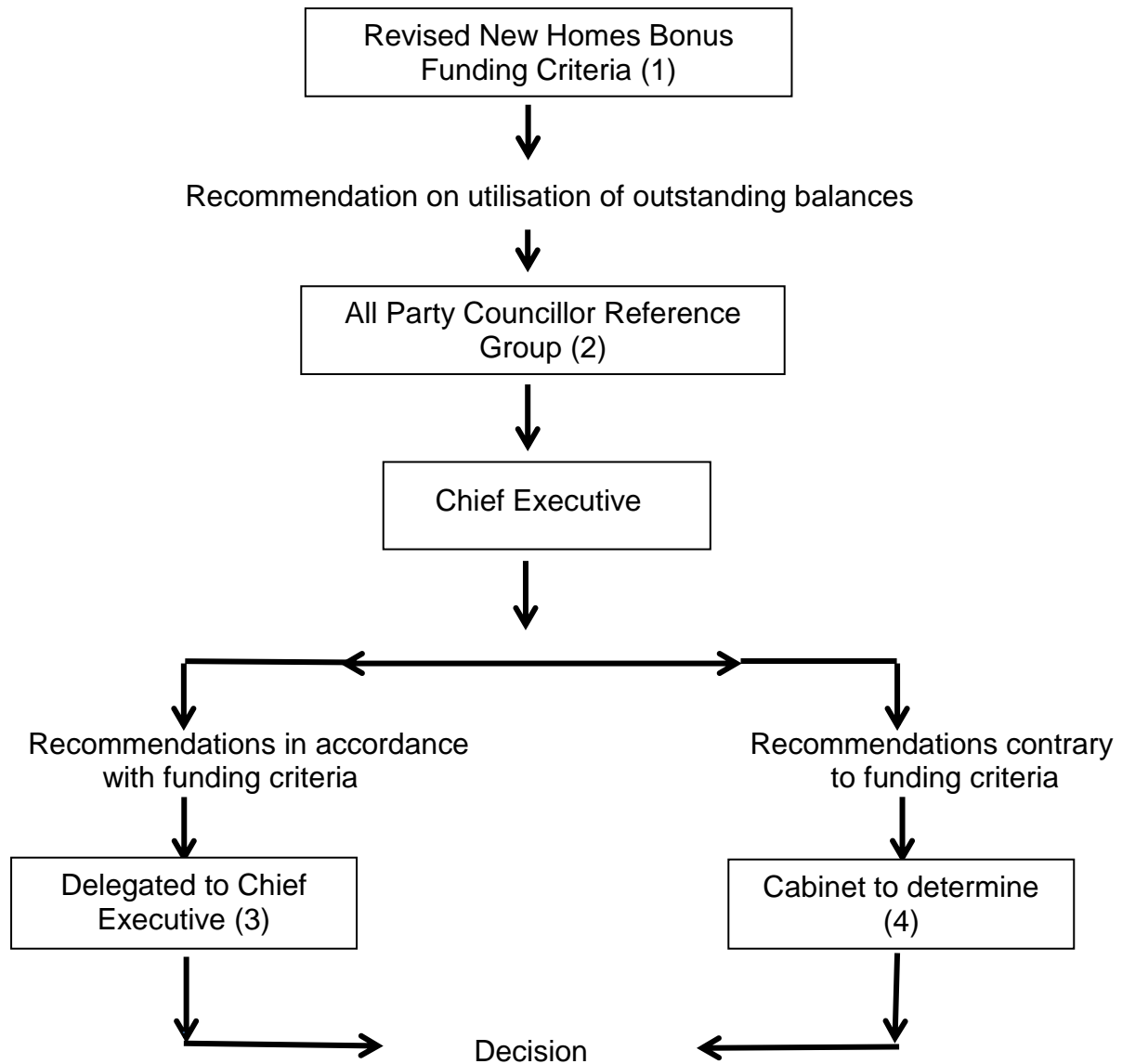
- 1.2 Priority is given to activities or initiatives that help deliver the outcomes in the Council's two key strategies - the Joint Health and Wellbeing Strategy and the Kirklees Economic Strategy.
- 1.3 Funding is invested in activities or initiatives that help to build positive, resilient communities that are able to do more for themselves and each other.
- 1.4 Projects that encourage partnership involvement to deliver and achieve more collectively.
- 1.5 The allocation of funding should not be contrary to any policies agreed by Cabinet.
- 1.6 The allocation of funding should not commit the Council to supporting expenditure beyond the financial year/to any future maintenance liability.
- 1.7 Funding should not be used to fill gaps created as a result of budget reductions already approved by the Council.
- 1.8 Proposals should demonstrate value for money and a return on financial and social investment as follows:-
 - 1.8.1 Financial return on investment – NHB funding will result in a Council saving over a three year period after which the proposal/activity funded will generate sufficient income from other sources (e.g. grants, sponsorship, in kind) to cover its ongoing costs.
 - 1.8.2 Social return on investment – NHB funding will help to generate social impact and positive outcomes for people, communities or the environment and demonstrate a financial saving for the Council after three years.
- 1.9 Ward Members will be expected to complete a NHB enquiry form (attached at para 2) for each project which identifies the outcomes and benefits of the proposal and submit it to ANAT who will assess the proposal against the criteria and then seek a decision as set on in the decision making flowchart at para 3.
- 1.10 Where Ward Members wish to commission a Council service the project will be assessed against the criteria and comments will be sought from the relevant service/s to determine what level and type of officer support and resources are required to deliver the scheme. This information will be shared as part of the decision making process.
- 1.11 Ward Members will be expected to hold at least one meeting in public annually e.g. through a Ward Forum, to report how they have allocated their budgets and the outcomes they have achieved. A summary of schemes funded will be published on the Council's website.

2. NEW HOMES BONUS

New Homes Bonus Fund – Enquiry Forum	
WARD	
COUNCILLORS NAMES	
PROPOSAL (PURPOSE OF PROJECT/REASON FOR FUNDING)	
WHAT ARE THE MAIN OUTCOMES AND BENEFITS OF THIS PROJECT?	
WHO WOULD BENEFIT AND HOW?	
AMOUNT OF FUNDING NEEDED (IF KNOWN)	£
OFFICER ASSESSMENT	
HOW DOES THIS PROJECT MEET THE NHB CRITERIA?	
HOW DOES THE PROPOSAL DEMONSTRATE VALUE FOR MONEY AND RETURN ON FINANCIAL & SOCIAL INVESTEMENT?	
SERVICE COMMENTS (WHO AND WHAT)	
PROJECT COSTS?	£
ALL PARTY COUNICLLOR REFERENCE GROUP RECOMMENDATIONS	
CHIEF EXECUTIVE/CABINET DECISION	
AMOUNT APPROVED	£
DATE APPROVED	
AMOUNT EXPENDED	£
DATE FINALISED	
ANY OTHER ADDITIONAL INFORMATION	

3. New Homes Bonus Decision Making Flowchart (in respect of any potential reserves)

Ward Councillors or Cross Ward Collaboration



Notes:

- (1) Cabinet to approve revised criteria for use of outstanding New homes Bonus allocations
- (2) Cabinet to establish an All-Party Councillor Reference Group to consider recommendations for funding
- (3) Chief Executive to be given delegated authority by Cabinet to approve funding applications that are in accordance with the revised funding criteria and to refer proposals that are contrary to the criteria to Cabinet for determination.
- (4) Cabinet to consider and determine funding applications that are contrary to the revised funding criteria

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