

Public Document Pack



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

Julie Muscroft

The Democracy Service
Civic Centre 3
High Street
Huddersfield
HD1 2TG

Tel: 01484 221000

Please ask for: Andrea Woodside

Email: andrea.woodside@kirklees.gov.uk

Monday 13 November 2017

Notice of Meeting

Dear Member

Cabinet

The **Cabinet** will meet in the **Council Chamber - Town Hall, Huddersfield** at **4.00 pm** on **Tuesday 21 November 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".

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

Councillor Cathy Scott

Responsible For:

Leader of the Council with shared Portfolio for Strategy and Strategic Resources, New Council & Regional Issues

Deputy Leader of the Council with shared Portfolio for Strategy and Strategic Resources, New Council & Regional Issues

Cabinet Member - Economy (Strategic Planning, Regeneration and Transport)

Cabinet Member - Economy (Strategic Housing, Regeneration and Enforcement)

Cabinet Member - Corporate (Place, Environment and Customer Contact Services)

Cabinet Member - Children (Statutory Responsibility for Children)

Cabinet Member - Adults & Public Health (Statutory Responsibility for Adults and Public Health)

Cabinet Member - Children

Cabinet Member - Corporate (Place, Environment and Customer Contact Services)

Cabinet Member - Adults and Public Health (Cabinet Lead on Democracy Commission)

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 - 6

To approve the Minutes of the meeting of the Committee held on 17 October 2017.

3: Interests

7 - 8

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.

In accordance with Council Procedure Rule 10 (2), Members of the Public should provide at least 24 hours' notice of presenting a deputation.

6: Public Question Time

The Committee will hear any questions from the general public.

7: Member Question Time

To consider questions from Councillors.

8: A Partnership Approach - School Swimming and Kirklees Active Leisure

9 - 18

A report to request permission to engage regarding a potential partnership approach between the Local Authority, Kirklees Active Leisure and schools for school swimming.

Contact: Joanne Sanders, Acting Service Director Learning and Early Support
tel: 01484 221000

9: Kirklees Libraries Consultation Plan

19 - 36

A report seeking approval on the methodology and timeline for the Library Consultation.

Contact: Carol Stump, Chief Librarian tel: 01484 221000

10: Half yearly monitoring report on Treasury Management Activities 2017-18

37 - 58

A report setting out the mid-year treasury management operation activity for 2017/18, covering the period 1 April to 30 September 2017.

Contact: Eamonn Croston, Head of Finance and Accountancy, tel: 01484 221000

11: Corporate Financial Monitoring Report - Quarter 2 for 2017-18

59 - 80

To receive information on financial monitoring on general fund revenue, Housing Revenue Account (HRA) and Capital Plan, as at Quarter 2 2017-18.

Contact: Eamonn Croston, Head of Finance and Accountancy, tel: 01484 221000

12: Highways Capital Plan 2017/18

81 - 94

A report to consider the Highways Capital Plan for 2017/18 and the detailed programme of works to be implemented over the next 2 years.

Contact: Graham Mallory, Group Engineer tel: 01484 221000

This page is intentionally left blank

Contact Officer: Andrea Woodside

KIRKLEES COUNCIL

CABINET

Tuesday 17th October 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 Graham Turner
Councillor Cathy Scott

Apologies: Councillor Masood Ahmed

Observers: Councillor Cahal Burke
Councillor Andrew Pinnock
Councillor Elizabeth Smaje
Councillor Mohan Sokhal
Councillor Julie Stewart-Turner

332 Membership of the Committee

Apologies for absence were received on behalf of Councillor Ahmed.

333 Minutes of previous meeting

RESOLVED –

That the Minutes of the Meeting held on 19 September 2017 be approved as a correct record.

334 Interests

No interests were declared.

335 Admission of the Public

It was noted that Agenda Item 15 would be considered in private session (Minute No. 346 refers).

336 Deputations/Petitions

Cabinet received deputations in relation to Agenda Item 9 at the consideration of that Agenda Item (Minute No. 340 refers).

337 Public Question Time

No questions were asked.

338 Member Question Time

No questions were asked.

339 Ad Hoc Scrutiny Panel - Bereavement Support in Schools

(Under the provisions of Council Procedure Rule 36(1) Cabinet received representations from Councillors Burke and Stewart-Turner).

Cabinet received a report which set out the findings of the Ad-Hoc Scrutiny Panel on Bereavement Support in Schools. The report advised that the Panel had been established as a result of concerns that there did not appear to be consistency amongst schools in the approach to supporting young people who were experiencing bereavement. The report advised that a preliminary phase of work had been undertaken in July 2013 and September 2014, and that the issue had then been revisited in 2016 and included within the 2016/17 Overview and Management Committee priorities.

The findings of the Panel were attached as an appendix to the report, alongside a summary of recommendations arising from the investigation and an action plan which set out the responses of the Cabinet Member to the recommendations.

RESOLVED -

- 1) That the findings of the Ad Hoc Scrutiny panel for Bereavement Support in Schools, and the response of the Cabinet Member to the recommendations in the report, be received and noted.
- 2) That the report be submitted to the meeting of Council on 15 November 2017, for information.

340 Proposals for the partial conversions of Batley Sports & Tennis Centre and Dewsbury Sports Centre

(Under the provisions of (i) Council Procedure Rule 37 Cabinet received representations from Simon Barraclough, Gavin Sutcliffe, Catherine Overend and Kate Cross and (ii) Council Procedure Rule 36(1) Cabinet received representations from Councillors A Pinnock and Smaje).

Cabinet gave consideration to a report which sought permission for Kirklees Active Leisure (KAL) to convert elements of Batley Sports and Tennis Centre and Dewsbury Sports Centre to provide alternative leisure facilities with a view to generating income and employment opportunities and increasing the numbers of people who engage in physical activity. The proposed conversion would change part of the sports hall at Dewsbury Sports Centre and part of the indoor tennis facility at Batley Sports and Tennis Centre to accommodate soft play, clip 'n' climb and associated facilities. It was noted that as the Council was the landlord for these facilities, it was necessary for KAL to seek the Council's permission in order to make the alternations to the internal arrangements of the buildings, and that in the case of Dewsbury Sports Centre, the consent of the Head Lessee would also be required.

The report explained that the existing spaces were underutilised and that the development proposals aimed to increase usage considerably, hence improving financial performance and creating additional employment opportunities within the local area. Cabinet noted that the impact upon affected existing users could be mitigated by alternative provision being available within a reasonable travel distance. Furthermore, it was noted that the proposals formed part of the plan of investment to improve leisure facilities in North Kirklees.

RESOLVED -

- 1) That approval be given to redevelop the existing indoor and outdoor tennis space at Batley Sports and Tennis Centre, as set out at Option 4 of the considered report, and the Sports Hall at Dewsbury Sports Centre into a soft play, clip 'n' climb and associated facilities, notwithstanding that officers have, currently, been unable to secure Head Landlord's consent to the alterations.
- 2) That the required capital expenditure and method of funding the financing costs, as set out at section 3.5 of the considered report, be approved.
- 3) That it be noted that the change in provision will enable KAL to increase its surpluses as a way to offset the reductions in funding to the Council over the next three years, and to attract more children, young people and adults to be physically active.

341 Access to Services Strategy

(Under the provisions of Council Procedure Rule 36(1) Cabinet received a representation from Councillor Smaje).

Cabinet gave consideration to a report which sought approval regarding future Access to Services model principles, following which they would be developed further prior to the submission of a further report. The report advised that the proposals sought to enable residents and communities to more readily access information, signposting and services in order to improve the customer experience and journey, and also to recognise the customer preference of using one central location to access various services. In order to deliver this outcome, the report identified the key principles underpinning the service provision as being the

advancement of (i) digital by design (ii) telephone and face to face (iii) hub approach and (iv) local access points. Cabinet noted that there were five Kirklees Community Hubs in North Kirklees and eleven in South Kirklees.

The report advised that, subject to approval, Officers would continue to implement the transition to the new Access to Services Strategy as detailed within the considered report and that further reports would be submitted as the proposals are developed.

RESOLVED -

- 1) That the Access to Services model principles be approved.
- 2) That it be noted that reports will be submitted to future meetings, as appropriate, in order to develop the Access to Services Strategy.

342 Reasonable Behaviour Policy

Cabinet gave consideration to a report which sought approval for the implementation of a Reasonable Behaviour Policy, which was attached as an appendix to the considered report. The report advised that the Council was committed to providing a fair, consistent, accessible and respectful service to all residents, and in return, expected employees and Councillors to be treated in a respectful manner. The report highlighted that, in a small number of cases, such standards were not adhered to whereby the actions of some individuals resulted in unreasonable and disproportionate demands which could impact upon the services provided to others, or where communication takes places in such a manner that causes unreasonable offence and upset to employees and Councillors. The report acknowledged that, whilst it was understood that residents could be disappointed or frustrated with outcomes, the Council would no longer tolerate behaviour which was deemed unacceptable, threatening, abusive or unreasonably persistent.

Cabinet noted that the aim of the policy would be to help residents, Councillors and staff to understand the definition of unreasonable behaviour, including examples, and set out a series of measures that the Council would take to try and limit impact and resolve matters. The report advised that the policy covered wider communications including formal meetings and appointments, public meetings, telephone calls, written correspondence and social media.

The report advised that the objective of the policy was to readdress the current situation whereby the behaviour of a number of individuals impacted upon the service delivery to others and aimed to manage the behaviour and expectations of such individuals.

RESOLVED -

- 1) That the introduction of the Reasonable Behaviour Policy be approved, subject to the addition of further text to reinforce the powers of a Chair in terms of managing disruption at public meetings and ensuring that meetings are conducted appropriately.

- 2) That the report be submitted to the meeting of Council on 15 November 2017 to seek endorsement, subject to the additional text as referred to in (1) above.

343 KNH Performance

Cabinet received the Kirklees Neighbourhood Housing (KNH) Annual Report 2016/2017, which provided an update on the performance of NHH in delivering services for tenants and residents over the period of the last financial year. The report set out the organisation's achievements and progress towards (i) the strategic priorities of the Council and its partners and (ii) the Council's core housing management and maintenance contractual requirements of KNH.

The report highlighted key successes over this period which included; creating a new organisation through a merger with building services, achieving 81% tenant satisfaction, 97% tenant satisfaction with repair works, property occupancy of 99.8%, a rent collection rate of 97.4%, and 97.22% of anti-social behaviour cases being successfully resolved. The report also provided detail of opportunities and challenges relating to national policy changes and budget implications.

It was noted that the report would be submitted to the meeting of Council on 15 November 2017, for information.

RESOLVED -

That the KNH Performance report be received and noted, and submitted to the meeting of Council on 15 November 2017 for information.

344 To approve regulations establishing Transport for the North as a Sub-National Transport Body

Cabinet received a report which sought consent for the inclusion of highway powers in the making of regulations by the Secretary of State to establish Transport for the North as a Sub-National Transport Body under Section 102J of the Local Transport Act 2008. The report advised that the consent of each constituent authority was required to the making of Regulations by the Secretary of State. Cabinet were asked to note the transfer of Rail North Limited to Transport for the North following its inauguration and the signing of a new Rail Franchise Management Agreement with Transport for the North, replication as far as possible the arrangements entered into in respect of Rail North Limited.

A report prepared by Transport for the North which explained the development of the proposals and proposed operation was attached as Appendix 1 to the considered report. Appendix 2 set out the draft regulations which all constituent authorities and highway authorities were being asked to approve.

Cabinet noted that once consent had been provided by the 19 constituent authorities, Transport for the North would continue to work closely with the Department for Transport to ensure that Transport for the North was provided with

the statutory powers necessary to carry out functions and that it would keep authorities updated on progress once regulations are finalised and enacted.

(Cabinet gave consideration to exempt information at Agenda Item 15 (Minute No. 346 refers) prior to the determination of this agenda item).

RESOLVED -

- 1) That consent be provided under Section 102J of the Local Transport Act 2008 to the making by the Secretary of state of Regulations to establish Transport for the North as a Sub-National Transport Body, and giving Transport for the North concurrent highway powers.
- 2) That the transfer of Rail North Limited to TfN following its inauguration be noted.
- 3) That the signing of a new Rail Franchise Management Agreement with TfN replicating as far as possible the arrangements entered into in respect of Rail North Limited be noted.
- 4) That the concerns of Cabinet regarding the proposed representation and decision making be noted, and that the Body be asked (a) how the decision making process will operate, and (b) to request the submission of an annual report to the meeting of Council

345 Exclusion of the Public

RESOLVED –

That acting under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following item of business, on the grounds that it involves the likely disclosure of exempt information, as defined in Part 1 of Schedule 12A of the Act.

346 To approve regulations establishing Transport for the North as a Sub-National Transport Body

(Exempt information within Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006, as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It was considered that the public interest in maintaining the exemption, which would protect the interests of the Council and third party organisations concerned, outweighed the public interest in disclosing the information and providing greater openness in the Council's decision making.)

Cabinet gave consideration to the exempt information prior to the determination of Agenda Item 13 (Minute No. 344 refers).

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: 21st November 2017

Title of report:

A Partnership Approach - School Swimming and Kirklees Active Leisure

Purpose of report

To request approval to engage about a potential partnership approach between the LA, Kirklees Active Leisure (KAL) and schools, for school swimming.

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 Affects all Wards
Key Decision - Is it in the Council's Forward Plan (key decisions and private reports)?	Yes
The Decision - Is it eligible for "call in" by Scrutiny?	Yes
Date signed off by Director & name	Steve Walker – 10th Nov 2017
Is it also signed off by the Assistant Director for Financial Management, IT, Risk and Performance?	Debbie Hogg (Eamonn Croston) 10th November 2017
Is it also signed off by the Assistant Director - Legal Governance and Monitoring?	Julie Muscroft (Karl Larrad 10th November 2017)
Cabinet member portfolio	Cllr Masood Ahmed Cllr Erin Hill Cllr Graham Turner

Electoral wards affected: All
Ward councillors consulted: None

Public or private: Public

1. Summary

Kirklees Council provides a service for primary schools across the district that enables pupils to have access to swimming and water safety instruction, in line with the Key Stage 2 national curriculum.

To provide this service, the Council already works in partnership with Kirklees Active Leisure (KAL), as their swimming pool facilities enable the delivery, alongside the 3 school pool facilities in the Huddersfield area (Salendine Nook; Almondbury; and North Huddersfield Trust School).

As well as the timetabling and coordination of pool facilities, to meet school needs the Council also;

- employ and manage swimming teachers
- work closely with KAL who support the service to schools by providing swimming instructors
- makes arrangements for the transportation of pupils to swimming pools
- makes arrangements for swimming galas
- provides management and administration of the service.

This report seeks approval to engage about an opportunity to further develop the partnership between the Council, Kirklees Active Leisure and our schools with a view to the organisation and management of school swimming being delivered directly between Kirklees Active Leisure and schools from September 2018 with a TUPE transfer on or around end of July 2018.

2. Information required to take a decision

When looking at our shared outcomes for the district, the Council and its partners want children in Kirklees to have the best start in life and for people in Kirklees to be as well as possible for as long as possible. It is therefore important that we work together with our schools to secure a sustainable, high quality school swimming service.

The government has given a real focus to swimming, recently commissioning Swim England (formerly known as the Amateur Swimming Association (ASA)) to produce a swimming charter to promote the importance of swimming, not just as a life skill but also for all the related inclusion and health benefits.

In July 2017 a report was launched by a group of experts from across education, sport and leisure, who aim to improve swimming and water safety in schools. The report explored the challenges that primary schools face in delivering high quality swimming and water safety lessons.

The report found that almost a third (31 per cent) of Year 6 pupils in England and Wales will finish school without being able to swim and without basic water safety skills. In addition, two-thirds (63 per cent) of parents with Year 6 children fear that their child could not save themselves in water.

Swimming and water safety remains a statutory element of the 2014 National Curriculum. The expectation is for all pupils to achieve a minimum standard of swimming ability and water safety awareness before they finish Key Stage 2.

The opportunity to buy swimming instruction is offered as part of the Partnership Services within Learning and Early Support. Each primary school currently 'buys' this service from their Dedicated Support Grant (DSG) budget

as it is a required part of the National Curriculum (NB Academies do not have to follow the National Curriculum).

The programme of school swimming coordinated by the Council ensures a fair provision of school swimming, with all schools charged the same per pupil, no matter their geographic location/ travel time to their allocated swimming pool.

The Council delivers the service through contracted (directly employed) swimming teachers and KAL swimming instructors. In addition, several contracts/agreements are currently in place to allow the Council to deliver the service, including;

- KAL facility hire agreements
- Individual school agreements (the traded service).
- Transport contract (This is part of a larger contract agreed via the West Yorkshire Combined Authority (WYCA))
- SPIE PFI agreements (Non KAL pool facilities)

Kirklees Council deliver to the national curriculum swimming standards, however, they do not follow the Swim England Learn 2 Swim framework.

Kirklees Council have historically demonstrated a high achievement level of 85%+. Kirklees provides all schools with an individual report and attainment percentage; all assessments and observations are completed internally.

Over recent months, there have been exploratory discussions with a view to assessing, in principal. The potential for the Council to build on the partnership with KAL, and transfer the delivery of school swimming to KAL. This would mean that schools would be able to deal directly with KAL, who would have the capacity and opportunity to build upon, enhance and shape the offer in the future. KAL already operate the pools at which the swimming lessons are provided apart from 3 school pools.

As key partners already working with our schools, KAL see this as a positive opportunity, and, in terms of future delivery, the sustainability and capacity for a swimming service could be best met by KAL who have led in the development of the Kirklees Aquatic Pathway over recent years and have experience and expertise in terms of overall aquatics delivery.

KAL have stated that in addition to the core benefits of transferring the service, a number of further opportunities may well exist, including the opportunity to;

- Review the current delivery to optimise efficiency, in terms of both:
 - Session length; and
 - Product delivered
- Implement longer term Service Level Agreements with each school to provide longer term security/ planning ability for the programme and increased value for money for the schools.
- Develop the wider partnership with schools allowing additional KAL product development and delivery within school sites, linking with the other school activity partners on the Kirklees Active Schools (KAS) strategic board. This would include both the development of a “universal offer” approach to primary schools across Kirklees, with school swimming and

other KAL products being a central part of this, as well as emerging links with the Thriving Kirklees (previously known as the Healthy Child Programme) transformational health programme by the Locala-led partnership.

The increasing pressures on schools own funding is understood by KAL, and it is recognised that there would be the need to continue to manage the future service exceptionally well to ensure that the schools receive excellent value for money and a high quality service. The Council would want to continue to work collaboratively with KAL and our schools to support this partnership approach by supporting any future relationships. From early discussions, KAL have indicated that they would look to include additionality (e.g. discounted school staff membership) in their offer at no additional cost and believe that because of their expertise in the area there is significant potential for the school swimming product to link with other KAL/partner products (e.g. holiday programmes; etc.) for the benefit of local children and young people.

Engagement with schools about this proposal is now key in shaping the future partnership approach, and therefore this report seeks permission for officers and KAL to ascertain the views of our schools about this potential change.

3. Implications for the Council

3.1 Early Intervention and Prevention (EIP)

On their website, in relation to the swimming charter, Swim England explain some of the wider benefits of swimming lessons, including that through competence in water, children will have more fun, will be more likely to be active, follow a healthy lifestyle and participate in sport throughout their lifetime.

3.2 Economic Resilience (ER)

N/A

3.3 Improving Outcomes for Children

Putting children at the heart of what we do, and enabling them to have the best start in life is supported by developing the existing partnership that exists between our schools, the council and KAL. By building on this partnership there are opportunities for schools to continue to have access to a high quality and sustainable swimming offer that they can shape in conjunction with KAL for the benefit of their pupils.

3.4 Reducing demand of services

Where children and young people are given the opportunity to be active and follow a healthy lifestyle, this can result in better physical and mental health. Securing and building on existing good practice that is affordable and value for money can enable schools to continue to support swimming at Key Stage 2.

3.5 Other (e.g. Legal/Financial or Human Resources)

Should the proposal move forward, there would be human resources implications for swimming teachers that are currently employed by the

Council. The swimming teachers would transfer under TUPE to KAL, following appropriate consultation. Appendix A sets out in more detail the TUPE process. Kirklees Council HR officers would provide technical advice and support any processes where required.

In addition, arrangements would need to be put in place in a transitional phase in relation to transport and the use of the 3 school swimming pools in Kirklees.

Equalities Impact Assessment

The Equality Act 2010 places the Council under a duty – the Public Sector Equality Duty to have due regard to the need to achieve equality objectives.

An initial Equality Impact Assessment has been carried out which indicates that there are no adverse impacts highlighted. This would be revisited following engagement about the proposals. By building upon the existing partnership between the Council, KAL and our schools, the proposal enhances opportunities to sustain a swimming offer for school age children.

4. Consultees and their opinions

It is proposed that consultation and engagement takes place with schools, staff and other interested parties in the second half of the autumn term through to January 2018, and that the feedback received is used to determine the way forward.

5. Next steps

To invite comments and offer opportunities to engage with schools via discussion at

- Education & Learning Partnership Board (29th November)
- School's Forum (1st December)
- Kirklees Primary Heads (18th January)
- Kirklees Secondary Heads (10th January)

As well as offering an opportunity for staff engagement.

6. Officer recommendations and reasons

6.1 The proposal is in line with an outcome focussed commissioning council. It will offer an opportunity to develop a partnership with schools and KAL to enable KAL, which has capacity to add value, provide an efficient, effective, value for money service using their experience and expertise to deliver council outcomes around giving children the best start in life, to follow active healthy lifestyle and improve on and support achievement of minimum standards at Key Stage 2 of the national curriculum.

6.2 To authorise the Director of Children's Services (or nominee(s)) to commence engagement, in partnership with colleagues from KAL for 8 weeks to 19th January with schools to seek their views about

swimming instruction services being delivered by KAL. As well as council staff who would be affected by the proposal.

6.3 Subject to (i) careful consideration of the outcome of the engagement which would have oversight of in 6.1 above: and (ii) KAL Board of Trustees approval to a TUPE business transfer, to delegate authority to the Director of Children's Services to conclude negotiations and finalise arrangements for the TUPE transfer; and for the Service Director, Legal, Governance and Commissioning to enter into and/seal in the Council's behalf any legal and other documentation necessary to give effect to the arrangements.

7. Cabinet portfolio holder recommendation

We are keen to explore opportunities to develop the partnership with our schools and Kirklees Active Leisure for the benefit of the children in Kirklees. We recognise that school funding is under pressure, and that securing a sustainable service, whilst retaining and developing the swimming offer, is of importance for our schools and their pupils. As part of our new ways of working, the Education and Learning Partnership Board will be well positioned to explore the proposal and, along with other opportunities, to seek the views of schools will be important in determining next steps.

8. Contact officer

Jo-Anne Sanders
Acting Service Director – Learning & Early Support
jo-anne.sanders@kirklees.gov.uk

Karl Larrad
Corporate Manager – Legal
karl.larrad@kirklees.gov.uk

9. Background Papers and History of Decisions

N/A

10. Service Director responsible

Jo-Anne Sanders
Acting Service Director – Learning & Early Support

Appendix A.

Transfer of Undertakings (Protection of Employment) Regulations 2006 (as amended) ("TUPE") and Pensions

- 1.1. TUPE was introduced to meet the obligations under a European Directive to ensure the protection of employee rights when there is a "transfer of an undertaking". A relevant transfer can be either a transfer of an undertaking, business or part of an undertaking or a "service provision change" under Reg. 3(1)(b)(i) involving the outsourcing, retender or insourcing of a service where immediately before the transfer there is an "organised grouping of employees" whose principal purpose is to carry out activities on behalf of the Council and the activity is fundamentally the same and not a single specific event or task of short term duration. The proposed would constitute a "service provision change" under reg. 3(1)(b)(ii) and or a business transfer under reg. 3(1)(a).
- 1.2. In circumstances where TUPE applies, the employees transferred will become employees of the transferee (Kirklees Active Leisure in this case) by virtue of the statutory novation of their employment contracts under TUPE. All existing rights and liabilities in relation to transferring Council employees will transfer to Kirklees Active Leisure. Where TUPE applies it does so by operation of law and the parties cannot contract out of it. The intention is that all affected staff will transfer to Kirklees Active Leisure on or around end of July 2018.
- 1.3. There will be no impact on the position of Council support staff (i.e. Finance, HR, IT etc.).
- 1.4. **The Duty to Inform and Consult**
 - 1.4.1. Where employees are transferred from one employer to another under TUPE, both the transferor and the new transferee employer have duties to inform and potentially consult with Trade Unions in relation to any of their employees, who may be affected by the transfer or by "measures" taken in relation to it. If the employer recognises a trade union, they must consult with that union;
- 1.5. **Duty to Inform**
 - 1.5.1. Employees who might be "affected" by the transfer may include:
 - 1.5.1.1. Individuals transferred from the transferor (Council) to the transferee (Kirklees Active leisure) in this case)

- 1.5.1.2. The transferor Council's employees who do not transfer but whose jobs might be affected by the transfer; and
- 1.5.1.3. The transferee's employees whose jobs might be affected by the transfer.
- 1.5.2. The Council and Kirklees Active Leisure as employers are obliged to inform the Trade Unions in writing of:
 - 1.5.2.1. The fact of the transfer, the date, and the reasons for it;
 - 1.5.2.2. The legal, economic and social implications of the transfer for the affected employees;
 - 1.5.2.3. Whether the employer envisages taking any "measures" (e.g. redundancies or a reorganisation) which will affect the employees and, if so, what measures are envisaged;
 - 1.5.2.4. The number of agency workers working temporarily for and under the supervision and direction of the employer, including the type of work those agency workers are carrying out.
 - 1.5.2.5. Information must be provided in sufficient time to allow for consultation if measures are envisaged and the timescale for this is not prescribed by TUPE.
- 1.6. Long enough before the transfer the Council must disclose whether Kirklees Active Leisure envisages carrying out any "measures" which will affect the employees and, if so, what. Kirklees Active Leisure as transferee employer must give the Council as transferor the necessary information so that the current employer is able to meet this requirement.
- 1.7. "Measures" means, for example, changes to terms and conditions, grading or other structures proposed redundancies. It will include any action, step or arrangement in connection with the transfer. Usually it requires the new employer to have formulated some definite plan or proposal. It is not enough that there should be just some possibility of a change in contemplation.

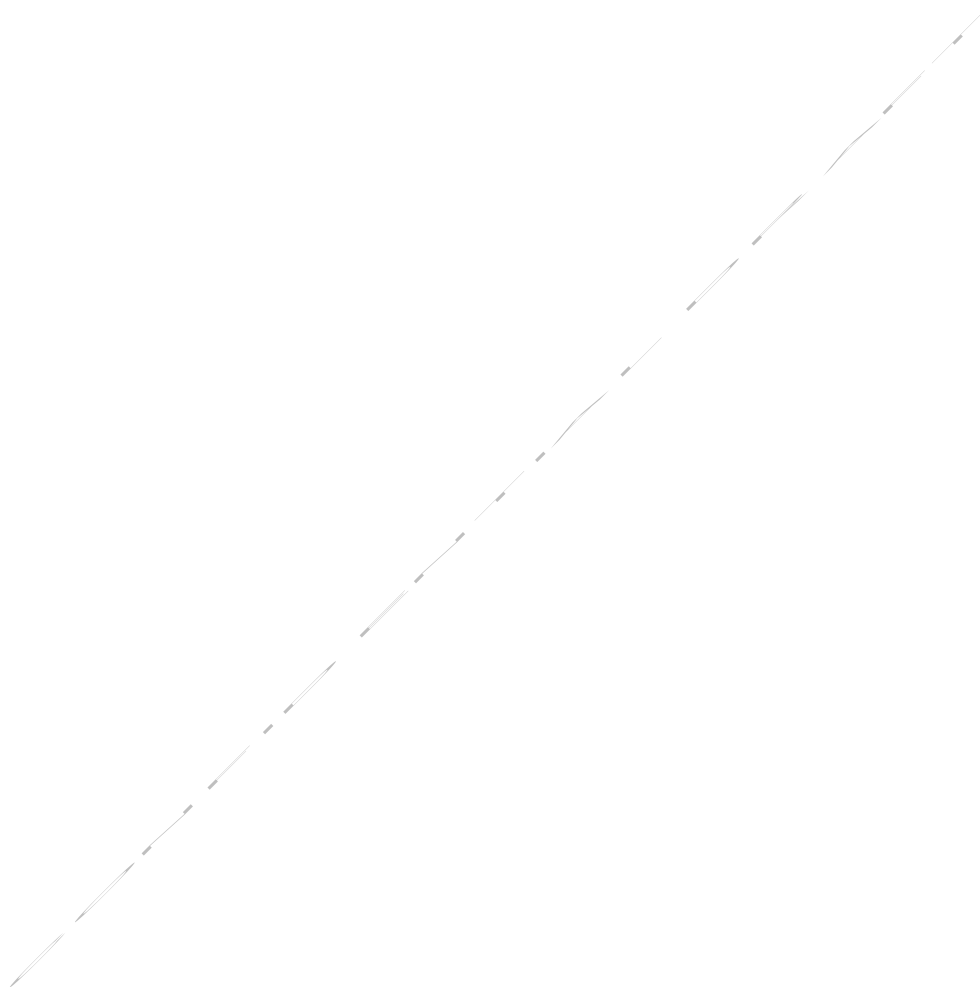
2. Duty to Consult

- 2.1. Unlike the obligation to inform, the obligation to consult will not arise on every relevant transfer. The transferor Council and the transferee employer (Kirklees Active Leisure) will only have a duty to consult trade unions if either anticipates that it will take "measures" in relation to any of its own affected employees which are connected with the transfer (Reg. 13)

- 2.2. However, there is no obligation on the new employer, prior to the transfer, to consult trade unions of transferring employees about measures which it envisages taking in relation to them. Nor is there any obligation on the transferor to consult them about such measures, as the obligation only arises in relation to measures which an employer envisages taking itself. This is an uncertain position and in practice, either the current or new employer will consult the trade unions/staff on such measures in the interests of good employee relations.
- 2.3. This is where measures are defined only as some definite plan or proposal which you intend to implement as a result of the TUPE transfer. This means that you do not need to consult trade unions and/or elected employee representatives on “measures” which are merely a possibility where there has been no actual or contingent decision to put them into effect, or which have no causal or time connection with the TUPE transfer itself. Put simply, if you are planning changes but you don’t know what they will be, they do not amount to measures.
- 2.4. The consultation must be, “with a view to seeking the agreement” of the trade unions to the measures to be taken. There is no requirement actually to reach an agreement. The employer must give the trade unions the opportunity to make representations about the measures being taken; consider and respond to any representations made and, if any, of these are rejected state the reasons for this.
- 2.5. The HR service in the Council and Kirklees Active Leisure will work together on a timescale for TUPE and the provision of information and consultation with staff/trade unions.
- 2.6. The Council as transferor must provide employee liability information to Kirklees Active Leisure not less than 28 days before the transfer date.

3. Pensions

KAL’s Board of Trustees have not informed the Council at this stage of the details of pension provision and this will be subject to consultation.



Name of meeting: Cabinet

Date: 21st November 2017

Title of report: Kirklees Libraries Consultation Plan

The purpose of this report is to seek approval on the methodology and timeline for the Library Consultation

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 Proposed saving of £1.9 million approx. YES Significant impact on all wards .
Key Decision - Is it in the Council's Forward Plan (key decisions and private reports?)	YES Registered 23 rd October 2017
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 Legal Governance and Commissioning Support?	Naz Parkar - 09.11.17 Debbie Hogg - 13.11.17 Julie Muscroft - 13.11.17
Cabinet member portfolio	Cllrs Graham Turner and Musarrat Khan Portfolio Holders for Corporate (Place, Environment and Customer Contact Services)

Electoral wards affected: ALL

Ward councillors consulted: N/A

Public or private: Public

1. Summary

- 1.1 The way people use libraries is changing, and Kirklees Library Service is modernising to reflect this.
- 1.1.1 The service has re-focused service delivery to meet a new, wider range of objectives, supporting the Council's priority outcomes: The outcomes it seeks to achieve aligned with the Council's outcome are set out in **Appendix A**
- Children and Young People are supported through early years reading activities, skills development (Code Clubs, and Summer Reading Challenge volunteering opportunities) and study space with free WiFi.
 - We provide books on prescription and other health and wellbeing information resources, a wide range of health and wellbeing activities, and combat social isolation by bringing people together.
 - Through business events, and access to business databases we support businesses to form and grow.
 - The service is currently performing well and has delivered a number of innovative projects and initiatives which have gained national recognition.
- 1.2 The Council has a duty to consult on its statutory services
- 1.3 This report seeks approval on the methodology and timescales of the consultation from Cabinet.

2. Information required to take a decision

- 2.1 The Library Service has engaged Qa Research Consultants to design the survey, carry out the consultation and analyse the responses. Qa Research were commissioned to design and deliver the previous library consultation in 2015, the results of this can be found at:
<http://www.kirklees.gov.uk/beta/libraries/pdf/LibrariesReviewReport.pdf>
They are experienced in carrying out consultations for many local authorities and are one of the suppliers included in the Council's research framework
- 2.1.2 Timeline:
It is proposed to start the online and face to face consultation in the first week in January. This means the final report from Qa Research will be available week commencing 23rd of April 2018, at which time the Library Service will produce a service review report for consideration by elected members. The intention is for this report to be available for Cabinet in July.
We need to start preparing the documentation for consultation from week beginning 27th of November 2017 in order to meet this deadline.
- 2.1.3 The Consultation Questionnaire. The questionnaire seeks to hear the views of library users on library service delivery. See **Appendix B**
- 2.1.4 On this occasion we will not be seeking views of non-library users as these views were gathered during a recent marketing exercise in February 2017. **Appendix C.** Also during the 2015 Library Consultation.
<http://www.kirklees.gov.uk/beta/libraries/pdf/LibrariesReviewReport.pdf>
- 2.1.5 As part of redesigning the library service the Library Taskforce whose role is to enable the delivery of the recommendations from the [Independent Library Report for England](#)

and to build upon and add value to existing good practice, partnerships and other activities that are already supporting public libraries, recommends that library services explore alternative methods of delivering our service when redesigning services. The Taskforce reports to ministers via the Department for Digital, Culture, Media and Sport (DCMS) and the Local Government Association (LGA).

<https://www.gov.uk/government/groups/libraries-taskforce>

The library service was successful in obtaining a Government grant of £25K to explore this. Therefore this is reflected in the questionnaire. **Appendix B Q11**

- 2.1.6 The Council is looking to redesign its library service delivery within a budget of £2.238 million. The Library Service has delivered over £1.8m of savings in the last two years.

3. Implications for the Council

3.1 Early Intervention and Prevention (EIP)

See outcomes outlined in **Appendix A**

3.2 Economic Resilience (ER)

See outcomes outlined in **Appendix A**

3.3 Improving Outcomes for Children

See outcomes outlined in **Appendix A**

3.4 Reducing demand of services

- 3.4.1 Libraries deliver service in local communities. The Access to Services strategy sets out the way we should design our services:

- **Digital by design** in an inclusive way that recognises that not all sections of the population will be digitally literate or have access to technology.
- **Telephone and Face to Face** access where appropriate.
- **Hub Approach:** The Councils 4 EIP Hubs will provide four bases for high quality back office functions and a range of adult and social care and communities teams. Teams will be mobile and agile and will respond to opportunities for collaboration and co- location presented at local community hub level, aiming to work as close to the frontline as possible.
- **Local access points** which have due regard to the wider assets within neighbourhoods, wards and communities which are well networked and supported by a high quality back office.

- 3.4.2 We must engage with communities to deliver our services, working in partnership with community groups. Many of our services are already supported by Friends of Groups and volunteers and we must continue to grow this model.

- 3.4.3. The outcome the Council is seeking is for residents and communities to be able to readily access information, signposting and services in order to improve the customer

experience and journey, first time, more of the time. It is important that we become less reliant on buildings.

3.5 Other (eg Legal/Financial or Human Resources)

- 3.5.1 Local Authorities have a statutory duty under **Section 7** of the **Public Libraries and Museums Act 1964** to ‘...*provide a comprehensive and efficient library service for all persons.*’ in the area they wish to make use of it. More information can be found on the website:
<http://www.legislation.gov.uk/ukpga/1964/75/crossheading/the-public-library-service>
- 3.5.2 When considering how best to deliver the statutory duty each authority is responsible for determining, through consultation, the local needs and to develop a modern and efficient library service that meets the requirements of the community within the resources that are available. The authority must have regard to the sections 7 and 8 of the Public Libraries and Museum Act which are included in the link above.
- 3.5.3 There is no statutory requirement i.e. no requirements or procedure set out under legislation detailing what the exact procedure or specific consultation requirements for library consultation should be. However, in relation to library services the duty to consult arises out of a common law principle that the LA should act with fairness in the exercise of its functions.
- 3.5.4 The Equality Act 2010 creates the Public Sector Equality Duty (PSED).

Under section 149 of the Act

- (1) A public authority must, in the exercise of its functions, have due regard to the need to—
- (a) Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The relevant protected characteristics are—

Age;
Disability;
Gender reassignment;
Pregnancy and maternity;
Race;
Religion or belief;
Sex;
Sexual orientation.

In order to fulfil the PSED the Council is required to assess the impact of any proposed action on the equality objectives set out above. The way in which the Council approaches this task is to conduct Equality Impact Assessments (EIA).

An Equality Impact Assessment will be carried out on the impact of the redesigned library service. Equality Impacts are available for all previous budget decisions.

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

4. Consultees and their opinions

- 4.1 A comprehensive consultation was undertaken in 2015, the results of this can be found at:
<http://www.kirklees.gov.uk/beta/libraries/pdf/LibrariesReviewReport.pdf>

This consultation seeks to build on this previous exercise.

5. Next steps

Upon receipt of approval to proceed, officers will begin the consultation exercise.

6. Officer recommendations and reasons

Cabinet Approval is sought to:

- A) Approve the proposed questionnaire at Appendix B.
- B) Agree the timelines outlined at para 2.1.2

Delegate authority to the Service Director - Policy, Intelligence and Public Health to finalise the questionnaire, make any drafting or other minor amendments (if necessary).

Following consultation a report on the options will be prepared for a decision at Cabinet.

7. Cabinet portfolio holder's recommendations

The Portfolio Holders support the officer recommendations.

8. Contact officer

Carol Stump
Chief Librarian

9. Background Papers and History of Decisions

- Access to Services Strategy. Cabinet Report 17th of October 2017

10. Service Director responsible

Dave Thompson - Head of Access Strategy and Delivery
Rachel Spencer - Henshall - Service Director, Policy, Intelligence and Public Health

Appendix A

Kirklees Libraries response to Outcomes

Library Outcome (national: "Libraries Deliver") https://www.gov.uk/government/publications/libraries-deliver-ambition-for-public-libraries-in-england-2016-to-2021	Council Outcome	Kirklees Libraries achieve this by:	How these outcomes are delivered:
Cultural and creative enrichment Increased reading and literacy	<i>Children have the best start in life</i>	<ul style="list-style-type: none"> Engaging and inclusive story and rhyme times Implementing a range of engaging reading initiatives e.g. Pageturners Children's Reading Festival Working with local schools to support the curriculum and to promote reading for pleasure. Digital literacy - Coding based play through to Girl Geeks 	Delivery by library staff, partners and volunteers at a range of locations, including: <ul style="list-style-type: none"> Libraries Community hubs EIP hubs Schools Community venues Virtually via online communities
Healthier and happier lives	<i>People in Kirklees are as well as possible for as long as possible</i>	<ul style="list-style-type: none"> Booklists and books providing information, support and advice for 13 to 18 year olds on a wide range of mental health issues We provide recommended books for people living with long term conditions and mental health issues. We offer opportunities for 	A mixture of physical books in libraries and community venues, digital resources such as e-books, newspapers and magazines and targeted activities in facilities such as community venues, schools and residential settings, delivered by library staff, volunteers and partners.

		<p>people to come together socially and to feel valued in their communities through volunteering,</p> <ul style="list-style-type: none"> • We promote the use of literature to improve well-being - Bibliotherapy. 	
Helping everyone achieve their full potential	<i>People in Kirklees have aspiration and achieve their ambitions through education, training, employment and lifelong learning</i>	<ul style="list-style-type: none"> • We provide quality work placement and volunteering opportunities • We provide free access to appropriate learning resources and signpost to other opportunities • We provide a safe neutral space to learn in and share skills • We work with our learning partners to seek funding to deliver learning opportunities. • We provide access to information via alternative formats e.g Braille and Audio transcription 	<ul style="list-style-type: none"> • In libraries (both LA and community run/supported) • Activities around learning opportunities and support for visually impaired people are delivered at various venues, e.g. schools, colleges, community venues and care facilities, delivered by library staff with specialist knowledge, supported by staff and volunteers • Delivery in partnership with further and higher education establishments and the third sector
	<i>People in Kirklees feel safe and are safe/protected from harm</i>	<ul style="list-style-type: none"> • We provide neutral and safe spaces where community 	<ul style="list-style-type: none"> • In libraries, both LA and community

		<p>members can meet e.g Safe Places initiative</p> <ul style="list-style-type: none"> • We provide opportunities to experience diverse cultural events. • We promote best practice in online safety 	<p>run/supported</p> <ul style="list-style-type: none"> • Library staff and volunteers support the public to remain safe online
Greater prosperity	<i>Kirklees has sustainable economic growth for communities and businesses</i>	<ul style="list-style-type: none"> • We provide and promote a range of resources to support start-up businesses, including low cost space • Supporting access to the internet enabling people to seek meaningful employment or start their own business • Provide quality work placements and volunteer opportunities to enhance people's CVs. 	<ul style="list-style-type: none"> • In libraries, both LA and community run/supported • Help and support also available in community venues, business premises and schools
	<i>People in Kirklees experience a high quality, clean, and green environment</i>	<ul style="list-style-type: none"> • We support the local community to engage with the council's digital by default agenda (waste permits) • Friends groups taking on surrounding grounds and developing use to extend library activities 	<ul style="list-style-type: none"> • Through public access IT and free Wi-Fi, library staff and volunteers support those who require assistance to access the Council's digital services • Library volunteers work with the wider community to promote the green

			agenda
<p>Stronger, more resilient communities</p> <p>Improved digital access and literacy</p>	<p><i>People in Kirklees live independently and have control over their lives</i></p> <p>.</p>	<ul style="list-style-type: none"> • We support adults to learn to read • We reach out to individuals who cannot easily access our service. Our Home service is a lifeline to people isolated in their own homes because of age, infirmity or personal circumstance. • Supporting the Council's digital by design agenda Signposting according to need. • Increasing IT skills • We empower the community to develop their local service offer 	<p>Delivery by library staff, partners and volunteers at a range of locations, including:</p> <ul style="list-style-type: none"> • Libraries • Community hubs • EIP hubs • Schools • Community venues • Virtually via online communities <p>Activities around learning opportunities and support for visually impaired people</p> <p>Delivery in partnership with further and higher education establishments and the third sector</p> <p>A mixture of physical books in libraries and community venues, digital resources such as e-books, newspapers and magazines and targeted activities in facilities such as community venues, schools and residential settings, delivered by library staff, volunteers and partners.</p>

	<i>A Council that works smart and delivers effectively and efficiently</i>	<ul style="list-style-type: none">• Provision of ebooks• Self- issue machines• 24/7 web access – renewals online, reservations	Allows citizens to access the range of services remotely
--	--	--	--

Libraries Consultation Survey

The Council's Leadership team have agreed to create a new-look library service.

The purpose of the survey is to hear your views about delivering the library service in Kirklees. Please take the time to complete the following questionnaire and return it to your local library by xx **2018** or take part online at www.kirklees.gov.uk/libraryconsultation where more information can be found about the library strategy and outcomes. Please note – you must be 16 or over to complete this questionnaire. If you are under 16 please use the 'Library Questionnaire for under 16's' available from your local library.

The Library Service has engaged Qa Research Consultants to design the survey, carry out the consultation and analyse the responses. Qa Research were commissioned to design and deliver the previous library consultation in 2015. They are experienced in carrying out consultations for many local authorities and are one of the suppliers included in the Council's research framework

Context

Current Position

The Library Service needs to change and we need your help in generating creative ideas on how this might work. Since September 2016 the Library Service has been working collaboratively with partners, volunteers and Friends Groups to deliver its wide range of services, both in libraries and in other community venues.

The Council's Access to Service Strategy states:

- The outcome the Council is seeking is for residents and communities to be able to readily access information, signposting and services in order to improve the customer experience and journey, first time, more of the time. It is important that we become less reliant on buildings.

In order to deliver this strategy the principles underpinning the service proposition are:

- **Digital by design** in an inclusive way that recognises that not all sections of the population will be digitally literate or have access to technology.
- **Telephone and Face to Face** access where appropriate.
- **Hub Approach:** The Councils 4 (Early Intervention and Prevention) EIP Hubs will provide four bases for high quality back office functions and a range of adult and social care and communities teams. Teams will be mobile and agile and will respond to opportunities for collaboration and co- location presented at local community hub level, aiming to work as close to the frontline as possible.
- **Local access points** which have due regard to the wider assets within neighbourhoods, wards and communities which are well networked and supported by high quality back office.

Progress to date

- We have engaged with communities and currently have Friends Groups at most of our 24 libraries, supported by more than 450 volunteers, helping us to deliver a wide range of services and activities for adults, children and families.
- Volunteers have extended the opening hours of several libraries, offering their time to run libraries with no paid staff.
- We have expanded our offer to ensure that Kirklees residents are encouraged to make use of digital services, such as e-books, online magazines and newspapers. We have also established a coding offer for young people, which include monthly code clubs, regular coding events and a recently formed Girl Geeks group.

Where are we now?

The Council has a statutory duty to deliver a library service. With a budget of £2.238 million we will continue to deliver a range of services that meet the outcomes of Kirklees Council and the Library Service.

Plans going forward

Following this consultation, we will work with elected members and communities to redesign our service, in order to meet the needs of Kirklees residents

For your questionnaire to be included in this survey, we need to know your postcode, so we can understand the views of residents from different areas of the district. Please could you provide your postcode in the box below;

Please note that your postcode will be used for analysis purposes only. It will not be used to identify you.

--	--	--	--	--	--	--	--

Legal requirements: Statutory Legal Framework

Local Authorities (LA) have a statutory duty under **Section 7** of the **Public Libraries and Museums Act 1964** to ‘...provide a comprehensive and efficient library service for all persons...’ in the area they wish to make use of it. More information can be found:

<https://www.legislation.gov.uk/ukpga/1964/75/crossheading/the-public-library-service>

The outcomes the library wants to achieve are:

- cultural and creative enrichment
- increased reading and literacy
- healthier and happier lives
- helping everyone achieve their full potential
- greater prosperity
- stronger, more resilient communities
- improved digital access and literacy

<https://www.gov.uk/government/publications/libraries-deliver-ambition-for-public-libraries-in-england-2016-to-2021>

The purpose of this consultation is to find out what you think about different ways of delivering a Library Service in Kirklees and whether you are able to be involved.

What are the proposals?

Since September 2016 we have worked more closely with Friends and Community Groups and over 450 volunteers who offer their time to deliver a high quality library service.

In the future the Library Service in Kirklees will have a budget of £2.238 million. The Council has not made any decisions yet about how the Library Service will be run with this budget.

Q1. Which TWO of the following are most important for you to be able to do at a library?
(Please tick TWO only)

Borrowing books	<input type="radio"/> 1
Accessing the internet, computers, faxes and scanners	<input type="radio"/> 2
Accessing reference materials (e.g. business directories, other resources)	<input type="radio"/> 3
Researching local history	<input type="radio"/> 4
Attending events	<input type="radio"/> 5
Accessing help and support (please tell us what below)	<input type="radio"/> 6
<div></div>	
Using community spaces such as meeting rooms	<input type="radio"/> 7
Something else (please tell us what below)	<input type="radio"/> 8
<div></div>	

Different ways of delivering our service

These are some of the developments and new ways of working that have been introduced:

- Housing a library within another building e.g. a community centre or a privately run building
- Working with volunteers to deliver services with or without support from paid staff
- Sharing space and staffing with other services

The Council's Access to Services Strategy outlines 'the availability of **community hubs** where appropriate that co-locate a number of services – these could include adult and children's social care and communities teams'. Libraries are looking at using this approach more when planning services.

Q2. How far do you agree or disagree with the following statements?
(Please tick ✓ one circle per row)

	Strongly disagree	Disagree	Neither	Agree	Strongly agree
I would be in favour of moving my local library to another building e.g. a school, community centre or a privately run building.	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5
The Council should reduce the running costs of libraries by sharing space, integrating services and (where appropriate) staffing with partners.	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5

Q3. In order to balance its books the Council may need to close a number of libraries, although central library facilities will remain. If your local library closed, how would you access library services? (Please tick ✓ all that apply)

Visit a central library that offers the full range of library services	<input type="radio"/> 1	Use library services less	<input type="radio"/> 4
Use online library services more (electronic books, magazines, newspapers, databases and the online library catalogue)	<input type="radio"/> 2	Stop using library services altogether	<input type="radio"/> 5
Travel to visit another local library in Kirklees (please tell us which and how far you would be willing to travel)	<input type="radio"/> 3	Something else (please tell us what)	<input type="radio"/> 6
<input type="text"/>		<input type="text"/>	

From Budget consultation 15/16 (in 2014; c4600 people in 2 phases; surveys) and Budget consultation 16/17 (in 2015; 1400 people; survey)

On the locations where people access Kirklees services:

- **74%** support for ‘I would generally **prefer to travel to a central location**, with a wider range of services available’ (vs 26% support for ‘I would generally prefer to travel to separate places to access different services’)

The Council’s Access to Service Strategy states that “We must engage with communities to deliver our services, working in partnership with community groups”. Many of our services are already supported by Friends of Groups and volunteers and we must continue to grow this model.

We currently offer support to communities in the form of staff time and resources from library management, librarian outreach projects e.g code clubs, stock management and access to IT support services.

Q4. How far do you agree or disagree with the following statement?
(Please tick ✓ one circle per row)

	Strongly disagree	Disagree	Neither	Agree	Strongly agree
I would be willing to volunteer to help run a library	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5

Please tell us what type of support you would need if you were to run a library.

Q5. The Home Library Service delivers books and other library stock to people who are housebound and can't easily get to a library. The Council is considering using volunteers to help deliver this service. To what extent do you agree or disagree with this approach? (Please tick ✓ one only)

Disagree strongly	Disagree slightly	Neither agree nor disagree	Agree slightly	Agree strongly	Don't know
<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	<input type="radio"/> 6

How the library service is run

One of the options the Library Service has to consider is whether to deliver the service in a different way. We are currently undertaking a feasibility study to establish whether Kirklees Library Service would benefit from changing the way it is run. Should this become an option, further consultation will be done.

There are 5 different ways to deliver library services and these are summarised below:

Remaining as a service within the Council

The library service would continue to operate as part of the Council.

Local Authority Trading Company (LATC)

The library service becomes a company but remains local authority owned, for example as Hull Library Service. The company may generate profit through delivery of activities or services above and beyond what the Library Service does.

Public Service Mutual (PSM)

The Library Service leaves the Council and becomes a Public Service Mutual, which is a form of Trust, for example as York Library Service. This model of delivery sometimes has an element of employee-ownership and significant community involvement.

Outsource

The Library Service is delivered by an external organisation, such as an existing not-for-profit library social enterprise, private company or charity, for example GLL. Using a private company may mean that profits are retained by the company itself.

Joint Venture

A Joint Venture may potentially provide access to external investment and/or expertise, for example The Hive in Worcester. This is where an external third party invests money into the new organisation, in return for a share of ownership or control.

Q6. How far would you support the following ways of delivering library services in Kirklees?
Please give your answer on 10 point scale, where 1 is do not support at all and 10 is fully support? (Please tick ✓ one circle per row)

	1 Do not support at all	2	3	4	5	6	7	8	9 Fully Support	10
A revised service delivered by the Council	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	<input type="radio"/> 6	<input type="radio"/> 7	<input type="radio"/> 8	<input type="radio"/> 9	<input type="radio"/> 10
Local Authority Trading Company (LACT) - sometimes referred to as a Wholly Owned Company	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	<input type="radio"/> 6	<input type="radio"/> 7	<input type="radio"/> 8	<input type="radio"/> 9	<input type="radio"/> 10
Public Service Mutual (PSM)	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	<input type="radio"/> 6	<input type="radio"/> 7	<input type="radio"/> 8	<input type="radio"/> 9	<input type="radio"/> 10
Outsource to existing social enterprise, third sector or private provider	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	<input type="radio"/> 6	<input type="radio"/> 7	<input type="radio"/> 8	<input type="radio"/> 9	<input type="radio"/> 10
Joint venture	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	<input type="radio"/> 6	<input type="radio"/> 7	<input type="radio"/> 8	<input type="radio"/> 9	<input type="radio"/> 10

Q7. If you have alternative ideas of how a modern 21st Century library services should be run within the budget and legal requirements laid out, please briefly describe your idea. (Please write in the box below)

Q8. If you've suggested another way, please tell us why you think this idea is worth considering.

(Please tick ✓ all that apply)

Easier access to library services	<input type="radio"/> 1
The quality of service would improve	<input type="radio"/> 2
There would be better value for money	<input type="radio"/> 3
Libraries would offer more services to people	<input type="radio"/> 4
Library services would be more sustainable	<input type="radio"/> 5
Another reason (please tell us what below)	<input type="radio"/> 6
<div></div>	

Q9. Do you have any other suggestions or any suggestions of local places that the service could be provided from?
(Please write in the box below)

About You

Please complete these questions which will help us to see if there are differences between the views of different groups and needs within your community. All the information you give will be kept **completely confidential** by Qa Research and no individual will be identified to the council. All details are kept in strict confidence at all times and in compliance with the Data Protection Act 1998.

Q10. Are you? (Please tick ✓ one circle only)

Male	Female	Prefer not to say
<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3

Q11. Which of the following age categories do you fall into? (Please tick ✓ one circle only)

16-24	25-34	35-44	45-54	55-64	65+
<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	<input type="radio"/> 6	<input type="radio"/> 7

Q12. Do you have any long-standing illness, disability or infirmity? (Long-standing means anything that has troubled you over a period of time or that is likely to affect you over a period of time)
(Please tick ✓ one option only)

Yes	No
<input type="radio"/> 1	<input type="radio"/> 2

Q13. This question is about people who provide unpaid care for family; partners or friends in need of help because they are ill, frail or have a disability. This includes a person who looks after someone who misuses alcohol or substances.

Are you responsible for caring for an adult relative/partner, disabled child, or friend/neighbour? (Please tick ✓ one option only)

Yes	No
<input type="radio"/> 1	<input type="radio"/> 2

Q14. Which of the following groups do you belong to? (Please tick ✓ one option only)

Asian/Asian British	<input type="radio"/> 1	Other ethnic group	<input type="radio"/> 4
White	<input type="radio"/> 2	Mixed/multiple ethnic groups	<input type="radio"/> 5
Black/Black British	<input type="radio"/> 3	Prefer not to say	<input type="radio"/> 6

Thank you very much for completing this questionnaire.

Please return your completed surveys to your local library no later than xx 2018.

Appendix C

Transcript from Market Research undertaken by Engine Room February 2017.

Why don't you use the library?

- Never really thought about it.
- No library near to me.
- I don't have time.
- I can buy what I need on Amazon - books cost so little these days.
- Not sure where my local library is.
- I have no need to.
- I buy any books I need and I can do any research on my own computer.
- I can buy new or used books online. It's really cheap.
- I just download books to my Kindle.
- I don't have time to read!
- It is quicker/more convenient to purchase an audio book or books from Amazon or Supermarkets.
- I don't use the library because the opening hours don't suit my working hours. Also, it's very small with limited choice. I just buy books when I go on holiday. I only have time to read on holiday.
- I do think libraries are great but my local library is tiny and doesn't stock much.
- For knowledge and learning I use the internet mostly as it's more relevant and up to date. I generally perceive a library as something mostly for students or the older generations who might not use the internet.
- My son uses our local library at school, they go up one day a week, and I used to take him to the Shepley library but it closed down for refurbishment and I haven't been since.
- I don't use the library due to the opening times and the access to information you can get online now. They suit the senior citizens more. If they opened a bit later than work hours it might encourage people to socialise there.
- It's quite a long walk, can't park free nearby and don't have time to go and browse as not open after working hours.
- I'm not sure what is in a library anymore, small with not much choice I imagine, when you hear about cuts in the service. If you lived within walking distance of a big library, not a village one, you may be tempted to use it more I suppose.
- "I used to go in the library in Slaithwaite sometimes but found it didn't have much choice, and not been in since it moved. I presume the smaller place will have less."



Name and date of meeting: Cabinet
21 November 2017

Title of report: Half Yearly Monitoring report on Treasury
Management activities 2017/18

Purpose of report

The Council has adopted the CIPFA Code of Practice on Treasury Management. It is a requirement of the Code that regular reports be submitted to Members detailing treasury management operational activity. This report is the mid-year for 2017/18 covering the period 1 April to 30 September 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?)	Key Decision: Yes Private Report/Private Appendix: N/A
The Decision - Is it eligible for call in by Scrutiny?	No
Date signed off by Strategic Director and name	Jacqui Gedman – 9 November 2017
Date signed off by Service Director	Debbie Hogg – 8 November 2017
Is it also signed off by the Service Director Legal, Governance and Commissioning (Monitoring Officer)?	Julie Muscroft – 9 November 2017
Cabinet member portfolio	Corporate Graham Turner Musarrat Khan

Electoral wards affected: N/A
Ward councillors consulted: N/A
Public or Private: Public

1 Summary

- 1.1 The report gives assurance that the Council's treasury management function is being managed prudently and pro-actively. External investments averaged £41.3 million during the period at an average rate of 0.20%. Investments have ranged from a peak of £59.8m in August and a low of £23.2m in September.
- 1.2 Balances were invested in line with the approved treasury management strategy (see Appendix 1), in instant access accounts or short-term deposits.
- 1.3 The treasury management revenue budget is forecasted to marginally underspend by £100k in 2017/18 against an annual budget provision of £22.2m.
- 1.4 In-year treasury management performance is in line with the treasury management prudential indicators set for the year (see appendix 4).
- 1.5 A new regulatory update comes into force from 3 January 2018, which means that the Council is required to formally apply to renew its status as a 'professional client' for the purposes of continuing to invest with or borrow from regulated financial services firms, such as money market funds. This report recommends that the Council formally applies on this basis.
- 1.6 The Chartered Institute of Public Finance & Accountancy (CIPFA) is currently consulting with the sector on a number of proposed changes to the current Treasury Management and Prudential codes of practice, to be implemented from April 2018 onwards. This report summarises the key proposals and implications.
- 1.7 The report also includes a recommendation for the formal adoption of a pro-active cash flow management approach between the Council and its wholly owned arms-length management organisation, Kirklees Neighbourhood Housing), as an integral part of effective treasury management strategy of the respective organisations. (For further info please see paragraphs 2.37 to 2.41)

2 Information required to take a decision

- 2.1 The treasury management strategy for 2017/18 was approved by Council on 15 February 2017. The over-riding policy continues to be one of ensuring the security of the Council's balances. The Council aims 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 is designed to minimise risk, with 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. Diversification amongst counterparties is key.

Economic Context

- 2.2 The following economic update has been provided via our external advisors Arlingclose (paragraphs 2.3 to 2.5 below in italics):
- 2.3 *Prime Minister Theresa May called an unscheduled General Election in June 2017, to resolve uncertainty but the surprise result has led to a minority Conservative government in coalition with the Democratic Unionist Party. This clearly results in an enhanced level of political uncertainty. Although the potential for a so-called hard Brexit is diminished, lack of clarity over future trading partnerships, in particular future customs agreements with the rest of the EU block, is denting business sentiment and investment. The reaction from the markets on the UK election's outcome was fairly muted, business confidence now hinges on the progress (or not) on Brexit negotiations, the ultimate 'divorce bill' for the exit and whether new trade treaties and customs arrangements are successfully concluded to the UK's benefit.*
- 2.4 *In the face of a struggling economy and Brexit-related uncertainty, Arlingclose expects the Bank of England to take only a very measured approach to any monetary policy tightening, any increase will be gradual and limited as the interest rate backdrop will have to provide substantial support to the UK economy through the Brexit transition.*
- 2.5 *Ring-fencing, which requires the larger UK banks to separate their core retail banking activity from the rest of their business, is expected to be implemented within the next year.*

Investment Performance

- 2.6 The Council invested an average balance of £41.3 million externally during the period (£44.8 million in the first six months of 2016/17), generating £42k in investment income over the period.
- 2.7 Balances were invested in instant access accounts or short term deposits. Appendix 1 shows where investments were held at the start of April, the end of June and September by counterparty, by sector and by country.
- 2.8 The Council's average investment rate for the period was 0.20%. This is lower than the average for 2016/17 of 0.46%. This is due to the base rate cut to 0.25% from August 2016 and consequential impact on investment interest rates from this date onwards.

Borrowing Performance

- 2.9 Long-term loans at the end September totalled £397.4 million (£400.5 million 31 March 2017) and short-term loans £0.9 million (£37.7 million 31 March 2017). There has been no new external borrowing so far this year. The external borrowing requirement for the year is expected to be around £56m (see also, para 2.15, Table 2). Any borrowing undertaken is likely to be fairly short-term, mainly to take advantage of very low borrowing rates.

- 2.10 Fixed rate loans account for around 81.3% 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 2 and shows that no more than 10% 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.
- 2.11 The Council has occasionally borrowed small amounts from the Money Market for periods between one to seven weeks at an average rate of 0.23%.
- 2.12 Appendix 4 sets out in year repayments on long term borrowing and also further re-payments for the next 6 months.

Revenue Budget Monitoring

- 2.13 The treasury management budget for 2017/18 currently stands at £22.2m. The latest budget monitoring shows a marginal under-spend of £0.1 million; equivalent to just 0.4%. The under-spend is mainly due to a slightly revised Minimum Revenue Provision (MRP) calculation. The MRP calculation is used to determine the amount of revenue resources that need to be set aside annually by the Council to meet its debt obligations.

Prudential Indicators

- 2.14 The Council is able to undertake borrowing without central government approval under a code of practice called the Prudential Code. Under this Code, certain indicators have to be set at the beginning of the financial year as part of the treasury management strategy.
- 2.15 The purpose of the indicators is to contain the treasury function within certain limits, thereby reducing the risk or likelihood of an adverse movement in interest rates or borrowing decision impacting negatively on the Council's overall financial position. Appendix 4 provides a schedule of the indicators set for treasury management and the latest position.

Borrowing and Investment – General Strategy for 2017/18

- 2.16 The Capital Financing Requirement (CFR) represents the Council's underlying need to finance capital expenditure by borrowing or other long-term liability arrangements.
- 2.17 An authority can choose to finance its CFR through internal or external borrowing or a combination of the two.
- 2.18 Forecast changes in the Capital Financing Requirement (CFR) and how these will be financed are shown in the balance sheet analysis at Table 1 below:

Table 1: Balance Sheet Forecast

	Actual	Strategy	Revised Forecast
	2016/17	2017/18	2017/18
	£m	£m	£m
General Fund CFR - Non PFI	412.8	437.9	414.3
PFI	55.5	52.3	52.3
HRA CFR - Non PFI	186.2	182.8	182.8
PFI	56.8	54.9	54.9
Total CFR	711.3	727.9	704.3
Less: PFI debt liabilities (1)	112.3	107.2	107.2
Borrowing CFR	599.0	620.7	597.1
<u>Financed via:</u>			
Deferred Liabilities (Non-PFI) (2)	4.1	4.0	4.0
Internal Borrowing	156.7	104.4	136.6
External Borrowing	438.2	512.3	456.5
Total	599.0	620.7	597.1
Investments	31.3	30.0	30.0

(1) £112.3m PFI Liability (£5.1m falling due in 2017/18)

(2) Deferred Liabilities = £1.0m Finance Lease (Civic Centre 1) & £3.1m Transferred Debt (Probation - Bradford, Waste Mgt - Wakefield & Magistrates Debt Charges)

2.19 The revised forecast takes into account the following factors;

- a) General Fund CFR has reduced from £437.9m to £414.3m due to further slippage in the Capital Plan throughout the last quarter of 2016/17 and also forecasted Capital Plan Expenditure in 2017/18 as reported in Quarter 2 monitoring.
- b) Internal borrowing was forecasted in the Strategy to be £104.4m, this has now been revised up to £136.6m due to lower than forecasted use of reserves.

2.20 The Council currently looks to maximise internal borrowing due to the relatively low rates of investment income available within the scope of the Treasury Management Strategy. However, because of the use of reserves in supporting the MTFP over recent years this has required the Council to convert internal borrowing to external.

Risk and Compliance issues

2.21 On occasions 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 has led to a marginal breach of the investment limit on Barclays on each occasion. Notable occasions were a receipt of £1.03m for sale of land at Dewsbury to Kirklees College and also a £0.632m receipt from N Kirklees CCG late in the day. In addition 1 day in May and 1 in June, a Barclays' software problem prevented the Council from transmitting funds to other counterparty deposit accounts.

2.22 On the May occasion the Council had limited balances of under £0.25 million and in June the Council was actually within an overdraft position. The Council were not penalised for using the credit facility on this occasion.

2.23 In line with the investment strategy, the Council has not placed any direct investments with companies as defined by the Carbon Underground 200.

Council 'Professional Client' Status

2.24 Local authorities are currently treated by regulated financial services firms as professional clients who can “opt down” to be treated as retail clients instead. But from 3rd January 2018, as a result of the second Markets in Financial Instruments Directive (MiFID II), local authorities will be treated as retail clients who can “opt up” to be professional clients, providing that they meet certain criteria. Regulated financial services firms include banks, brokers, advisers, fund managers and custodians, but only where they are selling, arranging, advising or managing designated investments.

2.25 In order to opt up to professional client status, the authority must have an investment balance of at least £10 million and the person(s) authorised to make investment decisions on behalf of the authority must have at least one year's relevant professional experience. In addition, the firm must assess that that person has the expertise, experience and knowledge to make investment decisions and understand the risks involved.

2.26 In order to continue to have the widest opportunities to invest within the scope of the Council's current treasury management strategy, the officer recommendation is for the Council to “Opt up” to become a professional client , to maintain the current status the Council has to invest.

CIPFA Treasury Management Codes - Consultation

2.27 In February 2017 CIPFA canvassed views on the relevance, adoption and practical application of the existing Treasury Management and Prudential Codes and after reviewing responses launched a further consultation on changes to the codes in August 2017.

2.28 The proposed changes to the Prudential Code include the production of a new high-level Capital Strategy report to full council which will cover the basics of the capital programme and treasury management. The prudential indicators for capital expenditure and the authorised borrowing limit would be included in this report but other indicators could be delegated to another committee.

2.29 There are plans to drop certain prudential indicators, but local indicators are recommended for ring fenced funds (including the HRA) and for group accounts. Other proposed changes include applying the principles of the Code to subsidiaries.

2.30 Current Council Treasury Management Strategy incorporates the twelve Treasury Management Practices (TMP) which form part of the existing CIPFA

Treasury Management Code, and these are included at Appendix 6 for reference.

- 2.31 These TMP's currently include pre-existing references to 'Director of Resources', and it recommended that these references be amended to 'Chief Finance Officer' (consistent with updated Financial Procedure Rules). For these purposes, Chief Finance Officer is the person so designated as the section 151 of the Local Government Act 1972 from time to time by the Chief Executive; currently the Service Director Finance, IT and Transactional Services.
- 2.32 It is anticipated that the existing twelve TMP's as set out at Appendix 6 will remain intact as a result of the consultation. Proposed additions to the Treasury Management Code include the potential for non-treasury investments such as commercial investments in properties, to be included in the definition of "investments", as well as loans made or shares brought for service purposes. Another proposed change is the inclusion of financial guarantees as instruments requiring risk management, which would need to be addressed within the Treasury Management Strategy.
- 2.33 The consultation further proposes that approval of the technical detail of the Treasury Management Strategy may be delegated to a committee rather than needing approval of full Council. There are also plans to drop or alter some of the current treasury management indicators.
- 2.34 CIPFA intends to publish the two revised Codes towards the end of 2017 for implementation in 2018/19, although CIPFA plans to put transitional arrangements in place for reports that are required to be approved before the start of the 2018/19 financial year.
- 2.35 The Department of Communities and Local Government (DCLG) and CIPFA wish to have a more rigorous framework in place for the treatment of commercial investments as soon as is practical. It is understood that DCLG will be revising its Investment Guidance (and its MRP guidance) for local authorities in England; however there have been no discussions with the devolved administrations yet.
- 2.36 The revised codes are expected to be published in Dec 2017, and will be formally incorporated into the Council's 2018/19 Treasury Management Strategy as appropriate, taking into account any transitional arrangements.

Council Treasury Management and other Organisations

- 2.37 Kirklees Neighbourhood Housing (KNH) is an arms length management organisation which provides landlord services on the Council's behalf, to about 23,000 tenants and leaseholders, as well as property services (repair and enhancements) to other Council stock. KNH is a separate but wholly owned Council company.
- 2.38 Following the merger of the Council's Building Services operation with Kirklees Neighbourhood Housing (KNH) from April 2017, there has been a significant increase in KNH annual turnover, from about £14m previously, to an estimated

£58m. On an operational level, KNH cashflow management is significantly shaped both by the timing of Fee payments from the Council, and the timing of charges to the Council for property work undertaken.

- 2.39 The current management agreement between the Council and KNH was signed on 16 October 2017, and includes provision for both parties to review the timing of Fee payments and charges in-year between the respective organisations, to support effective 'liquidity risk' cashflow management.
- 2.40 It is recommended that as part of a robust risk management strategy (as set out at TMP1 attached at Appendix 6), as a wholly owned subsidiary of Kirklees Council, KNH shall further have the ability to lend to or borrow from the Council to support their operational cashflow requirements, and at rates of interest no less onerous than those attached to the reference loan from which the funds are derived. These loans will be repayable on demand.
- 2.41 KNH are currently reviewing their current Treasury Management policy and are intending to present forthcoming proposals to their Audit Committee to adopt the CIPFA Treasury Management Code as part of their treasury management revision. This will include incorporation of the proposals as set out at para 2.40 above, subject to Council approval.
- 2.42 The Council is a part shareholder of Yorkshire Purchasing Organisation (YPO), and YPO's own Treasury Management Strategy is based around cash liquidity before financial returns and therefore minimising risk. Any cash may be invested within the same counterparties as the Council. The Council's pro-rata share of the YPO limit per counterparty is £150k.
- 2.43 Whilst the Council and YPO may be investing in the same counterparties, the Council's share of YPO counter-party limit is a maximum of 1.5% on top of the Council's own £10m counterparty limit, and is therefore not considered material enough for the Council to lower its own counterparty limit. This will be monitored moving forward to ensure that the Council's exposure to risk does not become material.

3 Implications for the Council

- 3.1 The treasury management underspend has been incorporated into the overall Quarter 2 financial monitoring report to Cabinet on 21 November.
- 3.2 The outcome of the CIPFA Prudential and Treasury Management Code consultation will be incorporated as appropriate in the Council's forthcoming annual budget report which will incorporate the 2018/19 Council treasury management strategy.
- 3.3 Early Intervention and Prevention (EIP)
N/A

- 3.4 Economic Resilience (ER)
N/A
- 3.5 Improving Outcomes for Children
N/A
- 3.6 Reducing Demand for Services
N/A

4 Consultees and their opinions

This report was also considered at Corporate Governance and Audit Committee on 17 November 2017. Arlingclose, the treasury management advisors to the Council, have provided the economic context commentary contained in this report, and advice on the CIPFA Code consultation.

5 Next steps

Following consideration at Cabinet, this report will be presented to Full Council on 13 December 2017.

6 Officer recommendations and reasons

Having read this report and the accompanying Appendices, Cabinet are asked to:

- i) note the half-year treasury management performance in 2017-18 as set out in the report;
- ii) approve the Council “Opt up” application to professional client status as part of the Markets in Financial Instruments Directive in order for the Council to continue to be able to access the widest range of instruments in line with approved strategy, from January 2018;
- iii) approve the changes as set out in Appendix 6 regarding current Treasury Management Practices wording and the substitution of Director of Resources with Chief Finance Officer;
- iv) note the CIPFA consultation on the current treasury management and prudential codes and that any revisions will be incorporated as appropriate into the forthcoming Treasury Management strategy 2018/19; and
- v) approve the ‘liquidity risk’ management strategy and approach in relation to the Council and Kirklees Neighbourhood Council.

7 Contact officer

Eamonn Croston Head of Accountancy & Finance 01484 221000

James Buttery

Finance Manager

01484 221000

8 Background Papers and History of Decisions

CIPFA's Prudential Code for Capital Finance in Local Authorities.

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

The treasury management strategy report for 2017/18 - Council 15 February 2017

CIPFA 2017 consultation - Prudential and Treasury Management Codes

9 Service Director responsible

Debbie Hogg

01484 221000

Kirklees Council Investments 2017-18													
Counterparty		Approved Strategy Limit £m	Approved Strategy Credit Rating	Credit Rating Sept 2017*	1 April 2017 (opening)			30 June 2017			30 September 2017		
					£m	Interest Rate	Type of Invest ment	£m	Interest Rate	Type of Invest ment	£m	Interest Rate	Type of Investment
<u>Specified Investments</u>													
Bank of Scotland	Bank	10.0	F1	F1/A+	1.2	0.20%	Instant	5.8	0.20%	Instant		0.10%	Instant Access
Handelsbanken	Bank	10.0	F1	F1+/AA	0.0	0.20%	Instant	8.0	0.20%	Instant	8.0	0.20%	Instant Access
Leeds	BS	10.0	F1	F1/A-				3.0	0.22%	1			
Std Life (Ignis)	MMF**	10.0	AAA-A	AAA	8.7	0.29%	MMF	10.0	0.24%	MMF	10.0	0.20%	MMF
Aviva	MMF**	10.0	Aaa-A2	Aaa	7.3	0.20%	MMF	10.0	0.17%	MMF	10.0	0.16%	MMF
Deutsche	MMF**	10.0	AAA-A	AAA	6.9	0.20%	MMF	2.9	0.15%	MMF		0.13%	MMF
Goldman Sachs	MMF**	10.0	AAA-A	AAA	7.1	0.20%	MMF	2.9	0.15%	MMF	3.5	0.13%	MMF
					31.2			42.6			31.5		
<u>Sector analysis</u>													
Bank		10.0 each			1.2	4%		13.8	32%		8.0	25%	
Building Society		10.0 each						3.0	7%				
MMF**		40.0			30.0	96%		25.8	61%		23.5	75%	
Local Authorities/Cent Govt		Unlimited											
					31.2	100%		42.6	100%		31.5	100%	
<u>Country analysis</u>													
UK					1.2	4%		8.8	21%		0.0	0%	
Sweden						0%		8.0	19%		8.0	25%	
MMF**					30.0	96%		25.8	60%		23.5	75%	
					31.2	100%		42.6	100%		31.5	100%	

*Fitch short/long term ratings, except Aviva MMF (Moody rating). See next page for key. The use of Fitch ratings is illustrative – the Council assesses counterparty suitability using all 3 credit rating agencies, where applicable, and other information on credit quality.

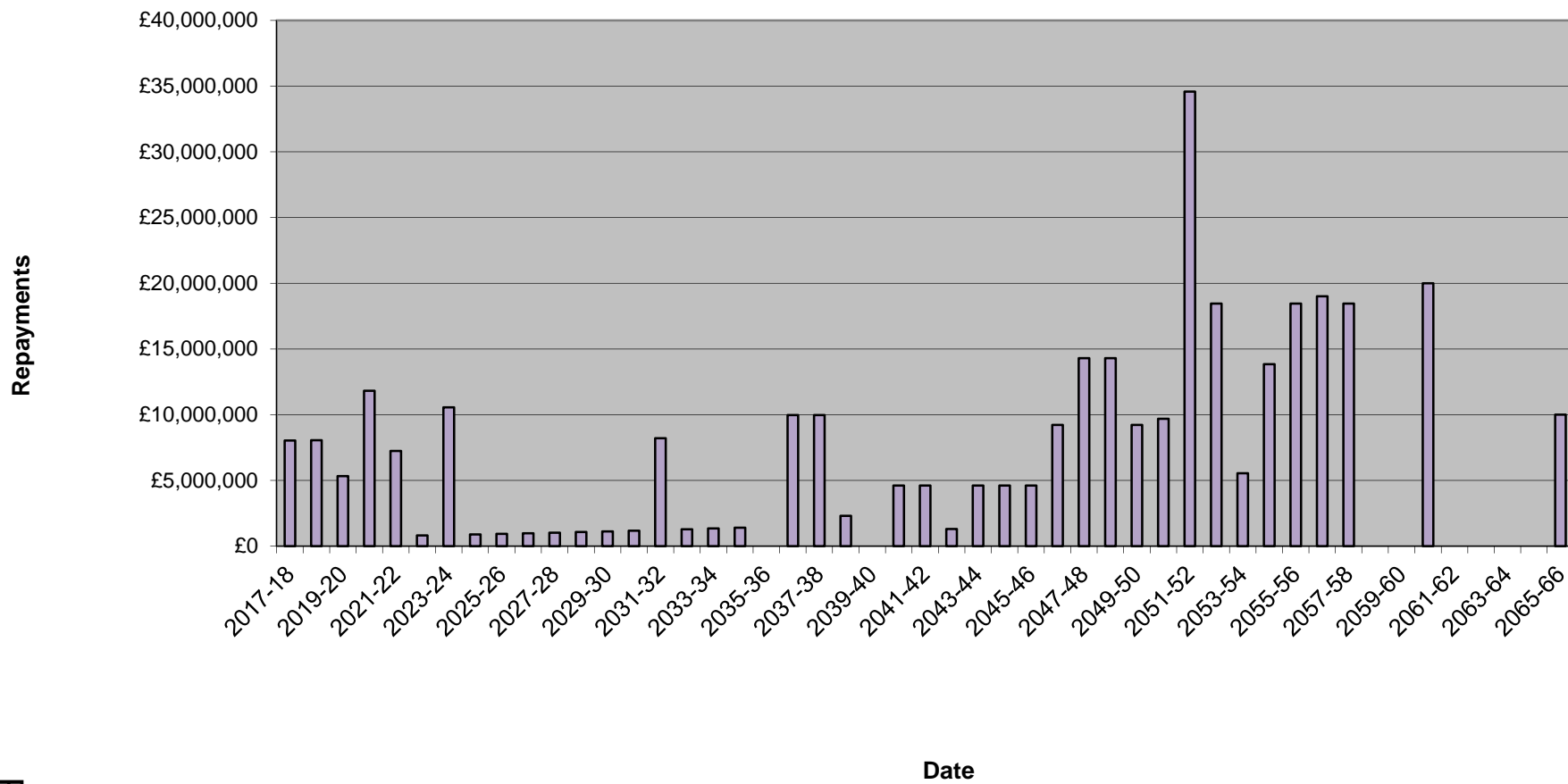
**MMF – Money Market Fund. These funds are domiciled in Ireland for tax reasons, but the funds are made up of numerous diverse investments with highly rated banks and other institutions. The credit risk is therefore spread over numerous countries, including the UK. The exception to this is the Aviva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

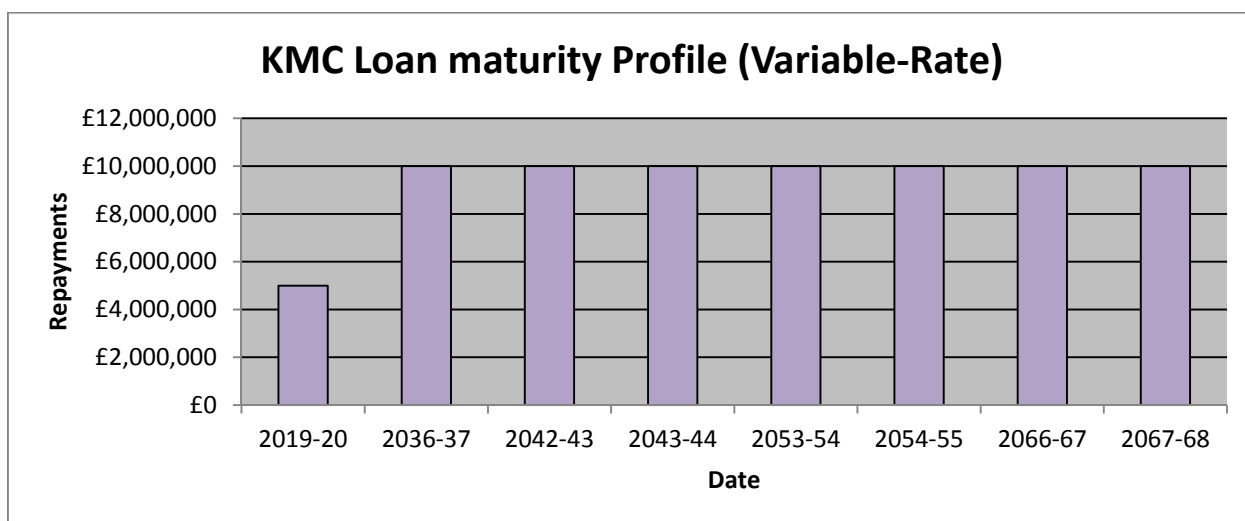
Key – Fitch’s credit ratings:

Appendix 1 Continued

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

KMC Loan Maturity Profile (Fixed-Rate)





The above maturity repayments are based on principal amounts excl. any adjustment for fair values and therefore will not reconcile to table 2 in 2.15

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 2017 - 18	Estimated Actual* 2017 - 18
Interest at fixed rates as a percentage of net interest payments	60% - 100%	81%
Interest at variable rates as a percentage of net interest payments	0% - 40%	19%

*The estimated actual is within the limits set.

The table below further examines the Councils External Borrowing over 1 year

	Actual 2016/17 £m	Strategy 2017/18 £m	Revised Forecast 2017/18 £m	Estimated Forecast 2017/18 %
External Borrowing over one year :	400.5	392.3	392.3	100%
Fixed Rate	324.7	316.5	316.5	81%
Variable Rate (LOBO)	75.8	75.8	75.8	19%

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 2017 - 18	Est'd Actual 2017 - 18
Under 12 months	0% - 20%	4%
12 months to 2 years	0% - 20%	2%
2 years to 5 years	0% - 60%	6%
5 years to 10 years	0% - 80%	4%
More than 10 years	20% - 100%	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 will not invest sums for periods longer than 364 days.

APPENDIX 5

Long-term loans repaid during the period 01/04/17 to 30/09/17

	Amount £000s	Rate %	Date repaid
PWLB (498358) - Maturity	2,768	4.24	21 Aug 17
PWLB (496956) - Annuity	322	4.58	29 Sept 17
Total	3,090		

Long-term loans to be repaid during the period 01/10/17 to 31/03/2018

	Amount £000s	Rate %	Date to be repaid
PWLB (476734) – Maturity	4,613	8.38	06 Dec 17
PWLB (496956) - Annuity	330	4.58	29 Mar 17
Total	4,943		

TREASURY MANAGEMENT PRACTICES

The following Treasury Management Practices (TMPs) set out the manner in which the Council aims to achieve its treasury management policies and objectives, and how it will manage and control those activities.

1. TMP 1 Risk management

The ~~Director of Resources~~ Chief Finance Officer will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the organisation's objectives in this respect, all in accordance with the procedures set out in TMP6 Reporting requirements and management information arrangements. In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set out in the schedule to this document.

(i) Credit and counterparty risk management

The Council regards a prime objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with which funds may be deposited, and will limit its investment activities to the instruments, methods and techniques referred to in TMP4 Approved Instruments, methods and techniques and listed in the schedule to this document. It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing arrangements.

(ii) Liquidity risk management

The Council will ensure it has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to which are necessary for the achievement of its business/service objectives. The Council will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.

(iii) Interest rate risk management

The Council will manage its exposure to fluctuations in interest rates with a view to containing its net interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements.

It will achieve these objectives by the prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. The above are subject at all times to the consideration and, if required, approval of any policy or budgetary implications.

(iv) Exchange rate risk management

The Council will manage its exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income/expenditure levels.

(v) Refinancing risk management

The Council will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the organisation as can reasonably be achieved in the light of market conditions prevailing at the time.

It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid over-reliance on any one source of funding if this might jeopardise achievement of the above.

(vi) Legal and regulatory risk management

The Council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under TMP1(i) Credit and counterparty risk management, it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may effect with the Council.

The Council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the organisation.

(vii) Fraud, error and corruption, and contingency management

The Council will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.

(viii) Market risk management

The Council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect itself from the effects of such fluctuations.

2. **TMP2 Performance measurement**

The Council is committed to the pursuit of value for money in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its Treasury Management Policy Statement.

Accordingly, the treasury management function will be the subject of ongoing analysis of the value it adds in support of the Council's stated business or service objectives. It will be the

subject of regular examination of alternative methods of service delivery and of other potential improvements. The performance of the treasury management function will be measured using the criteria set out in the schedule to this document.

3. TMP3 Decision-making and analysis

The Council will maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions, both for the purposes of learning from the past, and for demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at the time. The issues to be addressed and processes and practices to be pursued in reaching decisions are detailed in the schedule to this document.

4. TMP4 Approved instruments, methods and techniques

The Council will undertake its treasury management activities by employing only those instruments, methods and techniques detailed in the schedule to this document, and within the limits and parameters defined in TMP1 Risk management.

Where the Council intends to use derivative instruments for the management of risks, these will be limited to those set out in its annual treasury strategy. The Council will seek proper advice when entering into arrangements to use such products.

5. TMP5 Organisation, clarity and segregation of responsibilities, and dealing arrangements

The Council considers it essential, for the purposes of the effective control and monitoring of its treasury management activities, and for the reduction of the risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is at all times a clarity of treasury management responsibilities.

The principles on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury management function.

If and when the Council intends, as a result of lack of resources or other circumstances, to depart from these principles, the ~~Director of Resources~~ Chief Finance Officer will ensure that the reasons are properly reported in accordance with TMP6 Reporting requirements and management information arrangements, and the implications properly considered and evaluated.

The ~~Director of Resources~~ Chief Finance Officer will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangement for absence cover. The present arrangements are detailed in the schedule to this document.

The ~~Director of Resources~~ Chief Finance Officer will ensure there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds. The present arrangements are detailed in the schedule to this document.

The delegation to the ~~Director of Resources~~ Chief Finance Officer in respect of treasury management is set out in the schedule to this document. The ~~Director of Resources~~ Chief Finance Officer will fulfil all such responsibilities in accordance with the Council's policy statement and TMPs and, as a CIPFA member, the Standard of Professional Practice on Treasury Management.

6. TMP6 Reporting requirements and management information arrangements

The Council will ensure that regular reports are prepared and considered on the implementation of its treasury management policies; on the effects of decisions taken and the transactions executed in pursuit of those policies; on the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities; and on the performance of the treasury management function.

As a minimum, the Council will receive:

- an annual report on the strategy and plan to be pursued in the coming year
- a mid-year review
- an annual report on the performance of the treasury management function, on the effects of the decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with the organisation's Treasury Management Policy Statement and TMPs.

The present arrangements and the form of these reports are detailed in the schedule to this document.

7. TMP7 Budgeting, accounting and audit arrangements

The ~~Director of Resources~~ Chief Finance Officer will prepare, and the Council will approve and, if necessary, from time to time amend, an annual budget for treasury management, which will bring together all of the costs involved in running the treasury management function, together with associated income. The matters to be included in the budget will at a minimum be those required by statute or regulation, together with such information as will demonstrate compliance with the TMPs. Budgeting procedures are set out in the schedule to this document. The ~~Director of Resources~~ Chief Finance Officer will exercise effective controls over this budget, and will report any major variations.

The Council will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being. The present form of this function's accounts is set out in the schedule to this document.

The Council will ensure that its auditors, and those charged with regulatory review, have access to all information and papers supporting the activities of the treasury management function as are necessary for the proper fulfilment of their roles, and that such information and papers demonstrate compliance with external and internal policies and approved practices. The information made available under present arrangements is detailed in the schedule to this document.

8. TMP8 Cash and cash flow management

Unless statutory or regulatory requirements demand otherwise, all monies in the hands of the Council will be under the control of the ~~Director of Resources~~ Chief Finance Officer and, with the exception of Secondary Schools' bank accounts, will be aggregated for cash flow purposes. Cash flow projections will be prepared on a regular and timely basis, and the ~~Director of Resources~~ Chief Finance Officer will ensure that these are adequate for the purposes of monitoring compliance with TMP1(i) Liquidity risk management. The present arrangements for preparing cash flow projections are set out in the schedule to this document.

9. TMP9 Money laundering

The Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will ensure that staff involved in treasury management activities are fully aware of their responsibilities with regards this. The present safeguards, including the name of the officer to whom any suspicions should be reported, are detailed in the schedule to this document.

10. TMP10 Training and qualifications

The Council recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The present arrangements are detailed in the schedule to this document.

The ~~Director of Resources~~ Chief Finance Officer will ensure that Members of the committee providing a scrutiny function have access to regular training relevant to their responsibilities.

11. TMP11 Use of external service providers

The Council recognises that responsibility for treasury management decisions remains with the organization at all times. However, it also recognises the potential value of employing external providers of treasury management services, in order to acquire access to specialist skills and resources.

When it employs such service providers, it will ensure it does so for reasons which will have been submitted to full evaluation of the costs and benefits. It will also ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review. And it will ensure, where feasible and necessary, that a spread of service providers is used, to avoid over-reliance on one or a small number of companies.

Where services are subject to formal tender or re-tender arrangements, legislative requirements and the Council's Contract Procedure Rules will always be observed. The

monitoring of such arrangements rests with the ~~Director of Resources~~ Chief Finance Officer, and details of the current arrangements are set out in the schedule to this document.

12. TMP12 Corporate governance

The Council is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

The Council has adopted and has implemented the key principles of the Code. This, together with the other arrangements detailed in the schedule to this document, are considered vital to the achievement of proper corporate governance in treasury management, and the ~~Director of Resources~~ Chief Finance Officer will monitor and, if necessary, report upon the effectiveness of these arrangements.



Name of meeting: Cabinet
Date: 21 November 2017
Title of report: Corporate Financial Monitoring Report, Quarter 2, 2017-18

Purpose of the Report

To receive information on financial monitoring on general fund revenue, Housing Revenue Account (HRA) and Capital Plan, as at Quarter 2 (month 6), 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?	Yes
Key decision - is it in the Council's Forward Plan (key decisions and private reports) ?	Key decision - Yes
The Decision - Is it eligible for “call in” by Scrutiny ?	Yes
Date signed off by Strategic Director & name	Richard Parry 13 November 2017
Is it also signed off by the Service Director for Finance, IT & Transactional Services ?	Debbie Hogg 9 November 2017
Is it also signed off by the Service Director – Legal, Governance & Commissioning ?	Julie Muscroft 13 November 2017
Cabinet member portfolio - Corporate	Give name of Portfolio Holders Cllr Graham Turner Cllr Musarrat Khan

Electoral wards affected: None
Ward councillors consulted: None

Public or private: Public

1. Summary

- 1.1 The Council's General Fund controllable (net) revenue budget for 2017-18 was set at **£294.7m**. The budget includes planned (net) revenue savings of £54m in 2017-18.
- 1.2 A further £10.3m 'temporary resources' has been added to this budget in-year, reflecting planned drawdown from “one-off” earmarked reserves to fund a number

of “one-off” deferred expenditure commitments/other developments. This results in a revised budget of **£305.0m** at Quarter 2.

- 1.3 The temporary resources of £10.3m included in the revised budget reflects planned drawdown from Council earmarked reserves in-year to fund a range of deferred expenditure commitments and developments. This includes £2.2m from grants reserve, £2.1m from schools reserve, £2.7m from the revenue rollover reserve (previous year approvals), £3.0m from the Transformation reserve and other net movements totalling £0.3m.
- 1.4 There is a forecast underspend of £1.0m against the £305.0m revised budget at Quarter 2; equivalent to minus 0.3% variance against revised budget. The forecast underspend indicates the extent to which the Council is likely to achieve its forecast savings against planned budgets in 2017-18.
- 1.5 Quarter 2 monitoring suggests that the Council is on track to manage its resources within its planned budget requirement; the latter which included a £54m planned savings target in-year. The forecast revenue outturn as at Quarter 2 is summarised in Table 1 below.

Table 1 - Overview of 2017-18 general fund forecast revenue outturn position at Quarter 2

Strategic Director Portfolios	Year to date			Annual forecast		
	Budget to date	Actuals to date	Variance	Revised Budget	Forecast	Variance
	£000	£000	£000	£000	£000	£000
Children & Families	48,648	51,081	2,433	71,222	77,021	5,799
Adults & Health	38,470	35,897	(2,573)	109,360	106,500	(2,860)
Economy & Infrastructure	66,695	62,515	(4,180)	87,234	84,619	(2,615)
Central Budgets	5,723	4,305	(1,418)	37,155	35,783	(1,372)
Grand Total	159,536	153,798	(5,738)	304,971	303,923	(1,048)

- 1.6 The forecast £1.0m underspend at Quarter 2 includes a number of overspends and offsetting underspends. The overspends in part reflect timing issues on the delivery of key service transformation, including Learning, Early Support & Schools; £908k relating to Early Intervention and Targeted Support and £601k relating to Special Educational Needs. There is also acknowledged to be some volatility with current forecasts in particular with regard to Children’s Services, which includes a forecast net overspend on agency costs at £3.5m, and pressures on external placements at £1.2m.
- 1.7 Elsewhere, planned savings with regard to Supporting People at £1.8m, Schools Transport at £1.3m and Older People’s residential strategy at £469k are currently under review both in terms of their deliverability, and timing.
- 1.8 The reported overspends are mitigated in part by underspends in other service areas, reflecting a combination of factors such as early delivery of 2018-19 savings, slippage in the implementation of service re-design “add back” budgets, and

additional income; underspending service areas include Early Intervention & Prevention add-back slippage at £1.1m (net of add-back applied to community liaison), Welfare & Exchequer Services at £638k, Corporate Landlord at £341k, West Yorkshire Driver Training at £329k and Central Budgets at £1.1m.

- 1.9 New monies for Adult Social Care (improved Better Care Fund or BCF), were announced by the Chancellor as part of the Spring Budget 2017. This additional funding allocation was considered at Council on 11 July 2017 and further as part of the 2018-22 Budget Strategy Update report presented to Council on 11 October 2017. The new BCF monies are a non-recurrent and reducing 3 year grant.
- 1.10 The additional 2017-18 BCF funding allocation totals £8.3m. When this resource was announced in February 2017 the government indicated that further guidance would be forthcoming in relation to the use and conditions. To date we have received some instructions in relation to the DCLG quarterly monitoring requirements and also correspondence in relation to meeting Delayed Transfers of Care as part of the target setting for Improved Better Care Fund. There is no indication at this stage that further guidance is forthcoming.
- 1.11 The MTFP already assumed that BCF funding would be received. The absence of guidance and national, prevailing narrative meant that there was a risk to this assumption and so the additional funding may have been needed to offset this risk. Despite some challenges in September and October, the Council received confirmation on 30th October 2017 that the BCF plan has been approved.
- 1.12 Consequently, given the time elapsed and no clarity about further guidance being issued, it is our recommendation to fully apply the £8.3m funding allocation in-year, with a corresponding release of £5.7m base budget revenue resources in-year. The difference of £2.6m reflects additional one-off targeted developments in-year, in conjunction with Clinical Commissioning Group Partners.
- 1.13 Members were previously advised that the Council is required to evidence additionality of spend in 2017-18. Appendix 2 provides assurance that this condition can still be met, in light of the impact of the recommendation set out in para 1.12 above.
- 1.14 Following the recent Council Senior Management restructure, approved revenue budgets have been re-aligned accordingly. While the budget alignment is largely complete, work continues to conclude this exercise, and any further changes will be reflected accordingly as part of the monthly financial monitoring reports to Executive Team and portfolio holders, and through Quarterly reporting to Cabinet.
- 1.15 Whilst not included in current monitoring projections, there are emerging pressures on the High Needs Block, which is part of the overall annual Dedicated Schools Grant (DSG) funding allocation from Government. This is in part due to additional allocations of funding to post 16 providers in order to meet Council statutory duties; in part the increasing costs and incidence of Out of Local Authority (OLA) placements.
- 1.16 Learning, Early Support & Schools senior officers are currently reviewing both the extent of the pressure and mitigating service actions in-year, and future years; key actions to be incorporated as well into a forthcoming Strategic Specialist Place Sufficiency Plan to be considered by Cabinet early in 2018. The financial implications of this current service review will similarly be considered as part of

updated budget plan proposals, including the extent to which financial pressures can be self-contained as part of a medium term strategy within existing DSG guidelines.

- 1.17 General fund reserves are forecast to reduce through 2017-18 by £21.5m, from £90.1m at the start of the year, to £68.6m as at 31 March 2018. The forecast reduction includes the £10.3m earmarked reserves drawdown referred to at paragraph 1.3 above, plus £11.2m set aside as part of annual budget approval at budget Council in February 2017 to help deliver an overall balanced budget in 2017-18.
- 1.18 The forecast £68.6m general fund reserves at year end, includes £23.6m relating to earmarked reserves commitments. A further £9.8m relates to statutory schools reserves (which cannot be re-directed for non-school uses). This leaves a balance of £35.3m 'financial resilience' reserves. Within this figure is an assumed £5m minimum balances requirement.
- 1.19 This would then leave £30.3m of available 'financial resilience' reserves to mitigate against future budget and other unfunded risks; equivalent to 10.3% of the current year £294.7m (net) controllable revenue budget.
- 1.20 The Collection Fund accounts separately for council tax and business rates income and payments. Council tax is projecting an in-year surplus of £1.5m; mainly due to improved performance in income collection. Business rates is projecting an in-year surplus of £700k; largely reflects a review of bad debt provision requirements for backdated appeals outstanding relating to the 2010 rates valuation.
- 1.21 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 forecast revenue outturn is a small surplus of £206k against an annual turnover of £93.3m in 2017-18; equivalent to just 0.2%. Estimated HRA reserves at 31 March 2018, net of set aside for business risks and a minimum working balance, is £49.7m.
- 1.22 The Council's revised capital budget for 2017-18 is £110.0m. The revised capital budget reflects proposals set out in the 2016-17 financial outturn and rollover report for the allocation of 2016-17 capital rollover to current 2017-18 approved budgets, and the re-profiling of the existing approved plan over the 2017-22 period.
- 1.23 The forecast capital outturn at Quarter 2 is £76.0m, resulting in an underspend of £34.0m; equivalent to 30.9%. This is summarised in Table 2 below.

Table 2 – Forecast Capital Outturn 2017-18 at Quarter 2

By Category	Revised Budget £000	Actuals to date £000	Annual forecast £000	Variance £000
Strategic Priorities	33,605	3,876	12,731	(20,874)
Baseline	53,929	13,390	46,256	(7,673)
Risks & Pressures	2,500	0	0	(2,500)
General Fund	90,034	17,266	58,987	(31,047)
Strategic Priorities	4,153	97	1,817	(2,336)
Baseline	15,869	1,531	15,243	(626)

Housing Revenue Account	20,022	1,628	17,060	(2,962)
Total	110,056	18,894	76,047	(34,009)

1.24 The projected underspend reflects in part, the timing in delivery of a number of strategic priority capital schemes, including £8.8m relating the HD-One development planned for John Smith's stadium, now due on site in Spring 2018. As well, the revolving credit facility to Kirklees College of £6m is not required in 2017-18.

1.25 There is a Cabinet recommendation to Council that a Property Investment Fund (PIF) be created which would allow the Council to support major development works which will produce wider economic benefits to the Council and wider economy. Subject to Council approval for the overall Programme, and timing of any subsequent scheme proposals being approved through Cabinet, these will be incorporated as appropriate into future Capital plan quarterly monitoring projections.

2. Information required to take a decision

2.1 The Appendices accompanying this report provide a more detailed breakdown of the Quarter 2 financial monitoring position, as follows:

- i) Appendix 1 sets out by service area, the forecast general fund revenue outturn position in 2017-18;
- ii) Appendix 2 sets out the impact of the use of the Better care Fund monies in 2017-18, in relation to 2016-17 base budget, and assurance with regard to the Government 'additionality' stipulation;
- iii) Appendix 3 summarises the forecast general fund reserves movements in-year, and the summary financial performance of the Collection Fund, including Collection Fund surpluses/deficits rolled forward from previous years;
- iv) Appendix 4 summarises the forecast HRA financial position including movements in HRA reserves in-year;
- v) Appendix 5 highlights the more significant general fund and HRA forecast variances across service areas; and
- vi) Appendix 6 sets out in more detail, reasons for the more significant forecast capital variances across strategic priority and baseline capital schemes.
- vii) Appendix 7 summarises forecast capital variances by funding source.

3. Implications for the Council

3.1 The report provides summary information on current and forecast financial performance against annual Council revenue and capital budgets, as at Quarter 2, 2017-18. These budgets support the overall 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

Financial, Legal & Other Implications

- 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 Quarter 2 monitoring forecasts indicate overall resource delivery within planned budget requirement; the latter which includes £54m planned savings in 2017-18.
- 3.4 The forecast £1.0m underspend at Quarter 2 is net of the non-deliverability of a number of planned savings in-year, and these are currently under review (see also, paras 1.6 to 1.7 earlier). It is expected that a review of current savings deliverability and alternative options will be incorporated into updated 2018-22 budget plan proposals, over the remainder of the current budget round.
- 3.5 The Council is working closely with its Transformation Business Partner to ensure robust financial governance, programme management, monitoring and review across a range of key Transformation and Service level change activity across the Council.
- 3.6 This includes the identification of opportunities for 'new' savings (including the potential to stretch existing savings targets). Future proposals are anticipated will also be incorporated into updated 2018-22 budget plan proposals.
- 3.7 Overall, the general fund revenue Quarter 2 monitoring forecast suggests good progress continues to be made 'in-year' to manage spend within available budgets. However, current approved budget plans include further target (net) savings of £28.2m in 2018-19, which means that the Council needs to ensure that any underlying in-year pressures potentially rolling forward into 2018-19 will require corrective action in the current year, or early consideration of alternative proposals.
- 3.8 While the 2017-18 additional Better Care Funding allocation of £8.3m, applied in full in 2017-18, has effectively released £5.7m base budget resources, this is not a sustainable saving going forward, because the subsequent year 2 and 3 additional BCF funding allocations taper to £5.3m in 2018-19 and £2.6m in 2019-20. Government has not currently indicated that the 2019-20 would roll forward into future years.
- 3.9 The financial resilience reserves forecast at £30.3m at year end (net of £5m minimum balance requirement), is directly impacted on by the Council's forecast position. The purpose of this reserve is to mitigate against budget and other unfunded risks included in the corporate risk register. Because it is "one-off" in nature, it is short-term funding only and is not a sustainable resource available to offset ongoing budget pressures.
- 3.10 The overall Collection Fund financial performance reflected at Quarter 2, if sustainable, suggests increased resource potential in future years beyond current budgetary assumptions, and this will be considered as part of the 2018-22 budget strategy update. There remains some volatility in particular with regard to business rates appeals still outstanding.

- 3.11 The capital monitoring forecast includes timing issues in particular with regard to strategic priority capital schemes. Council treasury management financing cost requirements (new borrowing) already factor in assumed slippage in borrowing requirement of £14.9m in 2017-18 against the approved capital plan (see also, Appendix 6).
- 3.12 The impact of the forecast capital underspend is marginal on current year treasury management revenue budgets,
- 3.13 It is similarly marginal on the affordability prudential indicator (annual debt costs as a proportion of net revenue income stream), which is currently just over 8%.

4. Consultees and their opinions

This report has been prepared by the Service Director, Finance, IT and Transactional Services, in consultation with the Executive Team.

5. Next Steps

To present this report to Cabinet as part of the Quarterly financial monitoring reporting cycle.

6. Cabinet portfolio holders recommendations

The portfolio holders note the good progress being made in managing the in-year savings programme although recognising the underlying financial challenges facing the Council.

7. Officer recommendations and reasons

Having read this report and the accompanying Appendices, Cabinet are asked to:

- 7.1 approve the proposed use of additional Better Care funding monies in 2017-18 as set out in this report;
- 7.2 resultant from 7.1 above, to note the Quarter 2 forecast £1.0m revenue monitoring underspend;
- 7.3 note the forecast reduction in general fund reserves in-year at £21.5m and year end position at £68.6m;
- 7.4 note the favourable in-year financial performance on the Collection Fund;
- 7.5 note the Quarter 2 forecast HRA surplus at £206k and forecast reserves position at year end at £49.7m;
- 7.6 note proposals to incorporate key intelligence from Quarter 2 monitoring, as appropriate, into the forthcoming updated 2018-22 budget plan proposals as appropriate; and

8. Contact Officer

Eamonn Croston, Head of Finance & Accountancy

eamonn.croston@kirklees.gov.uk

James Buttery, Finance Manager

james.buttery@kirklees.gov.uk

9. Background papers and History of Decisions

Annual budget report 2017-21

Annual outturn and rollover report 2016-17

Report on Proposals for the use of new monies for adult social care announced by the Chancellor in the Spring budget 2017

Budget strategy update report 2018-22

10. Service Director responsible

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

Corporate Revenue Budget Monitoring 2017/18 – Month 6

	Year To Date			Annual					
Strategic Director portfolio responsibilities	Controllable Budget (Net)	Actuals	Variance	Controllable Budget (Net)	Planned use of reserves	Revised Budget	Forecast	Variance	Change in Variance from Quarter 1
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£000
Child Protection & Family Support	24,981	26,768	1,787	48,865	719	49,584	53,993	4,409	1,222
Learning , Early Support & Schools	23,177	23,857	680	18,266	2,486	20,752	22,087	1,335	665
Quality, Assurance, Standards & Safeguarding	490	456	(34)	819	67	886	941	55	85
Sub Total (Children & Families)	48,648	51,081	2,433	67,950	3,272	71,222	77,021	5,799	1,972
Adults Social Care Operations	14,233	11,545	(2,688)	47,763	382	48,145	42,257	(5,888)	(6,210)
Policy, Intelligence & Public Health	(2,556)	(2,720)	(164)	2,115	358	2,473	2,310	(163)	(354)
Quality, Assurance, Standards & Safeguarding	597	551	(46)	1,440		1,440	1,395	(45)	(45)
Service Integration	26,196	26,521	325	57,040	262	57,302	60,538	3,236	1,512
Sub Total (Adults & Health)	38,470	35,897	(2,573)	108,358	1,002	109,360	106,500	(2,860)	(5,097)
Economy, Regeneration & Culture	4,518	3,641	(877)	9,123	1,887	11,010	10,134	(876)	(273)
Commercial, Regulatory & Operational	9,750	8,065	(1,685)	33,186	103	33,289	33,051	(238)	(1,522)
Finance & Transactional Services	42,686	41,982	(704)	23,275	331	23,606	22,886	(720)	(105)
Governance & Commissioning	971	1,138	167	1,960	-	1,960	2,128	168	55
Office of the Chief Executive	8,770	7,689	(1,081)	13,680	3,689	17,369	16,420	(949)	(403)
Sub-Total (Economy & Infrastructure)	66,695	62,515	(4,180)	81,224	6,010	87,234	84,619	(2,615)	(2,248)
Central Budgets	5,723	4,305	(1,418)	37,155		37,155	35,783	(1,372)	(1,453)
General Fund Total	159,536	153,798	(5,738)	294,687	10,284	304,971	303,923	(1,048)	(6,826)

Government additionality test ; 2017-18 adult social care budget (as per the 17/18 <u>RA Return</u> **) compared to 2016-17 adult social care equivalent budget (as per the 16/17 <u>RA Return</u>)	2016-17 RA return adult social care budget	2017-18 Original RA return adult social care budget	2017-18 Adjusted RA return –reflects additional BCF announced in 2017 Spring Budget	17-18 Adjusted RA return compared to 16-17 RA return (Additionality test)
	COLUMN A	COLUMN B	COLUMN C	COLUMN C-A
	£'000	£'000	£'000	£'000
Adult Social Care spend as per <i>RA return</i> **	94,672	107,172	107,172	12,500
Additional budget allocation (funded from BCF)	-	-	8,259	8,259
Adjusted total	94,672	107,172	115,431	20,759
Spend funded from 17/18 Adult Social Care precept uplift	-	(4,559)	(4,559)	(4,559)
Adjusted total	94,672	102,613	110,872	16,200
Quarter 2 monitoring – Adult Social Care base budget resources now released	-	-	(5,700)	(5,700)
Adjusted total	94,672	102,613	105,172	<u>10,500*</u>

*Taking into account the 17/18 Quarter 2 monitoring forecast, there is still an overall net growth of £10.5m budget, comparing 2016-17 and adjusted 2017-18 RA Returns, which indicates that the Government's 'additionality test' will still be met.

**RA return is a statutory annual return to Government which allocates the Council approved annual revenue budget into standard categories of spend as defined by the RA return.

GENERAL FUND EARMARKED RESERVES

	As at 1st April 2017	Reserves supporting 2017-18 MTFP	Planned drawdown in-year	Unplanned use of Reserves (forecast overspend)	Earmarked Reserves Review	Forecasted Reserves Position as at 31st March 2018
	£'000	£'000	£'000	£'000	£'000	£'000
Statutory (School Reserves)	(11,852)		2,090			(9,762)
Earmarked (Other)	(39,494)	7,700	8,194	-	-**	(23,600)
Financial Resilience Reserves						
Risk	(28,046)	-	-	-	-	(28,046)
General Balances	(10,718)	3,485	-	-		(7,233)
Sub-Total	(38,764)	3,485	-	-	-	(35,279)*
Grand Total	(90,110)	11,185	10,284	-	-	(68,641)

*minimum balances requirement of £5m

** within Earmarked (Other), £644k re-directed from

Rollover/Grant reserves to District Committee deferred Spend reserve

Collection Fund Forecast (Council Share)

	Council Tax £'000	Business Rates £'000
(Surplus)/Deficit as at 1st April 2017	(3,000)	1,300
Re-payments to/(from) General fund in 17-18	2,000	(1,900)
In Year financial performance	(1,500)	(700)
(Surplus)/Deficit at 31st March 2018	(2,500)	(1,300)

HOUSING REVENUE ACCOUNT 2017/18 – MONTH 6

	Year to Date			Annual			
	Controllable Budget (Net)	Actuals	Variance	Revised Budget	Forecast	Variance	Change In Variance from Q1
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Repairs & Maintenance	13,059	13,095	36	22,384	22,455	71	94
Housing Management	19,301	20,370	1,069	35,104	34,715	(389)	(210)
Other Expenditure	540	561	21	27,471	27,488	17	11
Total Expenditure	32,900	34,026	1,126	84,959	84,658	(301)	105
Rent & Other Income	(43,389)	(39,450)	3,939	(93,351)	(93,256)	95	59
Revenue Contribution to Capital Funding	0	0	0	5,394	5,394	0	
Planned transfer to HRA Reserves	0	0	0	2,998	2,998	0	
Total	(10,489)	(5,424)	5,065	0	(206)	(206)	(46)

HRA RESERVES

	Balance at 31 March 2017	Approved Movement in Reserves (Inc. future years commitments)	Uncommitted Balance
	£'000	£'000	£'000
Opening Balance 1 April	(52,013)		
Planned transfer from HRA		(2,998)	(2,998)
Forecast in Year Surplus/Deficit		(207)	(207)
Set aside for business risks		4,000	4,000
Working balance		1,500	1,500
Total	(52,013)	2,295	(49,718)

Revenue Monitoring Key Highlights – Child Protection & Family Support

Appendix 5

Activity Level	Progress Against Planned Savings	T/SLC*	Annual Budget £'000	Variance to Date £'000	Variance for the year £'000	Comments
Fostering Service(including Recruitment)	Increase of fostering placements	T	6,306	(330)	335	Pressure on volume led External Fostering placements.
External Residential Placements	Super foster carers / review high cost placements	T	5,989	361	1,162	Pressure on volume led External Residential placements.
Various	Further service pressures	SLC	18,289	1,709	3,291	Overspending on Agency amounting to £4.8m, offset in part by substantive vacancies at £1.3m. Overspending on external legal charges of £500k. Underspending on adoption allowances and leaving care supported accommodation.
Various	Business support	SLC	2,190	94	251	Pressure due to unachievable business support efficiency savings due to increase in overall service establishment and delays in implementing new social care system
Various	Review of Contact Team		891	(161)	(338)	Vacant substantive posts
Various	Skill mix (reduction in non-qualified staff)	SLC	262	(128)	(340)	Additional savings achieved relating to posts transferred over to Early Help.

* T=Transformation

SLC=Service Level

Key Highlights = specific service variances of £250k or more

Activity Level	Progress Against Planned Savings	T/SLC	Annual Budget £'000	Variance to Date £'000	Variance for the year £'000	Comments
Early Intervention & Targeted Support	Service redesign	T	5,793	727	908	Estimated slippage on savings based on a model that assumes completion of the review by the end of July, with new staffing structure in place by the end of November 2017.
Early Years Special Educational Needs Support	Service redesign	T	(7)	316	601	Delayed implementation of Service redesign.

Activity Level	Progress Against Planned Savings	T/SLC	Annual Budget £'000	Variance to Date £'000	Variance for the year £'000	Comments
In-House residential services:	Partners to deliver Integrated Health/Social Care to those with specialist needs , including exploring new delivery models	T	(469)	469	469	Delayed implementation of older people residential strategy.
Self-Directed Support	Reduction in direct payments / independent sector home care	T	6,976	192	(1,150)	Timing of new contractual arrangements for Ind. Sector Homecare resulting in lower spend, partially offset by spend on Direct Payments.
Independent Sector Residential & Nursing	Reduction of Older People placements / adults future pressures (demographics)	T	15,681	1,680	893	Unit costs for Older People placements exceeding budgeted levels. See also comment re Self Directed Support (above).
Activity Level	Other Significant Variances		Annual Budget £'000	Variance to Date £'000	Variance for the year £'000	Comments
Additional Better Care Funding; following Spring 2017 budget announcement	Deployment of Better Care funding in-year to support Adult Social Care additional spend, enabling the release of base budget resources	Other	(8,300)	tbd	(5,600)	Three year, reducing grant announced as part of Gov't Spring budget 2017; year one allocation now applied in line with gov't guidance; consequential "one-off" release of base budget resources in-year.
Independent Sector Residential & Nursing	Reduction in high cost physical disability placements	SLC	3,293	(479)	(312)	Forecast placement numbers slightly below budgeted.
Self-Directed Support	Reduction in direct payments / independent sector home care	SLC	5,020	(142)	(551)	Spend on Physical Disabilities direct payments below budgeted level.
Assessment & Care Mgt	Service redesign	SLC	4,559	258	258	Achieved in part through vacancy management.

Revenue Monitoring Key Highlights – Service Integration

Appendix 5 (continued)

Activity Level	Progress Against Planned Savings	T/SLC	Annual Budget £'000	Variance to Date £'000	Variance for the year £'000	Comments
Supporting People	Service redesign	T	4,130	1,329	1,805	Work stream in progress – overspend due to timing delays/slippage. Expected to reach required level for following year.
Children with a Disability	Service redesign	T	2	406	406	Savings opportunities have been identified and are in progress. Full saving unlikely to be achieved in 2017/18.
Independent Sector Residential & Nursing	Reduction in Placements	T	17,163	(284)	245	Unit cost higher than budgeted. (Learning Disabilities)
Independent Sector Residential & Nursing	Reduction in Placements.	T	3,287	(310)	572	Forecast placement numbers higher than below budgeted. (Mental Health)
Self-Directed Support	Reduction in direct payments/ independent sector home care	T	13,560	310	871	Relates to Learning Disabilities/Mental Health client groups. Variance mainly on Direct Payments.
Community Liaison (Including Grants)	Service redesign	SLC	176	(301)	1,204	Will form part of Community Plus model. Funded by utilisation of service re-design investment budget (see line below).
Community Liaison (Including Grants)	Adults Early Intervention & Prevention add back	SLC	2,313	(961)	(2,312)	Will fund the Community Plus model. Partly utilised by community liaison including grants (see line above).
Activity Level	Other Significant Variances		Annual Budget £'000	Variance to Date £'000	Variance for the year £'000	Comments
Children with a Disability	Direct Payments & Agency Home Care		3,203	218	437	A combination of volume and cost pressures.

Activity Level	Progress Against Planned Savings	T/SLC	Annual Budget £'000	Variance to Date £'000	Variance for the year £'000	Comments
Corporate Landlord	New ways of working	T	11,362	(341)	(341)	Early savings across premises costs on reduced buildings. This resource will be used to fund pressures associated with fire safety reviews.
Schools Transport	Combined Authority working	SLC	2,851	403	1,308	Volume of passengers significantly more than budget for Taxi routes. Price increase in Bus Passes from September 2017
Seasonal Weather	New methods of working	SLC	1,192	55	597	Delayed implementation of service saving.
Catering		SLC	(2,115)	(289)	(289)	There has been more income received for Universal Free School Meals than was budgeted for, a reduction in expenditure on the Equipment budget and the take up for the new Milk scheme has been greater than anticipated.
Activity Level	Other Significant Variances		Annual Budget £'000	Variance to Date £'000	Variance for the year £'000	Comments
Waste Services			18,054	(687)	(687)	Underspend of £412k on contract (April to August information tonnage 8% lower than budget).
West Yorkshire Driver Training			(426)	(329)	(329)	Increased volume of courses which include a new Motorways driver training course.

Key Highlights – Finance & Transactional Services

Appendix 5 (continued)

Activity Level	Other Significant Variances	Annual Budget £'000	Variance to Date £'000	Variance for the year £'000	Comments
Welfare & Exchequer		8,321	(697)	(638)	£310k relates to welfare and complimentary benefits (vacant posts) and better off Project. £218k relates to Benefit Payments over-recovery.

Key Highlights – Central Budgets

Activity Level	Progress Against Planned Savings	T/SLC	Annual Budget £'000	Variance to Date £'000	Variance for the year £'000	Comments
Contingencies			100	(408)	(1,054)	Expected year end Insurance fund surplus (£1m), Council apprenticeship levy payments less than budgeted provision (184); Actual 16/17 Yorkshire Purchasing Organisation dividend received was greater than had been accrued for in the year end accounts; part offset by Business Support savings still to be realised at £350k;

Activity Level	Annual Budget £'000	Variance for the year £'000	Comments
HD-One (KSDL)	8,750	(8,750)	The HD One Development planned for the John Smith's Stadium site is not due on site until spring 2018. The Council is providing a secured loan facility to Kirklees Stadium Development Ltd (KSDL) which would allow KSDL to take a majority equity stake in the complex.
Kirklees College Loan	6,000	(6,000)	This has recently been repaid in full and no further utilisation of the revolving credit facility anticipated.
European Grant Funding	1,750	(1,750)	This budget was created to provide match funding for opportunities to access funding from European Structural Funds. Given the outcome of the June 2016 referendum there is now a high level of uncertainty around the availability and timing of any funding available and therefore no expenditure is planned for 2017/18.
Learning & Support (New Pupil Places)	12,016	(2,649)	The build for the New North primary school will not start until 2018/19 due to complex site issues. Any underspend in funding on Strategic Priorities will be required to rollover to 2018/19 to enable the rolling programme on schools to be delivered as part of the Schools Investment Needs Strategy. Increase in underspend since Q1 (-£1,574k) due to more realistic spend profile for Beaumont Primary Academy. Rollover budget for Almondbury Through School (£95k), previously shown under One-Off Projects has been transferred to fund the re-provision of Lydgate School.
Strategic Priorities Total	28,516	(19,149)	

Activity Level	Annual Budget £'000	Variance for the year £'000	Comments
Learning & Early Support			
Basic Need	1,742	(1,061)	Any underspend in funding on the Basic Need 17/18 programme will be required to fund the rolling programme of Basic Need future pressures, including new Social, Emotional & Mental Health (SEMHD) place needs.
One-Off Initiatives	2,322	(1,474)	Mainly due to underspend on Section 106 contributions (-£941k). 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 Needs Strategy.
Learning & Early Support Total	4,064	(2,535)	

Activity Level	Annual Budget £'000	Variance for the year £'000	Comments
Economy & Regeneration			
Housing Private Sector	5,521	(997)	Mainly capital allowances budget (£994k) not planned to spend this year, of which £766k is allocated for Large Housing Sites Scheme.
Economic Resilience	3,084	(1,409)	There is currently expenditure of £1.3m being forecast for West Yorkshire Transport Fund Purchases Pot and Dewsbury Railway Station project which support schemes in the Highways Capital plan and Strategic Priorities Capital plan. The Dews Town Hall Initiative project has been extended and the McKinnons Mill scheme has been delayed. £800k of the budget is uncommitted at this stage.
Economy & Regeneration Total	8,605	(2,406)	

Activity Level	Annual Budget £'000	Variance for the year £'000	Comments
Risks & Pressures	2,500	(2,500)	No commitment against these resources for the financial year.

Key Highlights – Housing Revenue Account

Activity Level	Annual Budget £'000	Variance for the year £'000	Comments
HRA Strategic Priorities			
New Build Phase 1 (Ashbrow)	500	(300)	This is currently reporting an underspend of £250k and has a forecast underspend to 31 st March 2018 of £300k. An amount of £200k spend has been forecast to year end. Completion of this scheme has now been put back until 2020.
New Build Phase 4	2,036	(2,036)	Environmentally Friendly Housing – There is an underspend to date of £1.018m and a forecast underspend of £2.036m to year end as there are no plans in place for this expenditure.
HRA Strategic Priorities Total	2,536	(2,336)	
HRA Baseline			
High Cost Voids	1,759	(586)	Underspend of £416k to date, forecast of £586k by year end, due to the reduction in the volume of empty properties where capital works are required.
HRA Baseline Total	1,759	(586)	

	Grants £'000	Ring-fenced Receipts £'000	Borrowing £'000	HRA RCCO / Reserves £'000	Total £'000
General Fund					
Strategic Priorities	(2,298)	0	(18,576)	N/A	(20,874)
Baseline	(2,781)	(1,319)	(3,573)	N/A	(7,673)
Risks & Pressures	0	0	(2,500)	N/A	(2,500)
TOTAL GENERAL FUND	(5,079)	(1,319)	(24,649)	N/A	(31,047)
HRA					
Strategic Priorities	0	(976)	0	(1,360)	(2,336)
Baseline	(145)	0	0	(481)	(626)
TOTAL HRA	(145)	(976)	0	(1,841)	(2,962)
OVERALL TOTAL	(5,224)	(2,295)	(24,649)	(1,841)	(34,009)

N/A=not applicable (HRA resources statutorily ring-fenced to HRA)



Name of meeting: Cabinet
Date: 21st November 2017

Title of report: Highways Capital Plan 2017/18

Purpose of Report: For Cabinet to consider the detailed Highways Capital Plan 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?	Yes
Key Decision - Is it in the <u>Council's Forward Plan (key decisions and private reports)</u>?	Yes
The Decision - Is it eligible for call in by <u>Scrutiny</u>?	Yes
Date signed off by Strategic <u>Director</u> & name Is it also signed off by the Service Director - Finance, IT and Transactional Services? Is it also signed off by the Service Director - Legal, Governance and Commissioning?	Naz Parkar - 13.11.17 Debbie Hogg - 13.11.17 Julie Muscroft - 13.11.17
Cabinet member <u>portfolio</u>	Cllr Musarrat Khan/Cllr Graham Turner - Corporate Portfolio

Electoral wards affected: All
Ward councillors consulted: None

Public or private: Public

1. Summary

The Highways Capital Plan for 2017/18 is a detailed programme of works to be implemented over the next 2 years.

2. Information required to take a decision

2.1 Background

- The Highways Capital Plan is an investment in the highway asset that includes road surfacing, street lighting, structures, road safety, encouraging walking and cycling, drainage, traffic signals, car parks and public transport provision.
- On 4th April 2017 Cabinet considered a detailed two year Highways Capital Plan of works that totalled £15,132,000.
- On 30th May 2017 Cabinet considered the 2017/18 to 2021/22 capital investment Plan inclusive of 2016/17 rollover. The Plan included a sum of £17,545,000 for highways service in 2017/18. The attached detailed Highways Capital Plan (appendix 1) adds individual scheme detail to the approved baseline high level programme for 2017/18 and 2018/19.
- At the end of September the Highways Capital Plan expenditure 2017/18 was £6,360,560 (36% of the May approval)
- Developer funded schemes have been added into the Capital Plan.
- There has been some adjustment to grants in the Capital Plan and new grants awarded. The combined effect is to increase the total Capital Plan for 2017/18 to £18,283,000
- The maintenance programmes for highway assets have been determined in line with the highways asset management strategy which demands a lifecycle planning approach in line with National guidance and good practices.

2.2 Department for Transport (DfT) funding through the Local Transport Plan (LTP)

The DfT grant allocations for Highway Maintenance and Integrated Transport schemes identified through the LTP are administered by the West Yorkshire Combined Authority and as such approval to those sections will also have to be sought through their governance procedures.

2.3 Recent changes and additional grants

Since the 30th May submission the following changes have been made to grants awarded for highway schemes

	17/18	18/19
City Cycling Ambition Grant Ph 2 (CCAG2)	-1,250,000	1,250,000
Reduction in Network management IT grant agreed with WYCA	-30,000	
Additional rollover grant (Local Sustainable Transport Fund)	48,000	
Minor grant adjustments	5,000	
Additional grant bus hot spots (see below)	65,000	78,000
Additional Grant – Challenge Fund (see below)	150,000	338,000
Developer funded schemes	<u>1,750,000</u>	<u> </u>
Total	£ <u>738,000</u>	<u>1,666,000</u>

Financial Year	17/18	18/19
Previous approved Capital plan total	17,545,000	13,071,000
Current adjustment	<u>738,000</u>	<u>1,666,000</u>
Revise Capital plan	<u>£18,283,000</u>	<u>£14,737,000</u>

2.4 Deferred Grant – City Cycling Ambition Grant Phase 2 (CCAG2)

The delivery of this programme has slipped pending a scrutiny review and report on highway transportation schemes in Huddersfield Town Centre.

2.5 Additional Grant – Bus Hot spots

The West Yorkshire Combined authority has a £600,000 investment to reduce congestion through a bus hot spots programme. A number of small schemes have been developed. This includes a total investment of £143,000 in Kirklees with £65,000 allocated to 2017/18.

2.6 Additional Grant – Challenge Fund

The Challenge Fund, which is a top-slice of the total Maintenance Allocation, has been set up to address ageing infrastructure which may now be nearing the end of its lifecycle, has reached the end of its lifecycle earlier than originally envisaged, or which has deteriorated due to recent severe weather events.

This Challenge Fund enables local highway authorities in England to bid for funding from the government for major maintenance projects that are otherwise difficult to fund through the normal allocations they receive.

A combined West Yorkshire drainage resilience bid to replace or repair drainage gullies in flooding hotspots on West Yorkshire's Key Route Network (WYKRN)) was successful.

It is one of 19 projects across the country share £75m of government challenge fund.

The Kirklees element of the successful bid is a £610,000 programme of small schemes at around 48 flooding hotspots where existing gullies will be replaced, new ones installed and short sections of highway drain improved to reduce the risk of future flooding on some of the busiest roads in our district. Much of the drainage infrastructure is over 100 years old and so this grant will assist in reducing the backlog of surface water highway drainage improvement works. This investment should also assist in reducing the pressure on the revenue maintenance budget and reduced need to respond to localised surface water flooding incidents.

The grant awarded to Kirklees is £488,000 and the balance of the total project cost will be met from within the approved Flood Management and drainage improvements programme. The programme can be delivered over the next twelve months.

Challenge Fund Tranche 2A 2017-18 funding			
West Yorkshire Highway Drainage Resilience			
Authority	Total	Local Contribution	DfT Contribution
Bradford	£300,000	£60,000	£240,000
Leeds	£420,160	£84,032	£336,128
Kirklees	£610,000	£122,000	£488,000
Calderdale	£1,221,499	£251,499	£970,000
Total	£2,551,659	£517,531	£2,034,128

2.7 Developer Funded Schemes

Developer funded schemes have been added into the Capital Plan. These are highway improvements funded by developers through Highways Act 1980, Section 278 agreements or Town and Country Planning Section 106 agreements attached to planning approvals. In the future the income from developers will be shown in the Highways Capital Plan.

2.8 Council Funding

Council capital investment in the 2017/18 Highways Capital Plan amounts to £5,864,000 funded through prudential borrowing. The average revenue cost of financing this level of borrowing is 6.3% per annum, which equates to £369,000 per annum.

2.9 Other points to Note

Highways schemes are sometimes delayed to allow works by 3rd parties, notably utility companies, so in some programme areas additional schemes are shown below the cut off line as contingency schemes and introduced to the programme if other schemes are deferred.

In addition to works within the Highways Capital Plan a number of major transport improvement schemes are being developed for implementation in future years as part of the £1bn. West Yorkshire Plus Transport Fund.

2.10 Financial Delegations

To aid the speedy implementation of works and substitution of delayed projects, Cabinet delegated Authority, in accordance with 3.12 of the Council's Financial Procedure Rules dated June 2016, to the Director of Economy Skills and the Environment, to manage the implementation of the identified works within the respective agreed total programme budgets. This delegation was a part of the initial approval of the 2017/18 programme at Cabinet on 4th April 2017.

3. Implications for the Council

3.1 Early Intervention and Prevention (EIP) - There will be no impact

3.2 Economic Resilience (ER)

Maintenance and improvements to the transport network are vital for the development of local businesses and helps develop Kirklees as a quality place where people want to live, work and visit.

3.3 Improving Outcomes for Children - There will be no impact

3.4 Reducing Demand of Services

The programme is determined through a risk based approach and aims to

- halt deterioration
- reduce 3rd party claims,
- reduce the reactive workload,
- minimise cost over time
- maximise value to the economy

4. Consultees and their opinions

Strategic Finance, and Economy and Infrastructure Senior Leadership Team have been consulted and are in agreement with the contents of this report.

5. Next steps

Highways will continue to manage the delivery of schemes within the Capital Plan by updates throughout the financial year to Cabinet.

6. Officer recommendations and reasons

That Cabinet approve the detailed Capital Plan 2017/18 as shown in Appendix 1.

7. Cabinet portfolio holder's recommendations

Cllr Graham Turner notes the detail of the report and supports the continued investment in flood resilience.

Cllr Musarrat Khan fully supports the investment in the highway infrastructure.

8. Contact officer

Graham Mallory
Group Engineer - Highways & Operations
Tel: 01484 221000
Email: graham.mallory@kirklees.gov.uk

9. Background Papers and History of Decisions

Papers:

Appendix 1 - Highways Capital Plan 2017/18 and 2018/19

Report to Cabinet 4th April 2017

Report to Cabinet 30th May 2017

10. Service Directors responsible

Joanne Bartholomew, Service Director Commercial, Regulatory and Operational Services

Tel: 01484 221000

Email: joanne.bartholomew@kirklees.gov.uk

Paul Kemp, Service Director Economy, Regeneration and Culture

Tel: 01484 221000

Email: paul.kemp@kirklees.gov.uk

Programme and Lead Service/ Officer	Project Name / Location	Project Works	Ward	Business Case reference	Capital Delivery Board Date	AD Group Date	Cabinet Approval Date	C.O.R. Reference	Expected start date	Expected end date (practical completion)	Funding	Oct 17 Revised 2017/18 Budget £000's	difference 17/18	May 17 approved 2017/18 Budget £000's	Oct 17 Revised 2018/19 Budget £000's	difference 18/19	May 17 approved 2018/19 Budget £000's
-------------------------------------	-------------------------	---------------	------	-------------------------	-----------------------------	---------------	-----------------------	------------------	---------------------	--	---------	--------------------------------------	------------------	---------------------------------------	--------------------------------------	------------------	---------------------------------------

HIGHWAYS CAPITAL PLAN 2017/18 and 2018/19 page 1

Total Planning Allocation
Borrowing
Self/Service Funded
Grant/Contribution
Receipts

2017/2018			2018/2019		
18283	738	17545	14737		13071
5864	0	5864	5400		5400
0	0	0	0		0
12419	738	11681	9337		7671
0	0	0	0		0

ASSET MANAGEMENT																	
Jon Evans	1A - Principal Roads								01/04/17	31/03/19	B						
											G	2,613	0	2,613	2,600		2,600
											T	2,613	0	2,613	2,600		2,600
Jon Evans	1B - Roads Connecting Communities								01/04/17	31/03/19	B		0				
											G	2,109	9	2,100	1,574		1,574
											T	2,109	9	2,100	1,574		1,574
Jon Evans	1C - Unclassified Roads								01/04/17	31/03/19	B	1,587	0	1,587	1,530		1,530
											G	1,227	0	1,227	717		717
											T	2,814	0	2,814	2,247		2,247
Farhad Khatibi	1D - Structures								01/04/17	31/03/19	B		0				
											G	1,888	0	1,888	1,200		1,200
											T	1,888	0	1,888	1,200		1,200
Andy Bullen	1F Street Lighting Replacement Strategy								01/04/17	31/03/19	B	2,605	0	2,605	3,000		3,000
											G	0	0		0		0
											T	2,605	0	2,605	3,000		3,000
Graham Mallory	1J - Unadopted Roads								01/04/17	31/03/19	B	189	0	189	50		50
											G	0	0				
											T	189	0	189	50		50

Maintenance Total	T	12,218	9	12,209	10,671		10,671
External Funding	T	7,837	9	7,828	6,091		6,091
Net Maintenance Total	T	4,381	0	4,381	4,580		4,580

Programme and Lead Service/ Officer	Project Name / Location	Project Works	Ward	Business Case reference	Capital Delivery Board Date	AD Group Date	Cabinet Approval Date	C.O.R. Reference	Expected start date	Expected end date (practical completion)	Funding	Oct 17 Revised 2017/18 Budget £000's	difference 17/18	May 17 approved 2017/18 Budget £000's	Oct 17 Revised 2018/19 Budget £000's	difference 18/19	May 17 approved 2018/19 Budget £000's
-------------------------------------	-------------------------	---------------	------	-------------------------	-----------------------------	---------------	-----------------------	------------------	---------------------	--	---------	--------------------------------------	------------------	---------------------------------------	--------------------------------------	------------------	---------------------------------------

HIGHWAYS CAPITAL PLAN 2017/18 and 2018/19 page 2

INTEGRATED TRANSPORT																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																							
----------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

GRAND TOTAL

Gross Programme Total		18,283	738	17,545	14,737	1,666	13,071
External Funding		12,419	738	11,681	9,337	1,666	7,671
Net Programme Total		5,864	0	5,864	5,400	0	5,400

External Funding Summary

Asset Management							
LTP Maintenance Needs Grant	5432	-5	5437	4921			4921
LTP Maintenance Incentive Grant (Band 2)	458	0	458	718			718
LTP Maintenance Incentive Grant (Band 3)	65	14	51				
DfT Pothole Grant	452	0	452	452			452
Challenge Fund DfT maintenance grant	794	0	794				
National Productivity Investment Fund	636	0	636				
Integrated Transport							
LTP IT Grant ***	1559	-30	1589	1250			1250
National Productivity Investment Fund	330	-4	334				
CCAG 2 Cycling Grant	74	-1250	1324	1250			
Road Safety Grant	274	0	274	100			100
Local Sustainable Transport Fund	52	48	4				
Environment Agency	230	0	230	230			230
Developer (Meitham Greenway)	50	0	50				
Insurance	44	0	44				
Developer (CCAG)	4	0	4				
Challenge Fund 2A DfT Maint Grant - drainage	150	150	0	338	338		0
Bus Hot Spots	65	65	0	78	78		0
Developer Contributions	1750	1750	0				0
Total	12419	738	11681	9337	416		7671

The LTP IT grant is administered by West Yorkshire Combined Authority. The forward programme is still to be determined consequently the grant shown in 18/19 is a basic estimate and a worst case scenario. 2017/18 is the first year of the new Single Transport Plan which will determine future spend priorities on transportation across West Yorkshire.

Programme and Lead Service/ Officer	Project Name / Location	Project Works	Ward	Business Case reference	Capital Delivery Board Date	AD Group Date	Cabinet Approval Date	C.O.R. Reference	Expected start date	Expected end date (practical completion)	Funding	Oct 17 Revised 2017/18 Budget £000's	difference 17/18	May 17 approved 2017/18 Budget £000's	Oct 17 Revised 2018/19 Budget £000's	difference 18/19	May 17 approved 2018/19 Budget £000's
-------------------------------------	-------------------------	---------------	------	-------------------------	-----------------------------	---------------	-----------------------	------------------	---------------------	--	---------	--------------------------------------	------------------	---------------------------------------	--------------------------------------	------------------	---------------------------------------

HIGHWAYS CAPITAL PLAN

Total Planning Allocation	18283	17545	14737	13071
Borrowing	5864	5864	5400	5400
Sell/Service Funded	0	0	0	0
Grant/Contribution	12419	11681	9337	7671
Receipts	0	0	0	0

ASSET MANAGEMENT

1A - Principal Roads																	
Programme Manager: Jon Evans																	
C.61131	Principal Road Surfacing Dressing Programme	Road Surfacing	Various								T	785			550		
C.61132	Minor Maintenance - Pre Surface dressing patching	Minor Repairs / Patching	Various								T	275			220		
C.62860	Anti skid sites within surface dressing	Road resurfacing	Various								T	60			60		
C.63723	A652 Bradford Road, Dewsbury	Road Resurfacing	K								T	103					
C.64087	A629 Wakefield Road, Aspley	Road Resurfacing	I / W								T	980					
C.64269	A638 / A643 junction, Cleckheaton	Road Resurfacing	F								T	130					
C.64421	A62 Leeds Road, Huddersfield	Road Resurfacing	I / B								T	20			1,220		
	A62 Castlegate, Huddersfield	Road Resurfacing	W								T				300		
	Priority footway programme	Footway schemes									T						
C.63274	A642 Wakefield Road, Lepton	Footway scheme	A								T	60			50		
C.63726	A62 Leeds Road, Mirfield (Sunnybank)	Footway scheme	V								T	25					
C.64088	A653 Leeds Road, Chidswell	Footway scheme	K								T	50					
C.64271	A6107 Bradley Road, Bradley	Footway scheme	B								T	50			50		
C.64272	A629 Penistone Road, Kirkburton	Footway scheme	S								T	50			50		
C.64273	A58 Whitehall Road, Chain Bar	Footway scheme	F								T	25					
	Footway schemes to be identified										T				100		
											B						
											G	2,613		2,613	2,600		2,600
											T	2,613		2,613	2,600		2,600
SUB TOTAL (1A)																	
1B - Roads Connecting Communities																	
Programme Manager: Jon Evans																	
C.61178	B & C Road Surface Dressing Programme	Road Surfacing	Various								T	450			450		
C.61179	Minor Maintenance - Pre surface dressing patching	Minor Repairs / Patching	Various								T	300			250		
C.63673	C557 Morley Lane, Milnsbridge	Road Resurfacing	N								T	199					
C.64081	B6432 Firth Street, Huddersfield	Road Resurfacing	W								T				220		
C.64092	B6111 Scar Lane, Golcar	Road Resurfacing	N								T	200					
C.64093	B6433 Rowley Lane, Lepton	Road Resurfacing	A								T	150					
C.64094	C20 Dunford Road, Hade Edge	Road Resurfacing	R								T	40					
C.64095	C6107 Fartown Green Road, Fartown	Road Resurfacing	O								T	130					
C.64096	C576 Little Lane, Wooldale	Road Resurfacing	R								T	60					
C.64097	C272 Piper Well Lane, Shepley	Road Resurfacing	S								T	110					
C64089	B6110 Armitage Rd / Carriage Dr / Stockwell Hill, Armitage Bridge	Road Resurfacing	W								T	90					
C64090	B6116 Commercial Rd, Skelmanthorpe	Road Resurfacing	J								T	240					
C.62833	Priority footway programme	Footway schemes									T				250		
C.63677	C629 Gledholt Road, Gledholt	Footway schemes	O								T	90					
C.64099	B6124 Soothill Lane, Soothill	Footway schemes	C								T	50					
	Schemes to be identified										T				404		
											B						
											G	2,109	9	2,100	1,574		1,574
											T	2,109	9	2,100	1,574		1,574
SUB TOTAL (1B)																	

Programme and Lead Service/ Officer	Project Name / Location	Project Works	Ward	Business Case reference	Capital Delivery Board Date	AD Group Date	Cabinet Approval Date	C.O.R. Reference	Expected start date	Expected end date (practical completion)	Funding	Oct 17 Revised 2017/18 Budget £000's	difference 17/18	May 17 approved 2017/18 Budget £000's	Oct 17 Revised 2018/19 Budget £000's	difference 18/19	May 17 approved 2018/19 Budget £000's
1C - Local Community Roads																	
Programme Manager: Jon Evans																	
C.63461	Thornhill Road, Marsh	Road Reconstruction	O/T								T	60					
C.63765	Park Parade, Westtown	Road Resurfacing	P								T	55					
C.63767	Whitehead Lane, Primrose Hill	Road Resurfacing	W								T	257					
C.64027	Town Street, Batley	Road Resurfacing	C								T	91					
C.64100	Almondbury Bank, Almondbury	Road Resurfacing	A								T	250					
C.64101	Lockwood Scar, Newsome	Road Resurfacing	W								T	333					
C.64102	Leymoor Road, Golcar	Road Resurfacing	N								T				200		
C.64103	Wood Lane, Newsome	Road Resurfacing	W								T	100					
C.64104	Yew Tree Road, Shepley	Road Resurfacing	S								T	30					
C.64105	Mark Street, Millbridge	Road Resurfacing	U								T	40					
C.64106	Linfit Fold / Linfit Lane, Linthwaite	Road Resurfacing	G								T	190					
C.64107	Fairlea Avenue, Taylor Hill	Road Resurfacing	W								T	50					
C.64108	Fair Lea Road, Taylor Hill	Road Resurfacing	W								T	50					
C.64109	Blue Bell Hill, Taylor Hill	Road Resurfacing	W								T	30			50		
C.64110	Craven Road / Mavis Ave, Scout Hill	Road Resurfacing	M								T	30					
C.64149	Cuttlehurst, Scissett	Road Resurfacing	J								T	100					
C.64150	Felks Stile Road, Crosland Hill	Road Resurfacing	H								T	100					
C.64151	King Street, Huddersfield	Road Resurfacing	W								T	40			110		
C.64152	Bank Foot Lane / Moor Lane, Armitage Bridge	Road Resurfacing	W								T	32					
C.64252	Deal Lane, Golcar	Road Resurfacing	N								T	50					
C.64253	Quarry Lane, Lascelles Hall	Road Resurfacing	A								T	45					
C.64383	Bent Ley Road, Meltham	Road Resurfacing	Q								T	90					
C.64347	Howroyd Lane, Whitley	Road Resurfacing	L								T	30					
	Grove Street, Longwood	Road Resurfacing	N								T				100		
C.64298	U Road Patching	Pre surface dressing patching									T	216			150		
C.64299	U Road Surface Dressing	Surface Dressing									T	350			302		
	Pavement repairs	Footway Surfacing	Various								T				100		
C.63460	Thornton Lodge Road, Crosland Moor	Footway Surfacing	H								T	0			50		
C.64111	St Paul's Road, Kirkheaton	Footway Surfacing	I								T	35			50		
C.64112	Walnut Lane, Chickenley	Footway Surfacing	K								T	32					
C.64113	Henry Frederick Ave, Netherton	Footway Surfacing	H								T	50					
C.64148	Firthcliffe Estate, Liversedge	Footway Surfacing	U								T	108					
	Cow Heys, Dalton	Footway Surfacing	I								T				50		
	Schemes to be identified	Road Reconstruction	all								T				1,085		
											B	1,587		1,587	1,530		1,530
											G	1,227		1,227	717		717
SUB TOTAL (1C)											T	2,814		2,814	2,247		2,247
1D - Structures																	
Programme Manager: Farhad Khatibi																	
	Minor Retentions										T				25		
	Asset Management	Cyclical Works	Various								T	400			400		
	Retaining Walls Bulk	Walling Works	Various								T	338			400		
	Minor Structural Maintenance	Cyclical Works	Various								T	94			130		
	Challenge Fund Schemes	Grant work									T	794					
	Challenge Fund Schemes	match funding									T	262					
C.63440	A6024 Woodhead Road	Walling Works									T						
C.63441	A636 Wakefield Road	Walling Works									T						
C.63442	A635 Holmfirth Road	Walling Works									T						
	Schemes to be identified										T				245		
											B						
											G	1,888		1,888	1,200		1,200
SUB TOTAL (1D)											T	1,888		1,888	1,200		1,200

Programme and Lead Service/ Officer	Project Name / Location	Project Works	Ward	Business Case reference	Capital Delivery Board Date	AD Group Date	Cabinet Approval Date	C.O.R. Reference	Expected start date	Expected end date (practical completion)	Funding	Oct 17 Revised 2017/18 Budget £000's	difference 17/18	May 17 approved 2017/18 Budget £000's	Oct 17 Revised 2018/19 Budget £000's	difference 18/19	May 17 approved 2018/19 Budget £000's
-------------------------------------	-------------------------	---------------	------	-------------------------	-----------------------------	---------------	-----------------------	------------------	---------------------	--	---------	--------------------------------------	------------------	---------------------------------------	--------------------------------------	------------------	---------------------------------------

INTEGRATED TRANSPORT

2A- Integrated Public Transport																	
Programme Manager: Tim Lawrence																	
C.61014	Huddersfield Town Centre	Town Centre Improvement Works	W								T	78					
C.64024	Ecostar Low Carbon										T	14					
C.64026	Dewsbury Railway Station		K								T	250			250		
	Bus Hot Spots Programme																
C.64387	A638 Market Street, Heckmondwike	Central Reservation	P								T	35					
C.64388	Netherton	Bus Stop Upgrade	H								T	8					
C.64389	Ravensthorpe	Signals Upgrade	M								T	15			20		
C.64390	Dewsbury Railway Station	Layby	K								T	2			8		
C.64391	Dewsbury Bus Station	South St Access Improvements	K								T	5			50		
	Schemes to be identified										T				200		
											B						
											G	407	65	342	528	78	450
SUB TOTAL (2A)											T	407	65	342	528	78	450
2B - Network Management																	
Programme Manager: David Caborn																	
C.62640	Huddersfield Ring Road, Chapel Hill to Halifax Road										T	84					
Network Management																	
C.62523	Replacement of Obsolete Traffic Signal Poles	Traffic Signals Maintenance	Various								T	125			100		
C.62634	Air Quality and Bluetooth Sites to be identified	West Yorkshire Improved Data Network	Various								T	50					
C.62639	Additional 30 wireless Nodes to be identified	West Yorkshire Improved Data Network	Various								T	48			40		
C.62646	West Yorkshire Combined Information signs Network	WY Variable Message signs	Various								T	271					
C.63845	Castlegate Scoot - Revalidation after new lining Scheme	Improve Signals Operation	I								T	18					
C.64263	Revalidation of SCOOT at Various Locations										T	75			80		
C.64264	Introduce VEM on A62 Colne Bridge Road, Huddersfield	More efficient traffic signals	B								T	63					
C.64265	A638 Bradford Road / Hunsworth Lane, Cleckheaton	Junction - Signals Maintenance	F								T	50					
C.64266	Dewsbury Ring Road / Bradford Road, Dewsbury	Junction - Signals Maintenance									T	20					
C.64267	A629 Wakefield Road / Smithy Lane, Moldgreen	Junction - Signals Maintenance	I								T	25					
C.64268	Steanard Lane shuttle, Mirfield	Junction - Signals Maintenance	V								T	18					
	A638 Bradford Road, Cleckheaton	West Yorkshire Improved Data Network	F								T	0					
	Introduce IMFLOW on A629 Wakefield Road, Huddersfield	More efficient traffic signals	I								T	0			40		
	A629 Wakefield Road, Waterloo	Junction - Signals Maintenance	I								T	0			90		
	A644 Dewsbury Ring Road / Dewsbury bus station	Junction - Signals Maintenance	A								T	0			90		
	minor retentions										T	7					
	planned overprogramming										T	-84			-40		
											B	100	0	100	100		100
											G	670	-30	700	300		300
SUB TOTAL (2B)											T	770	-30	800	400		400

Programme and Lead Service/ Officer	Project Name / Location	Project Works	Ward	Business Case reference	Capital Delivery Board Date	AD Group Date	Cabinet Approval Date	C.O.R. Reference	Expected start date	Expected end date (practical completion)	Funding	Oct 17 Revised 2017/18 Budget £000's	difference 17/18	May 17 approved 2017/18 Budget £000's	Oct 17 Revised 2018/19 Budget £000's	difference 18/19	May 17 approved 2018/19 Budget £000's
2C Mobility, Walking and and Cycling Initiatives																	
Programme Manager: Steven Hanley																	
C.60983	Disabled Crossing Facilities	Various	Various								T	5			5		
C.60984	Neighbourhood Paths	Various	Various								T	10			10		
C.60985	Urban Path Improvements	Various	Various								T	5			5		
C.63358	Huddersfield Town Centre	Cycle Infrastructure	W								T	78			1250		
C.63542	Cycle Route and Facilities enhancements	Bulk provision	Various								T	48					
C.63544	Berry Brow	Cycle Route	W								T	25					
C.64122	Meltham Greenway	Greenway	Q								T	50					
	Motorcycling		Various								T	20					
											B	20		20	20		20
											G	221		1,471	1,250		
											T	241		1,491	1,270		20
SUB TOTAL (2C)																	
2E - Safer Roads																	
Programme Manager: Phil Waddington																	
	Community Traffic Projects										T				400		
C.63847	Springwood Road	Car Park	R								T	120					
C.63885	Knowler Hill	traffic calming	U								T	25					
C.63886	Moor End Lane	traffic calming	M								T	40					
C.64165	Boothroyd Lane Dewsbury	traffic calming	M								T	30					
C.64166	Community Projects Small Scale Schemes 16/17	small scale community project schemes	Various								T	25					
C.64292	Community Projects Small Scale Schemes 17/18	small scale community project schemes	Various								T	20					
C.64293	Halifax Road / Banny Royd	traffic islands	T								T	15					
	17/18 schemes to identify										T	75					
	Casualty reduction										T				250		
C.63849	A635 New Mill Road	potential speed camera route	R								T	80					
		upgrading of VAS in Kirklees for 2016/17	Various								T	50					
C.63850	VAS refurb / upgrade										T	12					
C.63857	Butchers Arms Crossroads	refresh HFS and new HFS	D								T	15					
C.63859	Common lane j/w Westfield Lane, Emley Moor	buildout	J								T	35					
C.63862	Road Safety Education										T	35					
C.63878	SIDs infrastructure upgrade	upgrading SIDs and SIDs infrastructure	Various								T	35					
		Poss f/way buildout for peds xing															
C.63880	Yates Lane / Market Street, Milnsbridge	Yates Lane	N								T	35					
C.64280	Flush j/w Wakefield Road, Heckmondwike	buildouts / check surfacing	P								T	13					
C.64281	Portland Street j/w Fitwilliam Street	junction plateau	W								T	20					
C.64282	Skid reduction remedial works	Skid reduction remedial works	Various								T	200					
C.64283	Speed limit review	Speed limit review	All								T	50					
		Street lighting works (dark accident sites)	Various								T	120					
C.64284	Street lighting works (dark accident sites)										T	20					
C.64285	Walkley Lane jw Station Road	Roundabout	P								T	12					
C.64286	Webster Hill, Dewsbury	VAS	M								T	0					
C.64287	A638 Halifax Road, Approach to Dewsbury Ring Road	HFS / Patching	K								T	120					
C.64288	BULK POT - Casualty Reduction Small Schemes	Small scale <10k schemes	Various								T	25					
		feasibility studies for 18/19 schemes									T	30					
C.64289	Feasibility Studies										T	20					
C.64290	Lees Hall Road / Ravenssthorpe Road / Calder Road	route treatment for PC accidents	L								T	7					
C.64291	Huddersfield Road j/w Holmfirth Road, Meltham Centre	plateau / kerbing	Q								T	151					
	minor retentions										T	200			100		
	Casualty Reduction schemes to identify	17/18 schemes to identify															
C.663015	Road safety grant																
											B	546	0	546	150		150
											G	1,054	44	1,010	600		600
											T	1,600	44	1,556	750		750
SUB TOTAL (2E)																	

