

Public Document Pack



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

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Friday 5 January 2018

Notice of Meeting

Dear Member

Cabinet

The **Cabinet** will meet in the **Council Chamber - Town Hall, Huddersfield** at **5.00 pm** on **Monday 15 January 2018**.

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 Cabinet

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

2: Minutes of previous meeting

To approve the Minutes of the meeting of the Committee held on 21 November and 8 December 2017.

3: Interests

1 - 2

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

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: Business Rate 100% Retention Pilot

3 - 6

A report informing Cabinet about the Leeds City Region (LCR) pool pilot status for 100% business rate retention in 2018/19. To seek confirmation that Kirklees should continue as a member of the LCR Business Rates Pool and be part of the 100% business rates retention pilot.

Officer: James Anderson / Debbie Hogg.

9: Council Tax Base Rates

7 - 18

A report seeking approval for the various tax bases for 2018/19 in connection with the Council Tax.

Officer: Steve Bird.

Contact Officer: Andrea Woodside

KIRKLEES COUNCIL

CABINET

Tuesday 21st November 2017

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

Apologies: Councillor David Sheard (Chair)
Councillor Viv Kendrick
Councillor Cathy Scott

354 Membership of the Committee

Apologies for absence were received on behalf of Councillors Sheard, Scott and Kendrick.

355 Minutes of previous meeting

RESOLVED – That the Minutes of the meeting held on 17 October 2017 be approved as a correct record.

356 Interests

Councillor G Turner declared an 'other' interest in Agenda Item 9 on the grounds that he is a Trustee of Denby Dale Community Library and a Member of the Friends of Skelmanthorpe Library.

357 Admission of the Public

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

358 Deputations/Petitions

Cabinet received a deputation, and petition, from Sarah Goldsmith/Fatimah Bint-Hanif in regards to the future of Crow Nest Park Adventure Playground, Dewsbury.

359 Public Question Time

No questions were asked.

360 Member Question Time

(1) Councillor Armer asked questions arising from the response to Question 6 as submitted to the meeting of Council on 15 November 2017.

(It was noted that the questions would be referred to Councillor Scott)

(2) Councillor Patrick asked questions arising from the response to Question 12 as submitted to the meeting of Council on 15 November 2017.

(A response was provided by Councillor Khan)

361 A Partnership Approach - School Swimming and Kirklees Active Leisure
Cabinet gave consideration to a report which sought approval to engage with regards to a potential partnership between the Council, Kirklees Active Leisure and Schools for the provision of swimming.

The report advised that the Council provided a service for primary schools across the district that enabled pupils to have access to swimming and water safety instruction, in line with the key stage 2 national curriculum. It sought approval to engage in order to further develop the partnership whereby the organisation and management of school swimming would be delivered directly between Kirklees Active Leisure and schools from September 2018, with a TUPE transfer at approximately the end of July 2018. Details relating to the TUPE transfer were provided at Appendix 1 of the considered report.

Cabinet noted that the consultation and engagement exercise would take place with schools, staff, and other interested parties in the second half of the autumn term, continuing through to January 2018, and that the feedback received would be used to determine the next steps.

RESOLVED -

(1) That the Director of Children's Services (or nominee/s) be authorised to commence engagement, in partnership with colleagues from Kirklees Active Leisure, (for 8 weeks until 19 January 2018) with schools and Council staff who would be affected by the proposal, in order to seek views regarding swimming instruction services being delivered by Kirklees Active Leisure.

(2) That, subject to consideration of (i) the outcome of the engagement, which would have regard to para 6.1 of the considered report and (ii) Kirklees Active Leisure Board of Trustees approval to a TUPE business transfer, authority be delegated 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.

362 Kirklees Libraries Consultation Plan
(Under the provision of Council Procedure Rule 36(1), Cabinet received representations from Councillors Dodds and J Taylor).

Cabinet received a report which sought approval for the proposed methodology and timeline for the Kirklees libraries consultation plan. The report reflected that the way in which residents use libraries is changing, and that the service needed to be modernised in order to respond to this. It advised that the library service had delivered over £1.8m of savings within the last two years and was aiming to redesign its services within a budget of £2.238m.

Cabinet - 21 November 2017

A copy of the consultation questionnaire, which had been designed by Qa Research Consultants, was attached at Appendix B of the report. Councillor J Taylor addressed the meeting to request that consideration be given to the re-wording of Question 4 within the Libraries Consultation Survey.

It was noted that the consultation was proposed to commence in January and that a final report from Qa Research would be available week commencing 23 April 2018, at which time, the library service would produce a service review report for consideration. It was proposed that a further report would be submitted to Cabinet in July 2018.

RESOLVED -

(1) That approval be given to the content of the consultation questionnaire as attached at Appendix B to the considered report, subject to the consideration of re-wording of Question 4 within the Libraries Consultation Survey.

(2) That the timeline for consultation and subsequent report to Cabinet be agreed as set out in para. 2.1.2 of the considered report.

(3) That authority be delegated to the Service Director – Policy, Intelligence and Public Health, to finalise the questionnaire and make any drafting/minor amendments as required.

363 Half yearly monitoring report on Treasury Management Activities 2017-18

Cabinet received a report which set out details of half yearly treasury activity monitoring, covering the period 1 April to 30 September 2017.

The report provided assurance that the Council's treasury management function was being managed prudently and pro-actively. It advised that external investments averaged £41.3m during the period at an average rate of 0.20% and that investments ranged from a peak of £59.8m to a low of £23.2m.

Cabinet noted that the treasury management budget was forecast to marginally underspend by £100k in 2017/2018 against an annual budget provision of £22.2m.

The report explained that a new regulatory update was to be effective from 3 January 2018 which meant that the Council would be 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, and the report therefore recommended that the Council formally applies on this basis.

The report also advised that CIPFA were currently consulting on a number of changes to the current Treasury Management and Prudential Codes of practice, to be implemented from April 2018 onwards, and Cabinet noted the summary of the key proposals and implications.

It was also noted that the report recommended the formal adoption of a proactive cashflow management approach between the Council and Kirklees Neighbourhood Housing as an integral to an effective treasury management strategy.

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Section 2 of the considered report provided an overview of economic context, investment performance, borrowing performance, prudential indicators and risk and compliance issues.

RESOLVED -

(1) That the half yearly treasury management performance in 2017/2018 be noted.

(2) That the CIPFA consultation on the current treasury management and prudential codes be noted, and that any revisions be incorporated into the forthcoming Treasury Management Strategy 2018/2019.

(3) That the report be submitted to Council on 13 December 2017 with a recommendation that;

(a) approval be given to the Council's '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.

(b) approval be given to the changes, as set out within Appendix 6 of the considered report, regarding current Treasury Management Practices wording and the substitution of Director of Resources with Chief Finance Officer

(c) approval be given to the 'liquidity risk' management strategy and approach in relation to the Council and Kirklees Neighbourhood Housing.

364

Corporate Financial Monitoring Report - Quarter 2 for 2017-18

(Under the provision of Council Procedure Rule 36(1), Cabinet received a representation from Councillor J Taylor).

Cabinet received a report which provided information on financial monitoring on General Fund Revenue, Housing Revenue Account and Capital Plan as at Quarter 2, 2017-2018.

The report advised that the General Fund controllable (net) revenue budget for 2017-2018 was set at £294.7m, which included planned (net) revenue savings of £54m in 2017-2018. Additionally, a further £10.3m 'temporary resources' has been added to the budget in-year, reflecting planned drawdown from 'one-off' earmarked reserves to fund a number of one-off deferred expenditure commitments, which resulted in a revised budget of £305.0m at Quarter 2.

The report explained that there was a forecast underspend of £1.0m against the £305.0m revised budget at Quarter 2, equivalent to minus 0.3% variance against the revised budget, and that the forecast underspend indicated the extent to which the Council was likely to achieve its forecast savings against planned budgets in 2017-2018. Quarter 2 monitoring reflected that the Council was on track to manage its resources within its planned budget requirement which included £54m planned savings target in-year. The forecast revenue outturn was summarised at para. 1.5 of the considered report.

Cabinet - 21 November 2017

Cabinet noted that the Council's revised capital budget for 2017-2018 was £110.0m and that revised capital budget proposals as set out in the 2016-2017 financial outturn and rollover report for the allocation of 2016-2017 capital rollover to current 2018-2018 approved budgets, and the re-profiling of the existing approved plan over the 2017-2022 period. The forecast capital outturn at Quarter 2 was £76.0m, resulting in an underspend of £34.0m, equating to 30.9% and was summarised at para. 1.23 of the considered report.

RESOLVED -

(1) That approval be given to the proposed use of additional Better Care Funding monies in 2017-2018, as detailed within the considered report.

(2) That, pursuant to (1) above, the Quarter 2 forecast £1.0m revenue monitoring underspend be noted.

(3) That the forecast reduction in general fund reserves in-year at £21.5m and year end position at £68.6m.

(4) That the favourable in-year financial performance on the Collection Fund be noted.

(5) That the Quarter 2 forecast HRA surplus at £206k and forecast reserves position at year end at £49.7m be noted.

(6) That proposals to incorporate key intelligence from Quarter 2 monitoring, as appropriate, into the forthcoming updated 2018-2022 budget plan proposals, as appropriate, be noted.

365 Highways Capital Plan 2017/18

Cabinet received a report which set out the Highways Capital Plan 2017/2018, which was a detailed programme of work to be implemented over the next two years. The report reflected the changes and additional grants that had been made since Cabinet had considered the 2017/18 to 2021/22 Capital Investment Plan on 30 May 2017.

Cabinet noted that developer funded schemes had been added to the Capital Plan and that there had been some adjustments to grants, as well as the addition of new grants that had been awarded. The report indicated that the combined effect increased the Capital Plan total to £18,283,000.

The detailed Capital Plan attached at Appendix 1 of the considered report.

RESOLVED – That approval be given to the Highways Capital Plan, as attached at Appendix 1 to the considered report.

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Contact Officer: Andrea Woodside

KIRKLEES COUNCIL

CABINET

Friday 8th December 2017

Present: Councillor David Sheard (Chair)
Councillor Peter McBride
Councillor Musarrat Khan
Councillor Erin Hill
Councillor Viv Kendrick
Councillor Masood Ahmed
Councillor Graham Turner
Councillor Cathy Scott

Apologies: Councillor Shabir Pandor
Councillor Naheed Mather

366 Membership of the Committee

Apologies for absence were received on behalf of Councillors Mather and Pandor.

367 Interests

No interests were declared.

368 Admission of the Public

It was noted that Agenda Items 11 and 12 would be considered in private session.
(Minute No's 376 and 377 refer)

369 Deputations/Petitions

No deputations or petitions were received.

370 Public Question Time

No questions were asked.

371 Member Question Time

No questions were asked.

372 Council Taxbase and CTR Scheme for 2018

Cabinet gave consideration to a report which provided an overview of the responses to the Council Tax Reduction Scheme consultation exercise and set out options to be considered in 2018/2019 and subsequent years. The report advised that a comprehensive eight week consultation had been undertaken with the public, and major preceptors, and that the comments received were set out in Appendix 3 to the considered report. Details of matters to be included within the scheme, as set out in the Local Government Finance Act 1992 (Schedule 1A), were set out at Appendix 4.

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The report set out the detail of six options, and Appendix 1 described the high level impact of each option. It was noted that Cabinet had considered all of the options and were mindful of both the financial challenges to the Council and the impact of proposals upon vulnerable people in the context of other significant changes to welfare provision.

It was agreed that that Options 4 and 6 would be the recommended options to submit to the meeting of Council on 13 December 2017. That is, (i) to approve a reduction in the capital limit from £16,000 to £8,000 and (ii) to approve general changes for all options to reduce administration costs.

Subject to approval at Council, it was noted that the residents affected by changes would be contacted and offered help with payment options, and also that the Council taxbase would be based on the assumptions and adopted option/s.

RESOLVED - That the report be submitted to the meeting of Council on 13 December 2017 with a recommendation that (i) Options 4 and 6 as detailed within the considered report be approved and (ii) authority be delegated to the Service Director (Finance, IT and Transactional Services) to approve the taxbase as a result of changes to the scheme, and that the impact be incorporated into the budget report to be submitted to Council on 14 February 2018.

373 Update on Children Services

Cabinet received a report which set out an update on activities in Children's Services including (i) the proposed Strategic Partnership with Leeds (ii) the implications of the changes in Children's Services regarding the main IT provider for Children's Social Care and (iii) a general update on discussions with the Department for Education and Ofsted.

Cabinet noted the content of the report which provided an update on progress in relation to discussions with Leeds City Council and the Department for Education regarding partnership working and its implications, an outline of the general terms of the partnership including the governance arrangements, the Improvement Plan and the draft Direction from the Secretary of State. Furthermore, it requested delegation to finalise the details of the Strategic Partnership and authorisation to enter into the arrangements, once concluded.

Paragraph 2.2 of the report provided an overview of the reconfiguration of the Liquidlogic casework management system, which was required following the changes in approach to social work practice.

(Cabinet gave consideration to the exempt information at Agenda Item 11 (Minute No. 376 refers) prior the determination of this item.)

RESOLVED –

(1) That the current position relating to the arrangements with Leeds City Council to establish a Strategic Partnership be noted.

(2) That authority be delegated to the Chief Executive, in consultation with the Leader of the Council and the statutory Portfolio Holder for Children's Services, to

Cabinet - 8 December 2017

finalise the terms of the Strategic Partnership Agreement with Leeds City Council (including the Improvement Plan) and any other documents associated with this, including any funding arrangements.

(3) That the Service Director (Legal, Governance and Commissioning) be authorised to enter into the Strategic Partnership Arrangement and any other documents associated with this, including any funding arrangements with the DfE.

(4) That the Service Director (Legal, Governance and Commissioning) be given authority to enter into the appropriate Strategic Partnership Agreement with Leeds City Council once it has been finalised, as well as any other relevant associated documents.

(5) That the contents of the letter from the Minister, and the draft Direction, as attached at Appendix 2 of the considered report, be noted.

(6) That the proposed changes relating to Liquidlogic, as detailed at Paragraph 2.2 of the considered report, be noted.

(7) That approval be given to extending the implementation timescale of the IT project, from December 2017 to October 2018 at a cost of c£450k to be funded by applying capital receipts.

(8) That the information regarding the visit by the Minister of State for Children and Families, and Ofsted, as detailed within the considered report, be noted.

374 Provision of School IT Services

Cabinet gave consideration to a report which set out details of proposals for the provision of broadband and telecommunications to schools. The report advised that the company providing broadband and telecommunications services to approximately two thirds of schools in Kirklees had gone into administration in October 2017. The company had bought a large proportion of the capacity of City Fibre IT network which had been installed across Kirklees approximately three years ago, and it was considered that it was in the Council's interests to re-enter the market for school broadband services. The proposed offer was for a three year arrangement as the Council would need to purchase devices that would last or be licensed for three years. The report advised that the capital payment cost would need to be met by the Council initially, and would be recovered with each school over the three year contract.

Cabinet noted that the Chief Executive had been required to act under emergency powers on 23 November 2017 to place an order to purchase the relevant hardware and software to enable schools to continue to use broadband and communication services.

(Cabinet gave consideration to the exempt information at Agenda Item 12 (Minute No. 377 refers) prior the determination of this item.)

RESOLVED -

(1) That approval be given to the Council offering a three year package as detailed within the considered report.

(2) That the action of the Chief Executive to place an order to purchase relevant hardware, carried out under emergency powers, on 23 November 2017, be noted and endorsed.

375 Exclusion of the Public

RESOLVED - That acting under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act, as specifically stated in the undermentioned Minute.

376 Update on Children Services

(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. It is considered that disclosure of the information could prejudice negotiations regarding the disposal of the land and the Council obtaining best consideration. The public interest in maintaining the exemption, which would protect the interests of the Council and the company concerned, outweighs 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 8 (Minute No. 373 refers).

RESOLVED -The information was considered prior to the determination of Agenda Item 8.

377 Provision of School IT Services

(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, namely that the report contains information relating to the financial or business affairs of any particular person (including the authority holding that information). The public interest in maintaining the exemption, which would protect the interests of the Council and the company concerned, outweighs 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 9 (Minute No. 374 refers).

RESOLVED - The information was considered prior to the determination of Agenda Item 9.

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: 15th January 2018

Title of report: Business Rates 100% Retention Pilot

Purpose of report: To inform Cabinet about the Government's decision to award the Leeds City Region (LCR) pool pilot status for 100% business rate retention in 2018/19, to set out the key issues involved and to seek member confirmation of the council's continued involvement in the pilot as part of the LCR pool.

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?)	Yes If yes also give date it was registered
The Decision - Is it eligible for call in by Scrutiny?	Yes/ no or " not applicable" Cabinet have 28 days from the date of publication to confirm or withdraw their support from the 100% LCR business rate pilot.
Date signed off by <u>Strategic Director</u> & name	Rachel Spencer Henshall – Strategic Director Corporate Strategy 22 December 2017
Is it also signed off by the Service Director for Finance IT and Transactional Services?	Debbie Hogg – Service Director, Finance, IT and Transactional Services 3 January 2018
Is it also signed off by the Service Director for Legal Governance and Commissioning?	Julie Muscroft — Service Director, Legal, Governance and Commission – 4 January 2018
Cabinet member portfolio	Cllr Turner Cllr Khan

Electoral wards affected: All

Ward councillors consulted: N/A

Public or private: Public

1. Summary

In September this year the Government announced a decision to proceed with the expansion of the pilot programme for 100% business rates retention for 2018/19. These pilots will run for one year only, beyond this period the assumption is that the pilot will end and the pool will revert to its previous incarnation as a Business rates pool operating in accordance with the 2019/20 finance settlement.

An application together with the current members of the LCR business rates pool was submitted on 27th October 2017, following an emergency decision taken by the Chief Executive, in conjunction with the Leader. Subsequently all political group leaders were advised on the 1 November 2017.

Agreed pilots were announced on 19th December 2017 alongside the draft local government finance settlement. The LCR submission was successful but if Cabinet decides not to proceed with the pilot, there is the option to revoke the application as any member of the proposed pilot pool is able to withdraw during the statutory 28 day window after Government designates the new 100% pilot pool, as set out in the Local Government Finance Act 1992.

It must be noted that, should any member withdraw, not only would the pilot pool be revoked but there would be no opportunity to fall back on the existing pooling arrangements. This would result in all Authorities having to operate individually and each Authority would take on its own individual risk. The 'no detriment clause' attached to being a pilot pool would not exist under these arrangements.

2. Information required to take a decision

These pilot schemes are for one year only and allow participating authorities to retain all additional growth in business rates above the business rate baseline determined by Government, whereas currently 50% of that growth is remitted to Government and is then subsequently redistributed.

Government wants to see this additional growth income being used to promote financial stability and sustainability in pooled areas and being invested to encourage further growth.

The LCR Business Rates Pool submitted an application to pilot 100% retention in October 2017. Within the application, the projected additional growth which could be retained regionally was estimated to be in excess of £30m for the across all Pool authorities. The business plan submitted to Government proposed that member authorities would be allocated 50% of this additional growth income to improve financial stability within their authorities, with the Pool itself retaining 50% to continue to support and enable regional economic growth.

For the 2017 pilots Government agreed a 'no detriment' clause, guaranteeing that authorities would not be worse off as a result of participating in these pilots, and all 2018 pilots will also be subject to this clause. The LCR governance agreement has established an internal 'no detriment' arrangement to ensure as far as possible that no member would be worse off as a result of participation in this pilot. An additional 'no detriment' clause from Government provides further assurance should the Pool as a whole fail to realise the level of income it would have achieved under the current 50% retention scheme.

Given the 'no detriment guarantee', the opportunity to pilot 100% retention appears to offer the prospect of significant financial benefits for the Leeds City Region, with minimal risk to the constituent authorities.

It is recommended that Cabinet agree that Kirklees should continue as a member of the LCR Business Rates Pool for 2018/19. Notwithstanding this decision, the continuation of the pool will be dependent upon none of the other member authorities choosing to withdraw within the statutory period after designation. At the date of writing this Leeds, York, Bradford and Wakefield have agreed to implement the pilot. Calderdale are considering a report at the same date as this Cabinet meeting.

3. Implications for the Council

3.1 Early Intervention and Prevention (EIP)

N/A

3.2 Economic Resilience (ER)

This proposals provides significant opportunities for regional investment. At this stage no investment proposals have been developed. The governance arrangements are set out below in paragraph 3.5.

3.3 Improving Outcomes for Children

N/A

3.4 Reducing demand of services

N/A

3.5 Other (eg Legal/Financial or Human Resources)

As part of the application a governance agreement has been submitted. This describes the relationship between the pooling authorities including setting out how the pooling arrangements will work in terms of financial distribution and service provision and evidencing how business rates income growth will be shared. The governance agreement also sets out how balances and liabilities will be treated if the pool were to be dissolved. As with the existing pool arrangements the proposal envisages that the pool will be managed by a Joint Committee consisting of the Leaders of the pooling authorities or their substitutes.

The 'no detriment guarantee' provides assurance that the current MTFP assumptions will not be adversely affected. The potential financial benefits to the authority of continued membership of the pool in 2018/19 and as part of the successful pilot are dependent overall on the performance of the individual authorities in 2018/19. As the pool will only run for one year, any gains will be one-offs and will not be able to be accurately quantified until the end of 2018/19 and as such they have not formed part of the current MTFP.

Not agreeing to be part of the pilot pool would have adverse financial consequences in that the existing pool would cease and the Council would lose out on its share of the business rates growth experienced within the LCR pool as a whole.

4. Consultees and their opinions

Debbie Hogg – Service Director, Finance, IT and Transactional Services
Eamonn Croston – Head of Finance and Accountancy

5. Next steps

N/A

6. Officer recommendations and reasons

It is recommended that Cabinet agree that Kirklees should continue as a member of the LCR Business Rates Pool and be part of the 100% business rates retention pilot as described in this report.

7. Cabinet portfolio holder's recommendations

The portfolio holder is pleased that the Leeds City Region has been accepted as part of the pilot and this pilot will build on the strong ties that exist amongst the City Region members.

8. Contact officer

James Anderson – Senior Finance Manager

9. Background Papers and History of Decisions

Draft Financial Settlement 2018/19:

[Provisional settlement 2018 to 2019: statement - GOV.UK](#)
[Supplementary information for pilots - GOV.UK](#)

10. Service Director responsible

Debbie Hogg – Service Director, Finance, IT and Transactional Services



**Name of meeting: Cabinet – 15 January 2018
Council – 17 January 2018**

Title of report: Calculation of Council Tax Base 2018/19

Purpose of report: To seek approval of the Council for the various tax bases, this will apply to the Kirklees area for the financial year 2018/19 in connection with the Council Tax. The Council has already confirmed the changes to the current Council Tax Reduction Scheme (CTRS) on 13 December 2017. The changes are included in the report.

Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Yes. The calculation of the Council Taxbase affects all wards in the Kirklees area
Key Decision - Council's Forward Plan (key decisions and private reports?)	Yes
The Decision - Is it eligible for "call in" by Scrutiny?	No
Date signed off by Director & name	Debbie Hogg – Service Director, Finance, IT and Transactional Services 5 January 2018
Is it signed off by the Service Director, Finance and Transactional Services?	Yes
Is it signed off by the Service Director, Legal, Governance and Commission (Monitoring Officer)	Yes, Julie Muscroft - 5 January 2018
Cabinet member portfolio	Cllr Graham Turner Cllr Musarrat Khan

Electoral wards affected: All

Ward councillors consulted: N/A

Public or private: Public

1. Summary

Section 67(2) of the Local Government Finance Act 1992 requires that the tax base for Council Tax should be approved by the Authority (i.e. the Council).

The regulations covering setting the taxbase are covered and updated under Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.

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

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

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

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

2. Council Tax Setting

In determining the level of local taxation, each local authority calculates a tax base annually so that, once the level of expenditure has been approved, the determinations of the level of local taxation becomes an arithmetical exercise.

The council taxbase for an authority is the amount of income which would be received by levying a council tax of £1.00 on band D properties and taking into account the differential rates which would be applied to properties in the other bands.

In view of the fact that there are Parish and Town precepts, it is necessary to calculate a taxbase for:

- a) the whole of Kirklees; and
- b) each parish and town council area

The valuation listing received from the Inland Revenue (valuation office) places each domestic property in Kirklees into one of eight valuation bands.

In order to calculate the taxbase, the following factors must be taken into account and applied to the valuation bandings:

- a) Fixed ratios between valuation banding;
- b) Number of exempt properties;
- c) Number of properties eligible for a discount;
- d) Number of appeals against bandings which will be successful;
- e) Number of new properties which will be added to the list during the year; and
- f) Council Tax Reduction Scheme (CTR) – continuing the local scheme as 2017/18 at 20%, with the following amendment to reduce the capital limit from £16,000 to £8,000 from 1 April 2018. This would mean that people with between £8,000 and £16,000 would no longer be eligible for local council tax reduction.
- g) An allowance for losses on collection.

For the purpose of calculating the tax bases, it should be noted that a collective adjustment has been made to the current taxbase as at 30 November 2017 118,932.25 for factors d, e, f, and g) above. The overall collective adjustment for 2018/19 has been calculated at 0.9772370% to take into account the above listed factors and adjustments in the taxbase. The council taxbase as set out in the report will be used to inform the demand on collection fund amount to be considered at full budget Council on 14 February 2018.

The Council will adopt an additional annual percentage increase in council tax as a result of the Adult Social Care precept; this is in line with the percentage allowed by Government. The decision on the precept will be decided by Council on the 14 February 2018.

It is recommended that the 2018/19 taxbase for the whole of Kirklees area, and the tax bases for the five Parish and Town Council areas be approved as follows:

Whole of Kirklees	117,770.00
Denby Dale	5,732.57
Holme Valley	9,960.21
Kirkburton	8,861.25
Meltham	2,761.79
Mirfield	6,599.19

In order to demonstrate the methodology used in the calculation, the Appendices shows the current number of properties in each band, the current effect of discounts, exemptions and the collective adjustment referred to earlier in the report. This is broken down into the Whole of Kirklees and the five Parish and Town council areas above.

3. Implications for the Council

3.1. Early Intervention and Prevention (EIP)

The setting of the taxbase is related to all domestic properties in Kirklees and is not based on individual circumstances. It applies to every property.

The Local Government Finance Act 1992 requires each authority to devise a Local Council Tax Reduction Scheme it does not specify the extent of any such reduction.

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

3.2 Economic Resilience (ER)

Setting a budget specifically to meet council tax liability of those that would otherwise be unable to pay, means we have greater clarity as to the amount of council tax we might collect. That in turn allows the council to plan more accurately based on anticipated revenue from the collection of council tax.

3.3 Improving outcomes for children

N/A

3.4 Reducing demand on services

N/A

3.5 Financial, Legal and Other Implications

The setting of the taxbase is related to the annual budget process.

The decision to agree the taxbase determines the levels of income received by the Council through the levy of council tax for residents of Kirklees.

The Council must consider any legislative changes as part of the council taxbase setting process, as any changes will materially affect the council taxbase. Any legislative changes (if any) have been considered and incorporated in the council taxbase setting process.

4. Consultees and their opinions

Debbie Hogg – Service Director, Finance, IT and Transactional Services
Eamonn Croston – Head of Finance and Accountancy
Councillor's Graham Turner and Musarrat Khan support the calculations and judgments made in determining the taxbase.

5. Next steps

- Cabinet to agree council tax base
- Full Council to agree and approve the report
- Agree the level of council tax base for 2018/19

6. Officer recommendations and reasons

- 6.1 It is recommended that the 2018/19 taxbase for the whole of the Kirklees area, and the taxbases for the five Parish and Town council areas be approved as follows:

Whole of Kirklees	117,770.00
Denby Dale	5,732.57
Holme Valley	9,960.21
Kirkburton	8,861.25
Meltham	2,761.79
Mirfield	6,599.19

These figures are based on the current CTR scheme and taking into account changes to capital limits.

7. CTR Parish Grant

- 7.1 Agree to pass on the full Government CTR grant to Town and Parish Councils at the same level as previous years - the figures are as set out in the table below. However with caseload falling a review will be undertaken in advance of next year's budget to ascertain the appropriate level of any grants.

	CTR Parish Grant
Parish split for 2018/19 based on original allocation	£71,733.00
Denby Dale	£17,609.73
Holme Valley	£19,820.23
Kirkburton	£19,039.91
Meltham	£7,054.13
Mirfield	£8,209.01
	£71,733.00

- 7.2 If there are any member alterations to the taxbase figures then continuing delegated powers be given to Service Director – Finance, IT and Transactional Services to adjust tax base to reflect any changes made. Also for the calculation of the taxbase pursuant to Section 3 1B (1) and S 67 (1) & (2A) of the Local Government Finance Act 1992. This will be S151 officer.

8. Cabinet portfolio holder recommendation

It is recommended that full Council approve the taxbase report for 2018/19.

9. Contact officer and relevant papers

Steve Bird – Head of Welfare and Exchequer Services
Mark Stanley – Senior Manager Welfare and Exchequer Services

10. Service Director responsible

Debbie Hogg – Service Director, Finance, IT and Transactional Services

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Kirklees Metropolitan Council

Council Tax Base Calculation for whole of Kirklees 2018/2019

Tax Band	Number of Properties	Number of Exempt Properties	Number of Taxable Properties	Number of Properties with Discounts Equated to 25% Discount	Reduction in Tax Base due to Council Tax Reduction	Number of Properties with Empty premium Equated to 50% extra charge	Effect of Discounts & Empty premium on Number of Taxable Properties	Fixed Ratio (9ths)	Band 'D' Equivalent
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Band A Disabled	109	0	109	9.00	23.40	0.00	76.60	5	42.56
A	84,463	3,040	81,423	9,714.25	19,072.76	207.50	52,841.69	6	35,227.79
B	34,477	824	33,653	2,865.50	3,482.85	61.00	27,365.25	7	21,284.08
C	31,493	663	30,830	2,024.00	1,796.92	40.00	27,049.08	8	24,043.63
D	16,566	359	16,207	861.00	545.50	13.50	14,814.00	9	14,814.00
E	11,412	91	11,321	464.25	214.90	6.50	10,648.35	11	13,014.65
F	5,117	35	5,082	205.75	48.45	7.50	4,835.30	13	6,984.32
G	2,112	16	2,096	84.75	20.72	4.00	1,994.53	15	3,324.22
H	111	3	108	9.50	0.00	0.00	98.50	18	197.00
	185,860	5,031	180,829	16,238.00	25,205.50	340.00	139,723.30		118,932.25
							Less : collective adjustment	0.9772370%	1,162.25
							Council Tax Base for KMC - Chargeable Dwellings Band 'D' Equivalent		117,770.00

2017/2018 Based on 137,330.91
116,961.47 1.3594904% 1,590.08 Council
Tax Base for KMC - Chargeable
Dwellings Band 'D' Equivalent
115,371.39

APPENDIX A

2018/2019
Less : collective
adjustment

APPENDIX A	0.013594904
	0.01359490
2017/2018	0.013594904
Less : collective adjustment	135.95%
	2017/2018 % increase

Band 'D' Equivalent	40.85	4.19%
	34,421.92	2.34%
	20,998.83	1.36%
	23,729.98	1.32%
	14,662.99	1.03%
	12,764.77	1.96%
	6,900.95	1.21%
	3,247.28	2.37%
	193.90	1.60%
	116,961.47	1.68%
	1,590.08	-26.91%
	115,371.39	2.08%

Kirklees Metropolitan Council

Council Tax Base Calculation for area of Denby Dale Parish Council 2018/2019

APPENDIX B

2018/2019
Less : collective
adjustment

APPENDIX B

2017/2018
Less : collective
adjustment

2017/2018
% increase

Tax Band	Number of Properties	Number of Exempt Properties	Number of Taxable Properties	Number of Properties with Discounts Equated to 25%	Reduction in Tax Base due to Council Tax Reduction	Number of Properties with Empty premium Equated to 50% extra charge	Effect of Discounts & Empty premium on Number of Taxable Properties	Fixed Ratio (9ths)	Band 'D' Equivalent	Band 'D' Equivalent	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(10)	
Band A Disabled	5	0	5	0.25	0.54	0.00	4.21	5	2.34	1.81	29.28%
A	1,930	33	1,897	222.00	444.08	2.50	1,233.42	6	822.28	867.25	-5.19%
B	1,228	15	1,213	111.25	81.09	3.50	1,024.16	7	796.57	772.19	3.16%
C	1,194	9	1,185	82.25	41.84	2.50	1,063.41	8	945.25	932.60	1.36%
D	1,398	12	1,386	71.50	12.70	0.00	1,301.80	9	1,301.80	1,287.33	1.12%
E	930	4	926	34.00	5.00	1.50	888.50	11	1,085.94	1,043.29	4.09%
F	396	2	394	20.00	1.13	0.00	372.87	13	538.59	518.05	3.96%
G	168	0	168	5.00	0.48	0.00	162.52	15	270.87	259.78	4.27%
H	13	0	13	0.25	0.00	0.00	12.75	18	25.50	25.50	0.00%
	7,262	75	7,187	546.50	586.86	10.00	6,063.64		5,789.14	5,707.80	1.43%
								Less : collective adjustment	0.9772370%	56.57	
										77.60	-27.09%
										5,630.20	1.82%

Council Tax Base for Denby Dale Parish Council - Chargeable Dwellings Band 'D' Equivalent

Council Tax Base Calculation for area of Holme Valley Parish Council 2018/2019

APPENDIX C

2018/2019
Less : collective
adjustment

APPENDIX C

2017/2018
Less : collective
adjustment

2017/2018
% increase

Tax Band	Number of Properties	Number of Exempt Properties	Number of Taxable Properties	Number of Properties with Discounts Equated to 25% Discount	Reduction in Tax Base due to Council Tax Reduction	Number of Properties with Empty premium Equated to 50% extra charge	Effect of Discounts & Empty premium on Number of Taxable Properties	Fixed Ratio (9ths)	Band 'D' Equivalent	Band 'D' Equivalent	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(10)	
Band A Disabled	4	0	4	0.50	0.79	0.00	2.71	5	1.51	1.65	-8.48%
A	2,712	45	2,667	333.75	645.52	12.00	1,699.73	6	1,133.15	1,223.50	-7.38%
B	2,167	34	2,133	208.00	117.88	9.00	1,816.12	7	1,412.54	1,389.34	1.67%
C	2,617	22	2,595	194.50	60.82	5.00	2,344.68	8	2,084.16	2,005.30	3.93%
D	1,651	10	1,641	96.50	18.46	1.00	1,527.04	9	1,527.04	1,493.00	2.28%
E	1,668	12	1,656	71.50	7.27	1.00	1,578.23	11	1,928.95	1,876.44	2.80%
F	925	2	923	34.25	1.64	1.00	888.11	13	1,282.83	1,267.11	1.24%
G	411	0	411	14.00	0.70	0.50	396.80	15	661.33	640.93	3.18%
H	14	0	14	0.50	0.00	0.00	13.50	18	27.00	25.00	8.00%
	12,169	125	12,044	953.50	853.08	29.50	10,266.92		10,058.51	9,922.27	1.37%
								Less : collective adjustment	0.9772370%	98.30	
										134.89	-27.13%
										9,787.38	1.77%

Council Tax Base for Holme Valley Parish Council - Chargeable Dwellings Band 'D' Equivalent

Council Tax Base Calculation for area of Kirkburton Parish Council 2018/2019

APPENDIX D

2018/2019
Less : collective
adjustment

APPENDIX D

2017/2018
Less : collective
adjustment

2017/2018
% increase

Tax Band	Number of Properties	Number of Exempt Properties	Number of Taxable Properties	Number of Properties with Discounts Equated to 25% Discount	Reduction in Tax Base due to Council Tax Reduction	Number of Properties with Empty premium Equated to 50% extra charge	Effect of Discounts & Empty premium on Number of Taxable Properties	Fixed Ratio (9ths)	Band 'D' Equivalent	Band 'D' Equivalent	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(10)	
Band A Disabled	2	0	2	0.25	0.69	0.00	1.06	5	0.59	0.56	5.36%
A	2,329	145	2,184	260.50	560.56	7.50	1,370.44	6	913.63	1,014.10	-9.91%
B	1,991	26	1,965	195.25	102.36	3.00	1,670.39	7	1,299.19	1,256.37	3.41%
C	2,478	18	2,460	164.50	52.81	4.50	2,247.19	8	1,997.50	1,944.43	2.73%
D	1,749	113	1,636	85.00	16.03	2.00	1,536.97	9	1,536.97	1,518.57	1.21%
E	1,367	1	1,366	54.75	6.32	0.50	1,305.43	11	1,595.53	1,580.79	0.93%
F	724	6	718	23.00	1.42	0.50	694.08	13	1,002.56	987.09	1.57%
G	357	3	354	11.25	0.61	0.00	342.14	15	570.23	549.17	3.83%
H	17	0	17	0.75	0.00	0.00	16.25	18	32.50	31.00	4.84%
	11,014	312	10,702	795.25	740.80	18.00	9,183.95		8,948.70	8,882.08	0.75%
								Less : collective adjustment	0.9772370%	87.45	
										120.75	-27.58%
										8,761.33	1.14%

Council Tax Base for Kirkburton Parish Council - Chargeable Dwellings Band 'D' Equivalent

Council Tax Base Calculation for area of Meltham Parish Council 2018/2019

APPENDIX E

2018/2019
Less : collective
adjustment

APPENDIX E

2017/2018
Less : collective
adjustment

2017/2018
% increase

Tax Band	Number of Properties	Number of Exempt Properties	Number of Taxable Properties	Number of Properties with Discounts Equated to 25% Discount	Reduction in Tax Base due to Council Tax Reduction	Number of Properties with Empty premium Equated to 50% extra charge	Effect of Discounts & Empty premium on Number of Taxable Properties	Fixed Ratio (9ths)	Band 'D' Equivalent	Band 'D' Equivalent		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(10)		
Band A Disabled	2	0	2	0.00	0.32	0.00	1.68	5	0.93	1.11	-16.22%	
A	1,246	18	1,228	154.25	257.23	5.00	821.52	6	547.68	536.09	2.16%	
B	520	6	514	47.00	46.97	0.00	420.03	7	326.69	342.07	-4.50%	
C	936	5	931	61.75	24.24	1.50	846.51	8	752.45	733.04	2.65%	
D	403	2	401	20.75	7.36	0.50	373.39	9	373.39	356.33	4.79%	
E	414	3	411	17.00	2.90	0.00	391.10	11	478.01	467.78	2.19%	
F	154	3	151	6.25	0.65	0.50	144.60	13	208.87	207.87	0.48%	
G	56	0	56	1.00	0.28	0.50	55.22	15	92.03	91.35	0.74%	
H	5	0	5	0.50	0.00	0.00	4.50	18	9.00	9.00	0.00%	
	3,736	37	3,699	308.50	339.95	8.00	3,058.55		2,789.05	2,744.64	1.62%	
								Less : collective adjustment	0.9772370%	27.26	37.31	-26.95%
								Council Tax Base for Meltham Parish Council - Chargeable Dwellings Band 'D' Equivalent	2,761.79	2,707.33	2.01%	

Council Tax Base Calculation for area of Mirfield Parish Council 2018/2019

APPENDIX F

2018/2019
Less : collective
adjustment

APPENDIX F

2017/2018
Less : collective
adjustment

2017/2018
% increase

Tax Band	Number of Properties	Number of Exempt Properties	Number of Taxable Properties	Number of Properties with Discounts Equated to 25%	Reduction in Tax Base due to Council Tax Reduction	Number of Properties with Empty premium Equated to 50% extra charge	Effect of Discounts & Empty premium on Number of Taxable Properties	Fixed Ratio (9ths)	Band 'D' Equivalent
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Band A Disabled	5	0	5	0.50	0.82	0.00	3.68	5	2.04
A	2,537	49	2,488	331.50	669.42	7.00	1,494.08	6	996.05
B	1,482	24	1,458	146.75	122.24	2.00	1,190.61	7	926.03
C	2,577	28	2,549	176.75	63.07	1.00	2,310.18	8	2,053.49
D	1,120	11	1,109	60.25	19.15	0.50	1,030.10	9	1,030.10
E	781	3	778	35.50	7.54	0.00	734.96	11	898.28
F	358	0	358	11.25	1.70	0.50	345.55	13	499.13
G	151	0	151	5.25	0.73	0.00	145.02	15	241.70
H	12	2	10	1.25	0.00	0.00	8.75	18	17.50
	9,023	117	8,906	769.00	884.67	11.00	7,262.93		6,664.32
							Less : collective adjustment	0.9772370%	65.13
									6,599.19

Council Tax Base for Mirfield Parish Council - Chargeable Dwellings Band 'D' Equivalent

Band 'D' Equivalent	% increase
(10)	
2.50	-18.40%
1,036.97	-3.95%
918.16	0.86%
1,993.96	2.99%
1,028.63	0.14%
884.35	1.58%
491.02	1.65%
232.08	4.15%
17.50	0.00%
6,605.17	0.90%
89.80	-27.47%
6,515.37	1.29%