

Public Document Pack



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

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Monday 13 February 2023

Notice of Meeting

Dear Member

Cabinet

The **Cabinet** will meet in the **Council Chamber - Town Hall, Huddersfield** at **9.30 am** on **Tuesday 21 February 2023**.

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.

Cabinet Members:-

Member	Responsible For:
Councillor Shabir Pandor	Leader of the Council
Councillor Paul Davies	Cabinet Member – Corporate
Councillor Eric Firth	Cabinet Member – Transport
Councillor Viv Kendrick	Cabinet Member - Children (Statutory responsibility for Children)
Councillor Musarrat Khan	Cabinet Member - Health and Social Care
Councillor Naheed Mather	Cabinet Member – Environment
Councillor Carole Pattison	Cabinet Member - Learning, Aspiration and Communities
Councillor Cathy Scott	Deputy Leader and Cabinet Member - Housing and Democracy
Councillor Will Simpson	Cabinet Member – Culture and Greener Kirklees
Councillor Graham Turner	Cabinet Member – Regeneration

Agenda

Reports or Explanatory Notes Attached

Pages

1: Membership of Cabinet

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

2: Declarations of Interest

1 - 2

Cabinet Members will be asked to advise if there are any items on the Agenda in which they have a Disclosable Pecuniary Interest, which would prevent them from participating in any discussion or participating in a vote upon the item, or any other interests.

3: Admission of the Public

Most agenda items will be considered in public session, however, it shall be advised whether Cabinet will consider any matters in private, by virtue of the reports containing information which falls within a category of exempt information as contained at Schedule 12A of the Local Government Act 1972.

4: Deputations/Petitions

The Cabinet 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.

5: Questions by Members of the Public

In accordance with Council Procedure Rule 11(5), the period allowed for the asking and answering of public questions shall not exceed 15 minutes.

6: Questions by Elected Members (Oral Questions)

Cabinet will receive any questions from Elected Members.

In accordance with Executive Procedure Rule 2.3 (2.3.1.6) a period of up to 30 minutes will be allocated.

7: Council Budget Report 2023/24 and future years; incorporating Capital, Treasury Management, General Fund Revenue and Housing Revenue Account

3 - 250

To recommend a budget to Council for Capital, General Fund Revenue and Housing Revenue Account and approve the Council Treasury Management Strategy.

Wards affected: All

Contact: Eamonn Croston, Service Director - Finance

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: 21 February 2023

Title of report: Council Budget Report 2023/24 and future years; incorporating Capital, Treasury Management, General Fund Revenue and Housing Revenue Account

Purpose of the report

The purpose of this report is for Cabinet to receive information to enable them to recommend a budget to Council for Capital, General Fund revenue and Housing Revenue Account (HRA) and approve the Council Treasury Management strategy.

Key decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Yes
Key decision - Is it in the Council's Forward Plan (key decisions and forward reports) ?	Yes
Is it eligible for "call in" by Scrutiny?	No
Date signed off by Strategic Director and name	Jacqui Gedman – 10 February 2023
Is it also signed off by the Service Director for Finance?	Eamonn Croston – 10 February 2023
Is it also signed off by the Service Director – Legal, Governance & Commissioning?	Julie Muscroft – 10 February 2022
Cabinet member portfolio - Corporate	Cllr Paul Davies

Electoral [wards](#) affected: All

Ward Councillors consulted: All

Public or private: Public

Have you considered GDPR: Yes – there is no personal data within the budget details and calculations set out in this report and accompanying Appendices

RESTRICTIONS ON VOTING

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

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

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

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

1. Summary

- 1.1 The structure of this report begins with an executive summary, followed by a range of Appendices. The reader will need to review these collectively in order to be informed of the overall consequences and implications.

The Appendices are as follows:

A	General Fund & HRA Medium Term Financial Plan 2023/24 and future years - Revenue and Capital Budget Book
B	Savings Templates
C	Revenue Tables
D	General Fund Revenue Sensitivity Analysis
E	Flexible Capital Receipts Strategy
F	Capital Strategy
G	Corporate Risk Register Summary
H	Motion to Council
I	Treasury Management Strategy 2023/24 (appended report)
J	Budget Consultation exercise – summary

Integrated Impact Assessments

- 1.2 Members' attention is drawn to the information and advice in paragraph 3.3.23 of this report which makes reference to the Council's Public Sector Equality Duty.
- 1.3 The report will:-
 - (i) review the General Fund revenue budget strategies over the medium term financial plan (MTFP), and budget proposals to achieve a balanced General Fund revenue budget in 2023/24, and indicative revenue budget forecasts for the following four years;

- (ii) incorporate the Government's announcement on the Local Government Finance Settlement for 2023/24, and consider the level of General Fund revenue budget needed for Treasury Management and Central Contingencies;
- (iii) review the current levels of General Fund revenue reserves and balances and make recommendations on the level of reserves;
- (iv) incorporate Housing Revenue Account (HRA) budget proposals to achieve a balanced HRA in 2023/24, and indicative revenue budget plan for the following four years, informed by the HRA 30 year business plan;
- (v) review the current levels of Housing Revenue Account reserves, and make recommendations on the level of reserves;
- (vi) review the multi-year plan for Capital Investment. The Cabinet is required under Financial Procedure Rules to recommend to the Council a multi-year Plan for Capital Investment;
- (vii) review and approve the 2023/24 Treasury Management Strategy, Investment Strategy and Capital Strategy, which the Council must consider before the start of the financial year to comply both with the Chartered Institute of Public Finance & Accountancy (CIPFA) Prudential Code and Treasury Management Code and with the Department for Levelling Up, Housing and Communities (DLUHC) statutory guidance;
- (viii) make recommendations on the Council Tax requirement for 2023/24; and
- (ix) incorporate a statement of assurance from the Council's statutory s151 officer in relation to the robustness of budget estimates and adequacy of General Fund and HRA reserves.

Budget narrative

- 1.4 Kirklees Council will set its budget for 2023/24 against one of the most challenging economic backdrops in living memory. Many of the sources of economic turbulence were unforeseeable, such as war in Ukraine and its impact on energy prices. Though inflation was already a feature of the economy at the start of 2022/23, its rapid rise during the year has exerted significant extra pressure on pay, goods and services beyond the council's planning. Rises in interest rates have added further costs to the council which could not reasonably have been forecast at the start of the financial year.
- 1.5 The external crises of 2022/23 have compounded long-running structural challenges for the council. This includes historic central government underfunding, and when compared to local authorities with similar characteristics and challenges to Kirklees. The 2023/24 local government financial settlement continues to leave Kirklees at a relative disadvantage and failed to mitigate many of the Cost of Living cost increases faced by the Council. Government expectation is that Councils use their reserves to mitigate these pressures. As well, the Government pause in implementing social care reforms continues to put future uncertainty on budgets for all Councils that deliver these vital services. The above sits alongside increasing demand, especially during a cost-of-living crisis when many residents need additional support from a variety of council activities.

- 1.6 As a result of the factors described above, the council faces a general fund revenue budget gap of £43m for the coming financial year. The proposed budget for 2023/24 seeks to overcome that disparity while continuing to deliver on the council's priorities and values.
- 1.7 Despite the extraordinary challenges, this budget supports core frontline services. Social care for adults and children are some of the council's most essential services. This budget continues to invest in services for children with special educational needs and disabilities, looked after children, older residents and local people with disabilities.
- 1.8 With its focus on prioritising frontline services, the budget will support Kirklees Active Leisure with a £6m in-year support package. Community services, like libraries and leisure centres are at the heart of this budget, and these financial plans also support the council to maintain its network of 24 libraries that are so important to communities, especially during a cost-of-living crisis where they are not just a warm space, but somewhere residents can seek advice, practical assistance and access services.
- 1.9 The budget's primary aim is to give stability to the council's finances in the face of extraordinary pressures. Achieving financial sustainability is essential to allowing the council to continue to deliver services for residents. In achieving this aim, the 2023/24 budget will utilise over £24m in unallocated reserves as a short-term stability measure largely to address unprecedented Cost of Living pressures. In recent years, the council has maintained a prudent level of reserves to be deployed in the event of major economic and/or fiscal shocks that could not have been forecast. Those unforeseeable circumstances have now materialised. By using its reserves in this way, the council acknowledges that it will be operating with a minimum prudent level of reserves in 2023/24.
- 1.10 The council's flexible approach to capital investment will achieve revenue savings in 2023/24. The capital programme will be re-phased in response to market and economic conditions, achieving over £3m in savings. By taking this adaptable approach, the council can deliver value for money for local taxpayers while maintaining its vision to renew the Kirklees economy and infrastructure. The capital programme continues to prioritise investment into programmes such as Huddersfield's Cultural Heart, George Hotel, infrastructure improvements in urban centres across the borough and uplift in funding for roads maintenance in 2023/24. The updated capital programme will deliver over £1bn investment to create a competitive and sustainable economy for Kirklees over the next 8 years.
- 1.11 Additional savings in the revenue budget, totalling over £15m, are included across every council directorate to address the remaining budget gap. As the economic environment deteriorated in autumn 2022, the council put in place measures to address costs, including action to reduce recruitment and a review of its use of buildings. Those measures will continue into the new year. including vacancy management across the council and a review of the council's estate
- 1.12 The scale of the financial challenge requires further savings across council directorates in the coming year. This includes delivering existing services in a more efficient way while working hard to minimise the impact on residents. Other savings plans will result in higher levels of income for chargeable services where those fees and charges are in line with other local authorities or represent a more realistic reflection of the cost of providing that service. In some cases, savings proposals will

mean working differently with partner organisations, sharing costs or seeking alternative sources of funding.

- 1.13 Local authorities across the country face similar cost pressures and savings requirements. In its Autumn Statement, the government forecast that 95% of English local authorities would increase council tax by 2.99%. Kirklees Council's budget is in line with that forecast. Every council in West Yorkshire, including Kirklees, is proposing to raise council tax at this level as well levying the government's 2% Adult Social Care Precept, which will raise £4.2m directly to fund services for older people and residents with disabilities.
- 1.14 In its totality, the budget provides financial stability for Kirklees Council in 2023/24. But stability and sustainability come with difficult choices, which are described throughout this report. Future years look less certain. Without fundamental changes in economic conditions alongside government solutions to long-running issues such as fair council funding, social care reform and cost-of-living support for key sectors like leisure, the council will be faced with further, and even more difficult choices.

2. Information required to make a decision

SUMMARY BUDGET PLANS – CONTEXT

2.1 Medium Term Financial Strategy Update 2023/24

- 2.1.1 The 2022/23 budget plans were approved on 16 February 2022 and reflected the Administration's priorities and Council ambition in the Council Plan, including acknowledgement of the impact of the global pandemic and emerging global recovery, global supply issues, pent up consumer demand pressures on cost inflation, and labour supply recruitment and retention issues across all sectors of the economy.
- 2.1.2 Based on prevailing national and international macro-economic forecasts, it was anticipated that a number of these pressures would be transitory rather than structural in nature and this was factored accordingly into Council forward budget plans at that time.
- 2.1.3 However, the Russian invasion in Ukraine on 24 February 2022 delivered a further global shockwave with significant and potentially more structural global & national macro-economic and societal impacts.
- 2.1.4 The 2022/23 Quarter 1 financial monitoring report presented to Cabinet on 9 August 2022 reported an overall forecast overspend on general fund revenue budget at £24.6m; equivalent to 7.3% against a revised net revenue budget of £339m.
- 2.1.5 Unprecedented Cost of Living pressures on energy costs, pay award (beyond the budgeted 2% uplift) and other inflationary pressures accounted for £19.8m of the overall overspend forecast. In addition, emerging inflationary cost pressures were also noted in the Housing Revenue Account and overall capital plan.
- 2.1.6 The 2023/24 Medium Term Financial Strategy (MTFS) update report presented to Council on 7 September 2022 set out the financial planning framework for the development of subsequent budget proposals to be developed for 2023/24 and future years. The updated general fund revenue budget position increased the general fund

revenue budget gap from the original starting point £16.4m, to £41.3m. The increase was heavily informed by the roll forward of 2022/23 Cost of Living pressures into 2023/24, as noted above.

2.2 Autumn Budget Statement 17 November 2022

- 2.2.1 Government set out its context for the Autumn Statement announcement; a £55 billion fiscal deficit in public finances, unprecedented headwinds; pandemic and Ukraine war, and a balanced plan for stability.
- 2.2.2 The announcement also included an accompanying Office of Budget Responsibility (OBR) medium term forecast, including expectation of peak average inflation in 2022 at 9.1%, reducing to 7.4% in 2023 and 0.6% in 2024.
- 2.2.3 National economic growth (Gross Domestic Product or GDP) was expected to average at 4.2% in 2022, contract by 1.4% in 2023 and increase by 1.3% in 2024; further annual growth of about 2.6% the following 2 years. Effectively, the latter part of 2022 was anticipated to be the start of a global recessionary period which would last through 2023.
- 2.2.4 The announcement also confirmed an overall Council Tax (CT) referendum limit increase from 2% to 3% in 2023/24 and 2024/25, and an Adult Social Care precept increase from 1% to 2% in 2023/24 and 2024/25; an overall CT flexibility increase from 3% to 5% in 2023/24 and 2024/25.
- 2.2.5 Headline proposals including a significant increase in social care funding of £2.8bn in 2023/24, increasing by a further £1.9bn to £4.7bn in 2024/25. The announcement also confirmed the National Living Wage uplift for 2023/24 at 9.7%; from £9.50 per hour (23 years and over), to £10.42 from April 2023 onwards.
- 2.2.6 Elsewhere, there was an additional £2.3 billion for schools in 2023/24 and 2024/25 and £3.3 billion additional funding for the NHS in 2023/24 and 2024/25.
- 2.2.7 Other headline announcements included confirmation of the social housing rent uplift to be capped at 7% for 2023/24 only (and not September 2022 CPI+1% as per current Government policy).

2.3 Local Government (LG) financial settlement for 2023/24

- 2.3.1 The Provisional Local Government Financial Settlement was announced by Government on 19 December 2022. Government's headline Council Core Spending Power (CSP) calculation for 2023/24 was an overall national £5 billion increase compared to 2022/23; equivalent to 9.2% in cash terms. The calculation is based on increases across a range of Government funding sources, plus council tax (CT) requirement. For the purposes of the CSP calculation, Government assumes Councils will uplift their council tax (including adult social care precepts) by the maximum allowable increase.
- 2.3.2 The Council's specific CSP uplift was 9.6% or £34m in cash terms; of which approximately £14m related to locally generated business rates and council tax income. The balance of £20m, receivable through central government funding, had already been assumed in full within the MTFS Update report figures; albeit the split between funding streams was different than predicted, with the majority of the final

confirmed funding uplifts being received for social care. This reflects Government's Autumn Statement headline to prioritise additional funding in this area.

2.3.3 Government also noted the significant increase in some local authority reserves over the 2 years of the pandemic, and that it encouraged local authorities to consider how they can use their reserves to maintain services in the face of immediate inflationary pressures, taking account of the need to maintain appropriate levels of reserves to support Councils financial sustainability and future investment.

2.4 Updated budget plans 2023/24 and future years

2.4.1 Updated General Fund revenue budget plans for 2023/24 incorporate key funding and spending changes that informed the 2023/24 MTFS update report, subsequent funding changes informed by the 2023/24 Financial Settlement, other spending changes, and savings proposals to deliver a balanced budget in 2023/24.

2.4.2 The other spending changes were largely informed by the Quarter 2 financial monitoring report to Cabinet on 16 November 2022, which indicated a worsening of the in-year general fund revenue position to £34m overspend; mainly due to an increase in Directorate service pressures by £9.6m, compared to Quarter 1. A number of these pressures have been built into subsequent budget plans for 2023/24 alongside the positive ongoing effects of the in-year management actions to reduce costs noted at Quarter 2.

2.4.3 Table 1 below summarises the updated budget plans for 2023/24 to deliver an overall balanced budget, and updated budget forecasts for future years. A more detailed reconciliation of funding and spending changes across years is included at Appendix Ci.

Table 1 – Summary General Fund budget plans 2023/24 & future years

	23/24	24/25	25/26	26/27	27/28
	£m	£m	£m	£m	£m
Budget Gap (MTFP 22-27)	16.4	31.4	33.5	38.2	38.2
Funding Changes	(10.5)	(10.5)	(10.5)	(10.5)	(10.5)
Spending Changes	35.4	37.7	41.3	41.5	41.5
Budget gap (23/24 MTFS Update report)	41.3	58.6	64.3	69.2	69.2
Funding Changes	1.1	(9.3)	(10.3)	(11.4)	(24.4)
Spending Changes	0.8	6.0	10.4	13.0	26.6
Budget gap (Post-Financial Settlement 2023/24)	43.2	55.3	64.4	70.8	71.4
Savings proposals	(18.6)	(30.1)	(39.6)	(42.9)	(40.6)
Use of unallocated reserves	(24.6)				
Balanced Budget position 2023/24	-	25.2	24.8	27.9	30.8

2.4.4 Appendix A sets out overall proposed revenue resource allocations in 2023/24 to deliver a balanced general fund revenue budget, plus indicative resource allocations over the following 4 years across Strategic Director Portfolios and Central Budgets. A detailed reconciliation of funding and spend adjustments, as summarised in Table 1 above, is also included at Appendix Ci for information. The savings proposals are also summarised at Appendix B by Directorate.

- 2.4.5 Updated budget forecasts for the following 4 years indicate a forecast budget gap of **£25.2m in 2024/25, £24.8m in 2025/26, £27.9m in 2026/27 and £30.8m in 2027/28.** This position would need addressing in order to deliver a balanced budget in these years.
- 2.4.6 The budget sensitivity analysis included in section 2.17 later in this report also highlights a range of potential budget forecast sensitivities relative to Council baseline forecast assumptions over the medium term.
- 2.4.7 Key baseline funding and spend assumptions underpinning Council 2023/24 budget proposals to deliver a balanced budget, and indicative budget forecasts for the following 4 years, are described in more detail in the following sections in this report.

FUNDING ASSUMPTIONS

2.5 Business Rates

- 2.5.1 The Autumn Statement confirmed that from 1 April 2023, business rate bills will be updated to reflect changes in property values since the last revaluation in 2017. A package of targeted support worth £13.6 billion over the next 5 years was announced to support businesses as they transition to their new bills, protect businesses from the full impact of inflation and support high streets. Local Authorities will be fully compensated for the loss of income as a result of these business rates measures.
- 2.5.2 Support for eligible retail, hospitality and leisure businesses is being extended and increased from 50% to 75% business rates relief up to £110,000 per business in 2023/24. There is also a Transitional Relief Scheme, whereby Upwards Transitional Relief will support properties by capping bill increases caused by changes in rateable values at the 2023 revaluation. The 'upward caps' will be 5%, 15% and 30%, respectively, for small, medium, and large properties in 2023-24, and will be applied before any other reliefs or supplements.
- 2.5.3 In addition, Government announced the Supporting Small Business Scheme (SSBS) in which bill increases for the smallest businesses losing eligibility or seeing reductions in SBRR or Rural Rate Relief (RRR) will be capped at £600 per year from 1 April 2023.
- 2.5.4 Finally, the Business Rates Multiplier will continue to be frozen in 2023/24 instead of being uplifted by inflation. Local Authorities are being compensated for the impact of this measure via a 3.74% uplift to Baseline Funding Level and 6.36% via cap compensation section 31 grant. Overall, the compensation being received is equivalent to applying the September 2022 CPI uplift of 10.1% to the multiplier.
- 2.5.5 Compared to existing budget plans, the uplifts outlined above result in increased funding of £8.0m through the Settlement Funding Assessment. This includes an uplift to Revenue support Grant (RSG) of 10.1%, and an estimate of Kirklees' retained business rates income; reflecting a continuation of growth assumptions built into the 2022-27 MTFP, and an assumed collection rate of 97.5%.

2.6 Business Rates Pool

- 2.6.1 The Council has been part of a regional Business Rates Pool since 2013. All Pools are subject of an annual application process to Government; both existing and new Pools. The 2023/24 MTFP update report to Council on 7 September 2022 gave delegated

authority for the Chief Executive and Service Director – Finance, in consultation with the Leader and Corporate Portfolio holder to endorse the Council's continued participation in a Leeds City Region (LCR) Pool for 2023/24, which included all West Yorkshire Councils and York.

- 2.6.2 The acceptance of the LCR Pool bid for 2023/24, along with all other Pool bids nationally, was subsequently confirmed by Government through the 2023/24 Financial Settlement announcement.
- 2.6.3 As in previous years, the governance arrangements for the 2023/24 LCR Pool will be ratified in March 2022 through the Business Rates Joint Committee. The Committee includes leading members across the participating Councils and is administered on behalf of the member Councils by Leeds Council. This includes proposals for the allocation of retained business rates levies which will be considered through the Business Rates Joint Committee.
- 2.6.4 It is proposed that delegated authority be given to the Chief Executive and Service Director – Finance, in consultation with the Leader and Corporate Portfolio holder, to agree the governance arrangements for 2023/24 as a participating member, for approval through the Business Rates Joint Committee.

2.7 Council Tax

Council Tax Base

- 2.7.1 Council budget plans incorporate the 2023/24 Council Tax Base (CTB) calculation which was approved by Cabinet on 17 January 2023 and referred to Council on 22 February; reflecting a proposed Band D equivalent increase of 1,310 (rounded) to 123,216 for 2023/24. The link to this report is included at section 8.
- 2.7.2 The 2023/24 CTB estimates are considered reasonable, based on current baseline data, while acknowledging the broader Cost of Living impacted economic landscape as the continuing backdrop to the updated estimates.

Council Tax Referendum Principles

- 2.7.3 Government Council Tax referendum principles are set out in the 2023/24 finance settlement and allow Councils to apply up to a 3% Council Tax uplift without requiring a local referendum. Council updated budget plans reflect a proposed 2.99% Council Tax uplift in 2023/24 (excluding precepts); equivalent to £6.3m additional funding.
- 2.7.4 In addition to allowable Council Tax uplifts within referendum principles, Government has also granted Councils with Social Care responsibilities local discretion to uplift Council Tax in 2023/24 up to a maximum of a further 2%.
- 2.7.5 Council updated budget plans reflect the maximum allowable uplift of 2% for Adult Social Care (ASC) precept in 2023/24, equivalent to £4.2m and this will be ring-fenced to support adult social care base budget additional spend requirements in 2023/24.
- 2.7.6 Taking into account both the basic Council Tax uplift and the ASC precept, the total proposed Council Tax increase for 2023/24 will be 4.99%. To put the proposed 2023/24 4.99% overall Council Tax uplift into context, this equates to an equivalent £1.09 per week band A uplift, and £1.63 per week band D uplift.

- 2.7.7 Government has also confirmed that the referendum principles it has set for 2023/24 will also apply for 2024/25, and at this stage updated budget plans reflect a 4.99% uplift for 2024/25 reverting to 2.99% from 2025/26 onwards.

Collection Fund deficits/surpluses

- 2.7.8 Charges to the General Fund each year from the Council (the billing authority) for Council Tax and Business Rates, and to the major precepting authorities (Fire & Rescue Authority, West Yorkshire Mayor Police and Crime Commissioner) are based on estimates of CTB and business rates. Actual income collected year on year will vary. These timing differences result in actual surpluses or deficits which are rolled forward year on year through the collection fund, and 'settled' over following years, through relevant payment adjustments to the General Fund/major precepting authorities.
- 2.7.9 For 2023/24, there is an anticipated net overall repayment from the Collection Fund to the General Fund of £2.0m.

2.8 Government un-ringfenced grants

- 2.8.1 While these grants are separately identifiable, the Council can apply this funding flexibly to meet overall Council spend priorities. Budgets for 2023/24 include annual allocations set out in the 2023/24 local government finance settlement, with those not yet announced reflecting existing budget plans. The overall effect for the Council is a cash reduction of £3.6m of un-ringfenced grants. See also, a more detailed breakdown of these grants at Appendix Ciii.

Strategic Director Portfolios

The following section looks at Directorate 2023/24 and future year spending plans in more detail.

2.9 Children's Services

- 2.9.1 There are also a number of Directorate budget savings proposals totalling £4.4m in 2023/24, and a further £1.8m in 2024/25, and these are also summarised at Appendix B.
- 2.9.2 Children's Services savings proposals include the redesign of a number of internal and commissioned areas to ensure the most effective service is delivered. Some aspects of this redesign in the Social Care service will be developed following the announcement of National Care Review Proposals and come into effect from 2024/25.
- 2.9.3 Additionally, development of local internal residential provision will enable more children to be placed within Kirklees and efforts will be made to increase the number of internal foster care placements, all of which will help to provide a robust sufficiency offer. Alternative funding streams will be used to provide support to the Early Years offer and the Learning and Early Support Service will look to develop income generation proposals.

- 2.9.4 Updated budget plans include an additional £1.3m per annum for Cost of Living impacted social care inflationary pressures in 2023/24. These additional costs will be funded from the Council's share of the additional Social Care Grant allocation announced in the 2023/24 financial settlement.
- 2.9.5 An additional £800k base budget uplift is included for Post 16 Home to School Transport in light of continuing pressures highlighted in the current year with regard to both cost and demand pressures. The SEND transformation plan is intended to address some of these pressures over the medium term.
- 2.9.6 There has also been a base budget uplift in Learning Services of £1.4m to reflect the re-direct of recharge costs from High Needs block to Council base budget as part of the Council's overall contribution to addressing the High Needs deficit position through the 5 year Safety Valve Agreement with Government.

High Needs Safety Valve funding agreement

- 2.9.7 The Council signed up to the Government's Safety Valve Agreement in March 2022 as one of a number of Councils with a significant Dedicated Schools Grant (DSG) deficit; £36m at the time the safety valve agreement was signed in March 2022.
- 2.9.8 The Safety Valve Agreement, is intended to eliminate the Council's DSG deficit completely by 2026/27 through a Council 5 year Special Educational Needs & Disabilities (SEND) management plan. The plan is intended to bring the in-year High Needs spend position into 'balance' within available in-year DSG funding, by 2026/27. Government have agreed a contribution of £33.5m to help clear the historic DSG deficit, including an initial £13.5m 'down payment' received in March 2022.
- 2.9.9 Further annual contributions by Government of £4m over the next 4 years will be released quarterly in £1m tranches; subject to satisfactory quarterly monitoring reviews with the Department for Education (DfE) Safety Valve Team. To date, the Council has received £2m for the first half of 2022/23.
- 2.9.10 The Council is also prioritising significant revenue resources of its own, including re-directing of annual Council re-charges from the High Needs block to Learning Services, totalling £1.4m (see also paragraph 2.9.6 above). The Council is also contributing earmarked reserves totalling £10.7m over the 2022-27 period. The Council has also prioritised £36m within the capital plan to increase High Needs sufficiency across the district, alongside additional Government capital funding support at £9m.
- 2.9.11 There has also been significant broader schools system support through schools block funding transfers to High needs block; £1.6m in 2022/23 and £2.1m in 2023/24. Both transfers were approved through Schools Forum. This funding will ensure more children receive additional support to remain in, or return to, mainstream school and supports the DSG deficit reduction plans; reflecting the collaborative partner approach to addressing the growing pressures relating to High Needs.
- 2.9.12 Any future year annual block transfer requests will be subject to review and consultation through Schools Forum.

2.9.13 The management plan also allows for some flexibility to review spend and funding profiles over the lifetime of the Plan, with appropriate DfE Safety Valve agreement where circumstances permit.

Schools Funding (Dedicated Schools Grant or DSG)

2.9.14 A detailed report on Schools funding for 2023/24 was approved at Cabinet on 17 January 2023. The link to this report is included at section 8.

2.9.15 Overall, School funding is increasing by £27.5 million or 6.5% from 2022/23 to 2023/24 including the Mainstream School Additional Grant (MSAG). This includes a share of the additional £2.3 billion schools funding announced by Government in the Autumn Statement on 17 November 2022, for 2023/24 and 2024/25.

2.9.16 Kirklees' Schools Block funding allocation for 2023/2024 is £349.2m (£332.2m in 2022/2023), the High Needs Block is £63.1m (£53.8m in 2022/2023), the indicative Early Years Block figure is £30.1m (£28.3m in 2022/2023) and the Central Schools Services Block £2.51m (£2.36m in 2022/2023). The above funding allocations are before any subsequent block transfers, which will be reflected in the finalised allocations to individual school budgets for the start of 2023/24.

2.10 Adults & Health

2.10.1 Existing budget plans include base budget uplifts of £12.7m in 2023/24 for volume/complexity of need and cost pressures, offset in part by an assumed Government Social care funding uplift at £7.1m, and £2.1m funded from the 1% Adult Social Care precept flexibility for 2023/24 announced as part of the 2021 Spending Review. This resulted in an assumed net increase in existing Adults spending plans in 2023/24 of £3.5m.

2.10.2 The above budgetary assumptions have been significantly impacted upon by the Cost of Living crisis. Government's 9.7% headline National Living Wage (NLW) uplift for 2023/24, compares to existing budget plans which had assumed 5%. The expectation is that the NLW uplift will be passported by Councils accordingly onto providers through appropriate fee uplifts.

2.10.3 The Cost of Living crisis has led to ongoing uncertainty within the Adult Social Care market. As a result of this, there has been a need for continued review, and dialogue with key partners. Discussions around the uplifts on the rates paid to external providers for demand-led activities are ongoing. It is proposed that responsibility is delegated to the Strategic Director (Adults and Health) to agree the final uplifts to rates for 2023/24, ensuring that they remain within the service budget envelope provided for 2023/24.

2.10.4 The Cost of Living pressures highlighted above are estimated to add £6.9m to Adults base budget requirement for 2023/24. In-year financial monitoring also identified a demand/cost pressure of just under £2m, which would also roll forward into 2023/24.

2.10.5 The Autumn Statement made clear Government's commitment to prioritise additional funding for social care. This was confirmed in the 2023/24 financial settlement with an increase in Council Social Care grant funding of £16.9m in 2023/24.

- 2.10.6 Of this increase, £7.1m had already been assumed in existing budget plans. The balance of additional funding is intended to mitigate the additional £6.9m Cost of Living pressures (paragraphs 2.10.2-2.10.4 above), and a further £1.3m Social Care Grant earmarked to Children's (paragraph 2.9.4). The balance of £1.6m Social Care Grant funding uplift will help offset forecast current year demand/cost pressures anticipated to roll forward into 2023/24.
- 2.10.7 Government also confirmed the deferral of expected social care reforms to 2025/26 at the earliest. The funding previously set aside to fund these reforms at a national level has instead been re-directed to support existing Council social care pressures. The Council's share of this is £4.4m and forms part of the overall £16.9 funding uplift for 2023/24.
- 2.10.8 The further 1% adult social care precept flexibility also confirmed by Government in the 2023/24 financial settlement will offset the balance of £3.5m growth budget pressure already included in existing plans (paragraph 2.10.1 above).
- 2.10.9 There are also a number of Directorate budget savings proposals totalling £0.9m in 2023/24, and a further £4.1m in 2024/25. These are also summarised at Appendix B.
- 2.10.10 Proposals for Adult Social Care savings centre around reviewing the scope and means of current provision, including contracted services. Included within this is a review of the respite offer for people with a learning disability, along with the development of a new day service offer.
- 2.10.11 Work will also be undertaken with the wider Health and Care system to ensure that the cost and design of services are properly reflected. With regard to the wider trends and shape of the market, transformational work will also be undertaken with an external change partner to model future demand and to identify and deliver social care efficiencies. The Communities and Access Service area will work to create an integrated model to further maximise citizen and community outcomes.

2.11 Environment & Climate Change

- 2.11.1 In-year year monitoring continues to show pressure on School Transport; mainly linked to High Needs demand but also some relating to Cost of Living inflationary pressures. An additional £3.2m has been built into 2023/24 budget plans to reflect this further pressure. Longer term, there is an expectation that some of this pressure can be addressed through the SEND transformation plan and sufficiency increases District wide.
- 2.11.2 Updated budget plans have also re-aligned existing service income base budgets downwards for car parking and markets totalling £1m, to reflect revised deliverable targets where impacted on by wider regeneration developments.
- 2.11.3 The Directorate portfolio includes a range of traded/commercial activity and corresponding discretionary fees and charges. Cost of Living inflationary pressures have also had an impact on costs, as reported through in in-year monitoring, with identified inflationary pressures totalling £2.2m in addition to the School Transport pressure. Fees and charges have been reviewed and will be uplifted as appropriate within existing officer delegations to mitigate current pressures.

2.11.4 There are also a number of Directorate budget savings proposals totalling £3.8m in 2023/24, and a further £2.2m in 2024/25, and these are also summarised at Appendix B.

2.11.5 The savings proposals presented by the Environment & Climate Change Directorate are aimed at reviewing the policies, strategies, and charges of all aspects of their Operational Services. The outcome being to ensure efficient practices and appropriate charges.

2.12 Growth & Regeneration

2.12.1 Updated budget plans have also re-aligned existing service income base budgets downwards for commercial income totalling £0.7m to reflect revised deliverable targets where impacted on by wider regeneration developments.

2.12.2 There are also a number of Directorate budget savings proposals totalling £2.4m in 2023/24, and a further £1.3 in 2024/25, and these are also summarised at Appendix B.

2.12.3 The proposals from Development include a rationalisation of office accommodation £2.5m and use of alternative dwellings for temporary accommodation £0.3m. In Skills & Regeneration the proposals include a review of business centres £0.2m, increased fees in planning & building control £0.1m, and a reduction in growth services from vacant posts £0.1m. Directorate wide proposals include further capitalisation of staff time £0.3m and vacancy management, greater use of alternative funding sources, cost recovery from capital projects and reducing the offer to new projects or activities across the organisation £0.2m.

2.13 Corporate Strategy, Commissioning & Public Health

2.13.1 Updated budget plans for 2023/24 include £0.3m pressure on Council external insurance premia costs, and £0.5m emerging pressure on Government housing subsidy grant, which meets the cost of housing benefit payments administered by Welfare & Exchequer Services. The Government's subsidy system attempts to disincentivise Councils from placing housing benefit recipients in certain types of temporary accommodation for extended periods through reduced subsidy grant, such as temporary bed and breakfast accommodation. This is an area of significantly increasing demand at the same time as increased temporary housing supply challenges.

2.13.2 Government has also announced a further Round 4 Household Support Grant for 2023/24 to support vulnerable households. At the time of writing this report, Government had yet to confirm the grant criteria or individual Council allocations, but the national funding allocation for 2023/24 is the same as 2022/23. Updated budget plans reflect the expectation that the Council's grant allocation will be the same as current year, at £7.4m and the grant criteria broadly consistent with current year.

2.13.3 Government has also announced a specific Council Tax support fund for 2023/24; £100m nationally, and the Council's share is £922k. Recognising the impact of rising Council Tax bills, Government will be distributing this new grant for Councils to support economically vulnerable households in their area with council tax payments.

- 2.13.4 Government expects Councils to use the majority of their funding allocations to reduce bills for current working age and pension age Local Council Tax Support (LCTS) claimants, by up to £25. Councils can use their remaining allocation as they see fit to support vulnerable households with council tax bills.
- 2.13.5 The Council's existing Tax Reduction (LCTS) scheme supports some of the borough's households on low incomes (currently about 24,000 households), is means tested and eligible claimants receive up to 80% discount from their full Council Tax liability. The local scheme only applies to those of working age. The national pension age scheme means there is no such minimum payment and eligible pensioners can receive up to 100% discount.
- 2.13.6 Over the past two budget rounds, the Administration has prioritised additional support of up to £150 support for LCTS claimants on top of the main Council scheme, and for 2023/24 it is intended that the additional support be continued, up to £75 in 2023/24, and funded from the broader package of household support as set out above, and alongside other existing Council Local Welfare base budget support.
- 2.13.7 With regard to the Housing Support Fund Round 4 allocation, and Council Tax Support Fund noted above, it is recommended that authority be delegated to the Strategic Director for Corporate Strategy, Commissioning and Public Health, in consultation with the Corporate portfolio holder, Learning, Aspiration and Communities portfolio holder, and Service Director-Finance to agree the mechanism for how the funding will be used; working with relevant partners, stakeholders, 3rd sector organisations, and in accordance with the relevant government grant funding guidance, and including regular updates to Cabinet through 2023/24.
- 2.13.8 Budget plans also include a £6.1m support package for Kirklees Active Leisure for 2023/24, including the annual grant contribution at £2.2m, a final tranche of post-pandemic recovery funding of £1.5m from Council earmarked reserves, and a central budget contingency underwrite for Cost of Living impacted inflationary pressures (mainly energy) of up to £2.4m.
- 2.13.9 There are also a number of Directorate budget savings proposals totalling £2.2m in 2023/24, and a further £0.5m in 2024/25, and these are also summarised at Appendix B.
- 2.13.10 Through a mix of proposed efficiency gains from managing vacancies and the identification of additional, sustainable financing sources, the proposed savings within the Directorate aim to maximise the effectiveness of the individual service areas. Specific targeted efficiencies will be shaped through a review of areas including membership networks and payroll traded services. Welfare and Exchequer services will be reviewed alongside the Council's Access to Services Strategy to deliver continual improvement through the adoption of new initiatives and technologies.

2.14 Central budgets

- 2.14.1 The assumed pay award for 2022//23 and 2023/24 was 2%. This compares with an actual 'average' pay award of 7.6% in 2022/23 (impact of a flat rate £1,925 applied across all staff), and a further 6% pay award assumption for 2023/24, based on current national employer advice .

- 2.14.2 The combined impact of the above is a further budget pressure of £15.7m, compared to existing budget plans, for 2023/24. This is an increase of £2.3m from the 2023/24 MTFS Update Report to Council on 7 September 2022, which included a 5% pay award assumption for 2023/24. It is assumed that annual pay awards from 2024/25 onwards will revert to 2%.
- 2.14.3 Unprecedented and volatile increases in both gas and electricity prices have resulted in significant pressures over the period across the Council's asset portfolio.
- 2.14.4 Updated plans include an additional budget pressure of £9.8m for energy costs in 2023/24 compared to existing budget plans. This is a reduction of £4.9m from the figures contained in the 2023/24 MTFS update report; reflective of the relative stabilisation of the energy market over the last few months and the anticipated impact of the 2023/24 Energy Bill Discount Scheme announced by the Chancellor of the Exchequer in January 2023; albeit scaled back from the support given through the 2022/23 scheme.
- 2.14.5 A review of general contingency budget requirements has been undertaken and includes some further inflation contingency across years, and a review of central budget income targets. Additional efficiency savings of £1.5m have also been included. Building on last year's efficiency targets, these further targets will cover cost efficiencies along with opportunities for additional income and will be allocated out to Directorates for the start of the 2023/24 financial year.
- 2.14.6 In addition, Central Budgets reflect a reversal of the estimated 1.0% increase in employer contributions to the West Yorkshire Pension Fund, alongside a further 0.1% reduction as part of the current tri-ennial review, covering the period 2023-2026. Overall, this is equivalent to a reduction of £1.8m compared with existing budget assumptions.
- 2.14.7 Updated budget plans also include a reversal of an assumed annual WYMCA levy uplift of £400k in 2023/24, in light of WYMCA's budget proposals to freeze Council levy contributions at existing rates.

Flexible Capital Receipts

- 2.14.8 Government guidance allows the capitalisation of certain types of qualifying revenue expenditure in-year, funded from the flexible use of 'in-year' generated capital receipts. The original government guidance covered the 2016-19 period, but this was subsequently extended by a further 3 years, to 2021/22. The Local Government Finance Settlement for 2021/22 extended these capital receipts flexibilities for a further three years, which covers the period up to and including 2024/25.
- 2.14.9 The guidance states that the flexible use of capital receipts must be approved by full Council, but that it can be 'retrospectively' applied provided the Council's flexible use of capital receipts strategy is presented to Council at the earliest opportunity. The Council's flexible capital receipts strategy, incorporating the 2022/23 retrospective approval, is incorporated into this report.
- 2.14.10 The Council will use the powers under the government guidance on the flexible use of capital receipts to fund up to £3m qualifying transformation expenditure in 2022/23 and £4m in 2023/24. The proposals set out are 'in principle' and allow officers the

flexibility to consider a range of funding options in-year that meet the intended objectives set out in the Council's budget strategy.

2.14.11 There is no prescribed format for the strategy, but the underlying principle is to support the delivery of more efficient and sustainable services by extending the use of capital receipts to finance the costs of efficiency initiatives that deliver significant savings. A list of each project should be incorporated in the strategy along with the expected savings each project is expected to realise. This is included at Appendix E.

2.15 Treasury Management

2.15.1 Updated Treasury management budgets assume that the Bank of England base rate of 4.0% (as at 2 February 2023) is likely to bottom out to 4.25% by March 2024. As such, the budget reflects assumed combined borrowing rates of 5.0% across all years. This is based on the continuation of current borrowing strategy, which combines the use of both short and long term borrowing as set out in the attached 2023/24 Treasury Management Strategy report, included at Appendix I.

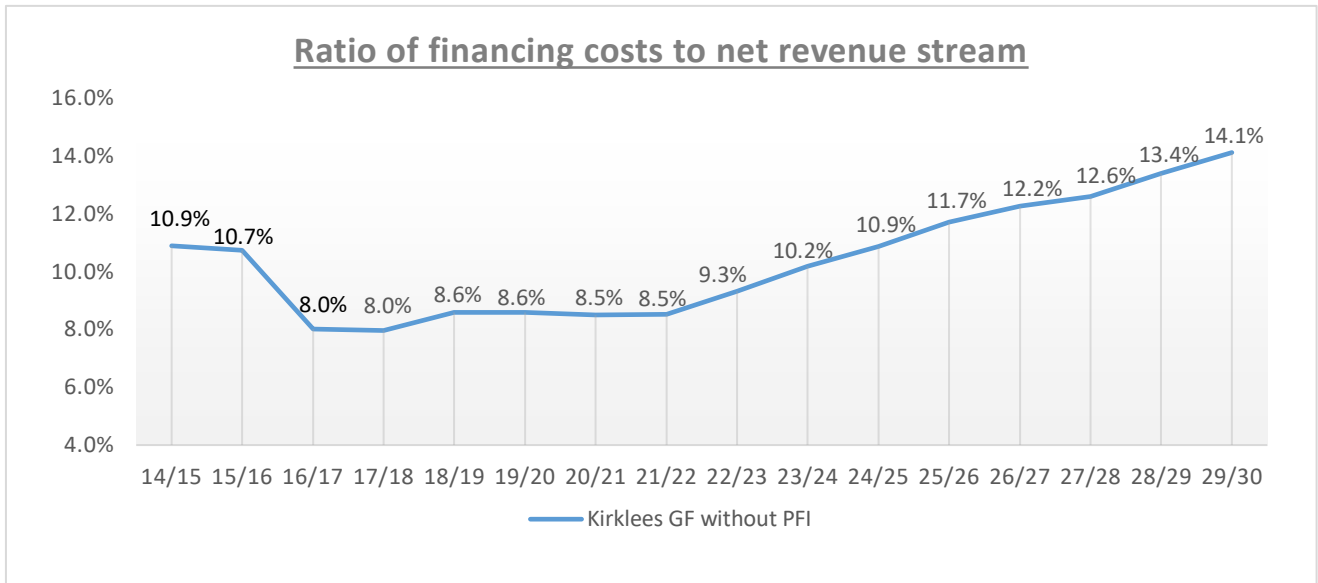
2.15.2 Treasury management budgets also take account of updated capital plan borrowing requirements and associated annual revenue resources to be set aside to service Council debt. A 30% slippage factor has also been applied to borrowing across all schemes over the updated multi-year capital plan, with the exception of the Cultural Heart scheme which is assumed to be delivered in line with projected timelines. This is considered a reasonable assumption, given the nature and scale of strategic priority investment, and potential range of factors that can cause such programmes/schemes to slip over such a protracted timeline.

2.15.3 The 2023-28 Treasury Management budget set out in this report indicates an initial increase in revenue resource requirement of £4.5m in 2023/24, followed by further annual increases (£17.5m in 24/25, £4.0m in 25/26, £3.4m in 26/27, £2.9m in 27/28 and £3.2m in 28/29) to support the additional borrowing and the increase in interest rate expectations over the period. The MRP offset (paragraphs 2.15.6-2.15.7 below) is fully utilised by the end of 2023/24. This, along with the increased charges as a consequence of new borrowing results in an overall increase in MRP charges of £15m in 2024/25.

2.15.4 A key prudential indicator set out in the Capital Strategy attached at Appendix F shows the Council's forecast annual debt costs as a proportion of annual net revenue funding over the 2023-28 period. The forecast indicator is anticipated to be 12.6% by 2028 (excluding PFI which is paid for by Government grant).

2.15.5 To put this into context, the equivalent Council indicator in 2014 was 10.9% and by 2027, the forecast indicator would be 12.2% (see Graph 1 on the following page).

Graph 1–Ratio of Financing Costs to Net Revenue Stream over the period 2014-30



Minimum Revenue Provision (MRP)

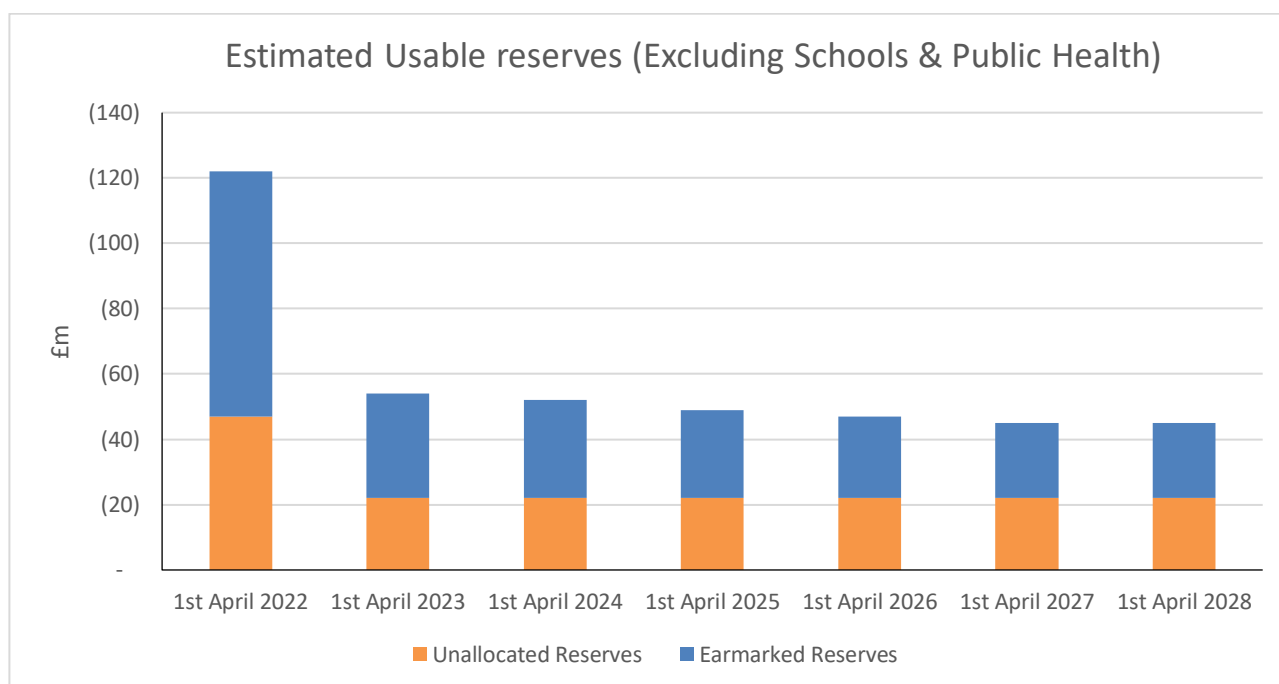
2.15.6 Council treasury management policy relating to minimum revenue provision (annual revenue resources set aside for repayment of debt, also known as MRP), was revised from 2017/18 onwards. This resulted in a reduced ongoing MRP requirement over the 2017 to 2027 period, effectively ‘releasing’ £9.1m annual base budget, intended to support organisational flexibility and financial resilience over the medium to longer term.

2.15.7 A revision to this re-profiling was approved at Budget Council on 10 February 2021 (following a previous revision covering the years 2018/19 and 2019/20) that increased the unwinding to the maximum allowable level of £13.7m in 2020/21, 2021/22 and 2022/23, and £13.6m in 2023/24. Updated budget plans reflect the final year of the unwind in 2023/24.

2.16 General Fund Reserves

2.16.1 A high level updated forecast of General Fund revenue reserves over the 2022-28 period is shown in Graph 2 on the following page. These reserves are set out in more detail at Appendix Cii together with a summary explanation of each reserve held:

Graph 2 - Forecast usable reserves (including general balances) over the 2022-28 period



- 2.16.2 Usable reserves (excluding Schools and Public Health) on 1 April 2022, are £122.2m, equating to 36.5% of the 2022/23 net annual general revenue budget of £335.0m; equivalent to 19 weeks in-year net spend.
- 2.16.3 The reserves summarised above, and in more detail at Appendix Cii, reflect planned movements over time. This includes the re-direct of £30.0m from existing earmarked reserves into unallocated reserves to offset the in-year projected overspend pressure, as outlined later in this report in paragraphs 3.3.2 and 3.3.3.
- 2.16.4 Also reflected in the reserves position is the planned drawdown of £24.6m from unallocated reserves to balance the overall 2023/24 budget position (see also paragraph 2.4.3 - Table 1). This leaves a remaining balance of unallocated reserves at £22.3m; equivalent to 6.7% of net revenue budget.
- 2.16.5 Unallocated reserves within the range 5% (£16.8m) to 10% (£33.5m) are considered adequate from an external auditor’s perspective, to manage a typical range of budget risks relative to a Council’s size and complexity. However, over-reliance on “one-off” revenue reserves to support annual balanced budgets over the medium term is not a financially sustainable strategy and the significant depletion in reserves over time leaves the Council very exposed to financial risks.
- 2.16.6 The s151 Officer’s view is that 5% has to be considered the absolute minimum level of unallocated reserves for this Council to hold at any one time. For a Council of this size and complexity, every opportunity must also be taken over the next couple of years to re-plenish unallocated reserves further, thereby reducing the Council’s exposure to financial risks over the medium term.
- 2.16.7 There was a change in the accounting treatment of the Council’s DSG deficit in November 2020, which moved the balance from being a ‘negative’ usable reserve to an unusable reserve. This Statutory Instrument initially covered the period up to 31

March 2023, but has subsequently been extended for a 3 year period up to March 2026. Progress on reducing the DSG deficit over the period of the management plan will continue to be monitored quarterly, both to DfE and through the Council's regular financial reporting cycle (see also paragraphs 2.9.7 to 2.9.13).

2.16.8 Under Section 25 of the Local Government Act (2003), in setting annual budgets the statutory s151 officer is required to give positive assurance statements in relation to the robustness of budget estimates and the adequacy of reserves and balances. There is no prescriptive guidance on the latter. Most recent sectoral guidance comes from a joint CIPFA/Local Authority Accounting Panel paper in 2014, which states:

- i) when reviewing their medium term financial plans and preparing their annual budgets, local authorities should consider the establishment and maintenance of reserves;*
- ii) authorities should make their own judgements on such matters taking into account all the relevant local circumstances; and*
- iii) in assessing the appropriate level of reserves, a well-managed authority will ensure that the reserves are not only adequate but are also necessary. There is a broad range within which authorities might reasonably operate depending on their particular circumstances.*

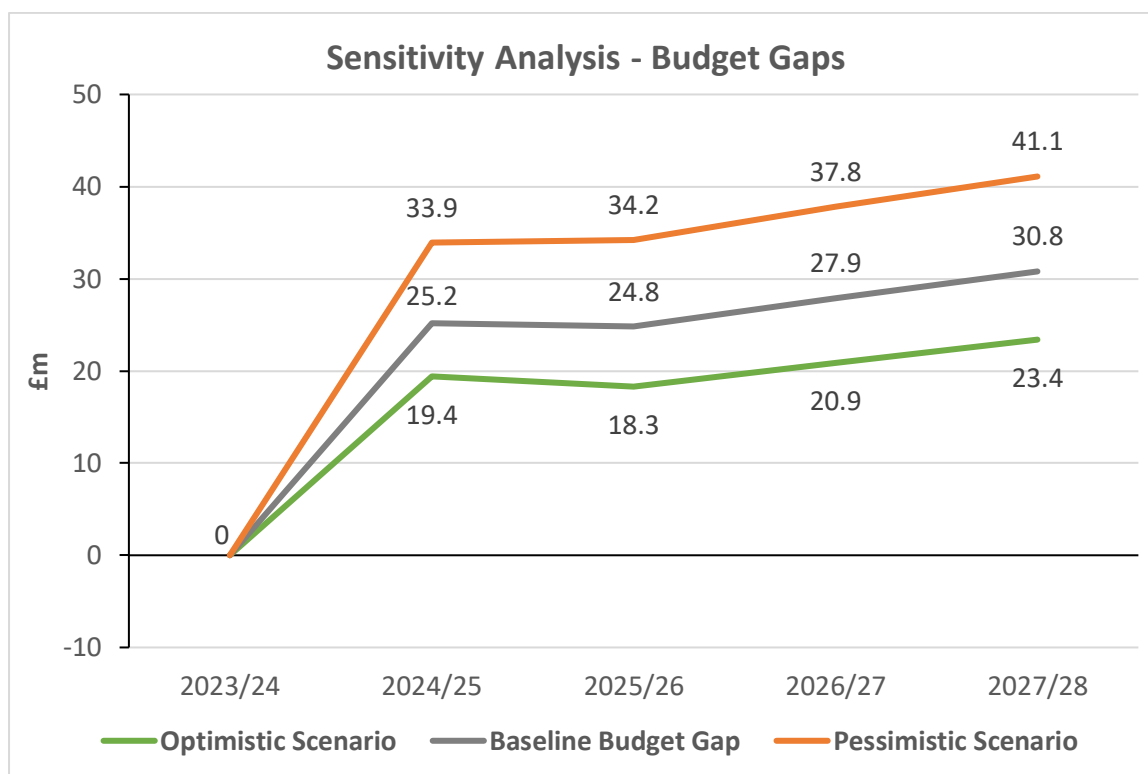
2.16.9 The updated reserves position set out in this section of the report considers the above guidance but also acknowledges the heightened volatility and unpredictability in the budget risk environment within which the Council is operating both currently and over the medium term. A further assessment of reserves requirements will be undertaken as part of the 2022/23 final accounts process and will be reported as part of the financial outturn and rollover report later in 2023.

2.17 BUDGET FORECASTS – SENSITIVITY ANALYSIS

2.17.1 Included at Appendix D are a range of potential sensitivities on baseline budget assumptions as set out in this report. While these sensitivities are illustrative, and there can be different combinations, in broad terms they represent relatively minor changes to a number of key baseline budget forecast assumptions, and the cumulative impact of these over time.

2.17.2 The impact of these budget forecast sensitivities are summarised in Graph 3 on the following page:

Graph 3 – Budget Forecast Sensitivities



2.17.3 Illustratively here, the forecast budget gap for 2024/25 and future years could span a range of figures. Based on the analysis above, by 2027/28 the scale of the budget gap could be between £23.4m and £41.1m. This reflects the potential inflationary impacts on the future cost of both pay awards and energy bills and also the wider effects of the Cost of Living crisis on the Council’s bottom line, in terms of Council Tax and Business Rates income, relative to baseline assumptions.

2.18 Housing Revenue Account (HRA)

2.18.1 The overarching context for the existing multi-year HRA budget plans rolled forward into 2023 to 2028 MTFP update is a sustainable, self-financed 30 year HRA business plan, which delivers the following key objectives:

- i) annual servicing of HRA debt
- ii) capital improvements and maintenance of all Council housing stock to a decency standard taking account of warmth and energy efficiency requirements
- iii) delivery of high quality and cost effective housing management and repair service, and
- iv) inclusion of funding for new build and other strategic capital priorities

The main driver for the financial sustainability of the HRA is housing rents.

2.18.2 The Government social housing White Paper; ‘The Charter for social housing residents’ published in November 2020 sets out proposals that are intended to deliver transformational change for social housing residents, with clear expectations what every social housing resident should be able to expect, from safety to engagement, and which, once enshrined in future legislation will underpin the key objectives set out in paragraph 2.18.1 above.

2.18.3 Updated HRA budget proposals are summarised at Appendix A. They reflect a Cabinet approved uplift to social housing rents by 7% as per Government guidelines, from 3 April 2023, with CPI + 1% related increases for the next 3 years pending updated government guidelines. The link to the annual HRA rent and service setting report for 2023/24 is shown below for reference:

[Housing Revenue Account \(HRA\) rent and service charge setting report and key housing challenges: Cabinet \(Item 8\)](#)

2.18.4 Other assumptions include Right to Buys over the 2023 to 2028 period continuing at about 200 per annum based on current trends, void level targets of 2% and the continuation of the transfer into a bad debt provision to provide for bad and doubtful debts.

2.18.5 The uplift takes account of the ongoing rollout of universal credit, those transitioning from housing benefit and provides for support to an increasing number of tenants in terms of their ability to pay, as their household income will be reduced. The uplift also supports the HRA bad debt provision requirement.

2.18.6 HRA revenue reserves commitments include £4m set aside for business risks; in particular, with regard to proposed welfare reform changes and ongoing compliance requirements. The balance of commitments includes £1.5m working balance, and the planned build up (sinking fund) of reserves to support longer term HRA business plan capital investment requirements.

2.18.7 The Council regularly reviews and updates the HRA business plan with the aim to produce a self-financed and balanced budget position over the 30 year plan that delivers the key objectives set out in paragraph 2.18.1 above.

2.19 CAPITAL STRATEGY

2.19.1 Under CIPFA's Code of Practice on Treasury Management (December 2021 Edition), the accompanying Prudential Code 2017 and DLUHC issued guidance, the Council must approve a Treasury Management Strategy, an Investment Strategy and a Capital Strategy at the start of each financial year. They are designed to increase transparency and are a response to the number and variety of ways Local Authorities are becoming involved in commercial activities and making commercial investments.

2.19.2 The Treasury Management Strategy focuses on the Council's borrowings and investments. It recommends a borrowing and a (treasury) investment strategy and a policy for calculating Minimum Revenue Provision (MRP).

2.19.3 The Investment Strategy focuses on and provides a detailed breakdown of all investments that the Council has. This includes both treasury investments, whereby the Council invests surplus cash as a result of its day-to-day activities; along with non-treasury investments incorporating investments to support local public services (via loans or purchases of shares) and commercial investments (to earn investment income). The Investment Strategy forms a part of the Treasury Management Strategy which is shown in the appended report at Appendix I.

2.19.4 The Capital Strategy gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services. It also provides an overview of how associated risk is managed and the implications for future financial sustainability. It incorporates summary information from both the Investment Strategy and the Treasury Management Strategy and also includes Prudential Indicators. The detailed Capital Strategy is set out at Appendix F.

UPDATED MULTI-YEAR CAPITAL PLAN PROPOSALS

2.19.5 For capital purposes, longer term planning horizons are required to undertake feasibility work, design, plan and build. The Council's multi-year capital investment plan has been extensively reviewed to reflect the scale of the Council's ambition whilst being cognisant of the underlying financial position. The updated multi-year plan will deliver capital investment of £1.288bn (£985.6m General Fund, £302.4m Housing Revenue Account). The plan is summarised in the table below, and shown in more detail at Appendix A.

Table 2 – Overall Multi-Year Capital Expenditure Summary

Council Plan – Primary Outcomes	22/23 £m	23/24 £m	24/25 £m	25/26 £m	26/27 £m	27/28 - 30/31 £m	Total £m
Aspire & Achieve	15.8	14.7	23.3	24.4	10.4	4.2	92.8
Best Start	1.5	2.4	0.0	0.0	0.0	0.0	3.9
Independent	6.0	5.0	0.5	1.5	2.0	9.8	24.8
Sustainable Economy	118.6	149.3	135.4	111.6	71.6	204.0	790.5
Well	3.7	4.3	2.5	1.7	0.7	0.0	12.9
Clean & Green	5.7	8.4	10.4	11.2	0.1	4.7	40.5
Efficient & Effective	4.6	6.7	6.0	1.0	1.0	0.9	20.2
General Fund	155.9	190.8	178.1	151.4	85.8	223.6	985.6
HRA - Independent	29.1	46.2	56.5	54.2	48.1	68.3	302.4
Council Total	185.0	237.0	234.6	205.6	133.9	291.9	1,288.0

2.19.6 The overall capital plan is presented by primary outcome headings, reflecting how the Council's investment proposals align with the Council's ambitions for its residents. Each primary outcome is further structured between strategic priorities, baseline programmes and one-off projects. The term primary outcome reflects the fact that a number of schemes will in reality contribute to a number of Council outcomes, not just the primary outcomes. It should be noted that figures shown in the table's penultimate column represent spend in the last 4 years of the Plan i.e. 27/28 – 30/31.

2.19.7 The updated Capital budget plan includes significant investment in the Sustainable Economy (£790.5m) primary outcome, representing 80% of the overall General Fund capital plan. The plan strongly links to the Council Plan setting out a vision for “a district which combines a strong, sustainable economy with a great quality of life”.

2.19.8 As part of the Budget Update, the overall Council Capital Plan funding has been assessed and is summarised in Table 3 below:

Table 3 – Overall Multi-Year Capital Funding Summary

	22/23 £m	23/24 £m	24/25 £m	25/26 £m	26/27 £m	27/28 - 30/31 £m	Total £m
Capital Grants / Contributions	61.5	103.0	96.3	75.6	43.6	41.1	421.1
Earmarked Capital Receipts	6.2	13.9	15.7	13.8	12.0	4.7	66.3
Housing Revenue Contributions/ Reserves	5.3	16.0	18.0	18.4	19.4	29.3	106.4
Reserves (HRA MRR)	17.8	14.3	19.4	19.7	20.0	20.3	111.5
Revenue Contributions (General Fund)	0.5	0.2	0.3	0.0	0.0	0.0	1.0
Non-Earmarked Capital Receipts	3.9	4.0	4.0	4.0	4.0	4.0	23.9
Corporate Prudential Borrowing	89.8	85.6	80.9	74.1	34.9	192.5	557.8
TOTAL	185.0	237.0	234.6	205.6	133.9	291.9	1,288.0

2.19.9 Corporate prudential borrowing requirements set out in Table 3 above have been assessed to be 'affordable' over the medium term. The Section 151 officer's positive assurance statement further sets out the broad assumptions underpinning current borrowing affordability, at paragraph 3.3.6 later in this report.

Multi-Year Capital Plan Update

2.19.10 The 2023/24 MTFS Update Report to Council on 7 September 2022 made reference to a corporate review and affordability assessment of Capital Plan, in particular in light of the scale of Cost of Living impacted financial challenges facing the Council. The capital review considered options to re-phase capital projects/programmes, examine opportunities to release borrowing or identify alternative funding sources, and reviewed flexibilities to stretch the plan over a longer time frame.

2.19.11 The main impacts from the corporate review included in the revised Capital Plan, are summarised below:

General Fund

- i) £211m capital investment has been moved out of the early years of the Plan (2022/23 – 2025/26), and into later years; a combination of re-profiling, updated grant assumptions, released prudential borrowing, and updated borrowing assumptions (Cultural Heart, flexible capital receipts);
- ii) £35.2m capital investment re-profiled from 2022/23 into future years of the plan, of which 85% is prudential borrowing;
- iii) borrowing requirement across the totality of the plan i.e. to 2030/31, has increased by £10.4m. The Cultural Heart includes an additional £55.4m linked to updated assumptions on cost inflation and project delivery timelines (completion by 2030/31 rather than 2025/26). This amount is largely funded from £47.1m released from the overall capital plan;

- iv) borrowing released includes a number of projects now considered pipeline at this stage and will require further business case development. The schemes include Waste Management & Strategy proposals e.g. Materials Recycling Facility & vehicles/containers, and the Dewsbury Office move. Pipelining such schemes enables the financial, strategic, economic, and commercial elements of the business cases to be reviewed for future Council/Cabinet consideration.
- v) This approach also recognizes that some of the original high level capital allocations included previously may be some years old and the original basis for their inclusion may have changed significantly in the intervening time period.
- vi) Borrowing assumptions have also been updated on the Property Investment Fund (£-10.5m), and Dewsbury Riverside investment (-£13.1m).
- vii) An additional £2.2m capital allocation has been built into the Plan for the redevelopment of the George Hotel site as agreed by Cabinet on 11th October 2022. The estimated cost of the project is £20.2m with the scheme being considered as self-financing.
- viii) The grant and self-financing assumptions for the Huddersfield Decentralised Energy Network (HDEN) have been updated to reflect the scheme moving towards the commercialisation stage of the project and development of the Outline Business Case (OBC) to Final Business Case (FBC) stage;
- ix) The Local Government Finance Settlement for 2021/22 extended capital receipts flexibilities for a further three years which will cover the period up to and including 2024/25. The updated Capital Plan allows for the annual capitalisation of transformation related revenue costs, to be funded from available in-year capital receipts. Proposals include a 3 year allocation, profiled £3m 2022/23, £4m 2023/24, £4m 2024/25 in relation to a range of Council Transformation activity

2.19.12 Grant changes are relatively net neutral overall, but significant amendments are detailed in the paragraphs below.

2.19.13 The Capital Plan has £93.2m Grant funding allocated towards both Huddersfield and Dewsbury Town Centre Action Plans. There is also £22.9m funding for the Regeneration and Greening of Smaller Towns and Villages.

2.19.14 As part of the Levelling Up Fund (LUF) Round 2 announcements on 19th January 2023, Kirklees was awarded £12m towards Batley to help regenerate the town centre. The LUF grant has been built into the plan. The planned improvements include pedestrianisation of Commercial Street, improvements to Market Place, providing better access around the town centre, and restoring the JBM Building for public use, supporting enterprise and access to jobs

2.19.15 The £117m West Yorkshire plus Transport Fund (WY+TF) programme has also been impacted by significant inflationary pressures, with a subsequent overall Programme affordability review led by WYMCA, across the entirety of region schemes.

- 2.19.16 The outcome of this review includes a number of revisions to Kirklees schemes and/or grant allocations relating to WY+TF with projects being re-scoped or paused. In order to close identified funding gaps and bring the overall WY+TF budget allocated to Kirklees within the WYMCA budget envelope, a number of schemes are paused such as the A653 Leeds to Dewsbury Corridor - M2D2L (progress to the next milestone (FBC) then pause -£11.2m) and CIP Fenay Lane-Waterloo Junction (-£7.4m).
- 2.19.17 Similar resourcing constraints have reduced the Transforming Cities Fund plan and the A629 Wakefield Rd Sust Travel Corridor has been paused (-£5.3m).
- 2.19.18 The Housing Growth plan includes £800k capital allocation to progress the planning and delivery strategy for the first phase of development at Bradley Park.
- 2.19.19 Grant provision of £1.265m has been secured from Network Rail to fund Council resources working on the Trans-Pennine Route Upgrade (TRU) project. The agreement covers a 24 month period which is set to expire on 31/12/24.
- 2.19.20 Basic Need grant is paid to local authorities to support capital requirements for providing new school places, by expanding existing maintained schools, free schools or academies, and by establishing new schools. The Council has been allocated an additional £11m capital grant or 2023/24 towards meeting this need. This is un-ringfenced capital funding that is not time-bound so local authorities can make the best decisions for their local area. As part of the corporate review of the capital plan, the funding is being utilised to fund existing school schemes in the plan which were previously to be funded by borrowing, helping to release borrowing for redirection to other Council priorities.
- 2.19.21 Baseline General Fund work programmes support continuing capital investment requirements across the Council's existing asset base, including Schools, Highways, and transport infrastructure. All baseline capital programmes include a new financial year 5 allocation (2027/28) which assumes a constant level of funds.

Housing Revenue Account (HRA)

- 2.19.22 The Housing Revenue Account (HRA) multi-year capital plan stands at £302.4m, split £136.9m strategic priorities and £165.5m baseline allocations. The main elements of the multi-year HRA capital plan are:

High Rise	£57.0m (Total programme allocation £57m)
Additional Council Houses	£66.85m (Council Housing and Housing Growth)
Housing Capital Plan	£88.05m (Inc estate improvements & fuel poverty)
Building Safety	£57.15m (Inc six storeys. Low rise and RLS)
Ashbrow	£10.84m

- 2.19.23 A report was taken to Cabinet on 27 July 2021 seeking approval to refurbish or regenerate three high rise blocks at Berry Brow and New St, Huddersfield. The outline proposals and remodelling costs are now built into the capital plan, totalling £57m, and are funded through provisions within the 30-year HRA business plan.
- 2.19.24 To help address growing demand for affordable housing needs in Kirklees, the capital plan supports a Council House Building and Housing Growth programme (£66.85m). This programme has been reprofiled to address capacity and delivery.

- 2.19.25 Kirklees Homes and Neighbourhood Service currently uses Asprey as its asset management system and Total as its repairs and maintenance system which are old legacy systems. A new replacement assets and maintenance system for £2.2m will increase its efficiency and effectiveness of its service delivery in several areas as well as improving the quality and methods of service delivery to our customers. This supports the Councils objectives around being a modern organisation that responds efficiently and effectively to citizens needs and in particular ensures the safety of the tenants living in Council homes.
- 2.19.26 Due to unforeseen delays, supply chain issues and a review of construction price inflation at the Ashbrow housing site, additional resources have been allocated to this scheme. The plan now includes £10.84m.
- 2.19.27 The capital baseline includes building safety investment of £57.15m, including works to six storey blocks, low rise blocks and retirement living schemes reflecting the Councils commitment to safe and compliant housing stock delivered in accordance with regulatory requirements within the HRA.
- 2.19.28 The HRA plan also includes Adaptations at £20.3m; to give disabled people better freedom of movement into and around their homes and to give access to essential facilities within the home. It enables people to live safely and independently and prevents or delays the need for residential care. The balance of baseline funding supports a range of life cycle investment in existing housing stock in line with longer term HRA business plan requirements.
- 2.19.29 The next key milestone after Budget Council to update the multi-year capital is the 2022/23 financial outturn report to Cabinet/Council in July 2023, which will incorporate the year-end review of capital rollover, updating capital project delivery and profile and funding assumptions, and inclusion of any emerging projects as appropriate.

2.20 Corporate Risk Assessment

- 2.20.1 The corporate risk register at Appendix G summarises the key strategic risks or barriers to achieving the organisation objectives, including meeting challenging savings targets and successfully completing transformation projects along with the continued Cost of Living impacts. It also provides visibility about the management actions which are either in place or brought into action to mitigate the impact of these risks. Many of these are of a financial nature and provide contextual information when setting the Council's budget. There isn't a direct link but they do help to inform the level of reserve held by the Council.
- 2.20.2 Individual risks vary over time, and the need to set aside reserves changes depending on the underlying budget provisions. The risk assessment reflects the provisional budget proposals put forward by officers. Subsequent changes to these proposals may affect the risk assessment.

3. Implications for the Council

3.1 Formal Resolution

- 3.1.1 It is necessary for the motion to Budget Council on 8 March 2023, set out at Appendix H, and for the final resolution to include certain statutory declarations. The motion to be put forward will be incomplete, because the precepts for the Fire and Rescue Authority and West Yorkshire Mayor Police and Crime Commissioner and Parish Councils may not be determined until after Council. The Council motion will include estimated precepts based on best available information at the time.
- 3.1.2 It may be necessary therefore for an amended motion to be moved, as in previous years, to correct the motion where there is any change between the estimated and actual precepts. This assumes that the precepting bodies will have determined their precepts before 8 March 2023.
- 3.1.3 It is requested that the Council's statutory s151 Officer (Service Director – Finance) be given delegated authority to amend how the finally approved precepts are recorded in the Council's revenue budget in line with the final notifications received following decisions by the West Yorkshire Mayor Police and Crime Commissioner, the Fire & Rescue Authority and Parish Councils, should these be received after 8 March 2023.
- 3.1.4 The West Yorkshire Mayor Police and Crime Commissioner, Fire & Rescue Authority and Parish Council precepts included in the Council motion do not affect the Council budget, and neither will any subsequent amendment to the precept figures, delegated to the Council's statutory s151 Officer.

3.2 Special Expenses

- 3.2.1 The expenditure of Parish and Town Councils is funded by way of a precept which is levied only on the area of the individual Parish Councils. There are, however, occasions when individual Parish and/or Town Councils provide services which would otherwise be provided by District Councils if there were no Parish Council in existence. The result is that residents of a parish Council can pay twice for some services. This is known as "double taxation".
- 3.2.2 The Local Government Finance Act 1992 provides for expenditure incurred by District Councils which ranks as double taxation to be treated as special expenses, which are not charged to the residents of the Parish and/or Town Councils concerned unless the District Council resolves otherwise. There are no special expense arrangements in place at the current time.

3.3 **Statement from the Council's Section 151 Officer (Service Director - Finance)**

- 3.3.1 This report sets out proposals for the delivery of an overall balanced budget for 2023/24, and indicative spending and funding forecasts over the following 4 years. The overarching context to the 2023/24 budget is the impact of the pandemic and Ukraine War on the global and national economy, and unprecedented Cost of Living crisis impact.
- 3.3.2 In-year financial monitoring has reported extensively on the impact of the Cost of Living (CoL) crisis on energy, pay and other inflationary pressures, with an overall £34m general fund revenue overspend forecast at Quarter 2 (equivalent to 10% of net budget). Of this, £22m related to organisation wide CoL impacted pay and energy inflationary pressures, while specific Directorate pressures account for a further £12m in-year overspend; some of these also CoL impacted.

- 3.3.3 Management actions are ongoing to address the overspend and it is anticipated that the updated Quarter 3 position will at least reflect the target £4m reduction set at Quarter 2.
- 3.3.4 The financial pressures highlighted in-year largely wash through into 2023/24 budget plans, albeit with some downward adjustment on energy increase estimates from the figures included in the 2023/24 MTFS update report to Council on 7 September 2022. Budget plans also reflect the Government funding allocations included in the 2023/24 financial settlement, including a significant social care funding uplift.
- 3.3.5 Proposals to bring the revenue budget position into balance in 2023/24 include budget savings totalling £18.6m, and £24.6m drawdown from unallocated reserves. Further budget savings for 2024/25 are also included at this stage, reflecting an early start to addressing the 2024/25 budget gap as well.
- 3.3.6 The capital plan proposals set out in the report, reflect the outcome of a corporate review. This process predominantly re-profiled and re-phased the existing plan over a longer timeframe. This exercise has released £7.0m savings on borrowing costs over the next 2 years, and a further £3.7m savings in 2025/26. The capital plan update also builds in greater future flexibility in programme and project review to ensure it can remain affordable and sustainable in light of continually updated and refreshed Council financial strategies and plans over the medium term.
- 3.3.7 The Council's reserves strategy includes the re-direct of existing earmarked reserves to offset the in-year forecast £30m overspend pressure, plus a planned drawdown of unallocated reserves of £24.5m to support the 2023/24 budget position. This leaves a remaining balance of unallocated reserves at £22.3m; equivalent to 6.7% of net revenue budget.
- 3.3.8 As noted in the reserves section in the report, unallocated reserves within the range 5% (£16.8m) to 10% (£33.6m) may be considered adequate from an external auditor's perspective, to manage a typical range of budget risks relative to a Council's size and complexity. However, over-reliance on "one-off" revenue reserves to support annual balanced budgets over the medium term is not a financially sustainable strategy and the significant depletion in reserves over time leaves the Council very exposed to financial risks.
- 3.3.9 The s151 Officer's view is that 5% has to be considered the absolute minimum level of unallocated reserves for this Council to hold at any one time and this is currently forecast to be 6.7% for the start of 2024/25. For a council of this size and complexity, every opportunity must also be taken over the next couple of years to re-plenish unallocated reserves further, thereby reducing the Council's exposure to financial risks over the medium term.
- 3.3.10 The Council must ensure that it delivers the £18.8m savings proposals in 2023/24, and more broadly ensure that overall plans for 2023/24 are delivered within approved budget envelopes, with appropriate and robust member and officer stewardship, monitoring and review. The additional social care funding built into 2023/24 budget plans will also help mitigate some of the inherent volatility in adults and children's demand and cost pressures in the two highest spending service areas of the Council.

- 3.3.11 Alongside the above, preparation must begin early to formulate further budget proposals for 2024/25 in light of the forecast £25.2m 2024/25 budget gap, building on the £11.5m savings for 2024/25 already in view in this current budget round.
- 3.3.12 The report also makes reference to the Safety Valve agreement between the Council and the Department for Education (DfE) to manage down the Council's Dedicated Schools Grant (DSG) accumulated deficit and deliver a balanced in-year funding position by 2026/27.
- 3.3.13 The Safety Valve funding agreement also includes some 'flexibility' to review and re-profile these plans as appropriate, in agreement with DfE. This will be important going forward as the scale of the challenge remains significant, notwithstanding the sound plans that are in place.
- 3.3.14 Government confirmation that DSG deficits will continue to roll forward on Council balance sheets as 'unusable negative reserves' over the next 3 years allows further breathing space for Councils that would otherwise be required to offset their DSG deficits against usable reserves and put significant further pressure on Council financial resilience. However, this breathing space remains time limited.
- 3.3.15 The self-financed and ring-fenced HRA business plan remains in balance over the short and longer term and continues to prioritise significant investment in compliance to meet more stringent social housing regulator requirements. The HRA is also impacted on by Cost of Living pressures, and sound financial stewardship is equally applicable to HRA as it is to the general fund, to ensure it can operate sustainably within its financial means.
- 3.3.16 Subject to the conditions and assumptions I have set out above, I can give you positive assurance on the reliability and robustness of the forecasts and estimates in the budget proposals as far as I can in the context of current local and national intelligence.

If members approve the recommendations in this report, I can give the Council positive assurance on the adequacy of reserves and balances.

3.3.17 Working with people

3.3.18 Working with partners

3.3.19 Place based working

3.3.20 Climate Change & Air Quality

3.3.21 Improving outcomes for children

3.3.22 Financial Implications for the people living or working in Kirklees

The budget proposals contained within this report have been developed to ensure that funding is made available in the areas that will allow the Council to further improve the outcomes for individuals and communities as a whole. To facilitate this, resources have been allocated in areas that will allow the Council to maximise contributions to the Council's strategic priorities as listed above in 3.3.17 to 3.3.21.

3.3.23 Other Legal, Financial or other implications (not covered elsewhere in this report)

Budget and Policy Framework at Part 4.3 of the Constitution, sets out the process that must be followed when the Council sets the budget. It is for the Cabinet to approve the proposals and submit them to full Council for adoption.

Paragraph 1.2 of this report refers to Integrated Impact Assessments. 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; and 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 has approached this task previously was to conduct Equality Impact Assessments (EIA's) as appropriate.

The current EIA process has been updated to an Integrated Impact Assessment (IIA) process, as part of the Council's developing approach to Inclusion & Diversity; to go beyond just PSED compliance, and to incorporate additional diversity characteristics, such as low income/poverty and unpaid carers.

The Climate Emergency Motion passed on 16 January 2019 also committed the Council to consider Environmental Impact as part of any new IIA policy. The proposed approach also seeks to assess impact across the range of environmental and sustainability impacts.

As in previous years, any specific savings proposals, where appropriate, still make reference to Impact Assessments. These are available for member reference on the following website link ([Integrated Impact Assessments](#)) and members should read the assessments in full in order to inform them in coming to their decision, as in previous years; cross referenced as appropriate to the savings templates.

There is also a clear expectation that the IIA process is not limited to consideration of savings proposals, but in the context of the totality of resource allocation proposals set

out in this report, and other emerging policy changes and developments, any subsequent detailed proposals that result from these, will be informed by the IIA process to help inform key decision making in the future.

4. Consultees and their opinions

The summary of the Budget Consultation is included at Appendix J of this report.

The budget consultation exercise with the public and partners ran from 10 October to 6 November 2022 and received 1,216 responses from a variety of age bands and ethnic backgrounds. The survey was predominantly conducted online whilst also supported with a number of in-person pop up stalls across various locations in Kirklees.

The overall aim of the consultation was to provide a resident and stakeholder perspective on the Council's priorities and actions in 2023/24, and to consider which of the proposed actions they felt would most help the council achieve its outcomes. The survey also asked which action people felt should be the council's first priority, along with asking if there were any other actions they felt were not currently included within the specific outcome.

The top three areas that people felt the council should focus on were regeneration and investment in our towns and villages, supporting physical and mental health and wellbeing, and roads and highways. Across all outcome areas, the highest actions selected were:

- Best Start – making sure that keeping children safe is a priority for everyone across the council
- Well – making sure people have access to support and opportunities that promote wellbeing and good mental health
- Independent – making sure the people providing care are well-paid and well-trained
- Aspire and Achieve – supporting young people with moving into post-19 education
- Sustainable economy – providing support to residents and businesses with rising costs of living
- Safe and cohesive – making sure council services are more joined up to help keep children and adults safe from harm
- Clean and Green – providing high quality new and existing homes, which have low energy costs
- Shaped by People – talking to people in communities to better understand how to improve local places and wellbeing

The survey also captured a snapshot view of how the cost-of-living increase was impacting people's financial wellbeing and their spending behaviours. Results showed that 25% of respondents (1 in 4) are financially finding things quite difficult or very difficult, with over half of respondents saying that they have reduced their spending on fuel, purchases of expensive items, food shopping, energy usage and eating out and entertainment.

Questions were also asked to capture the awareness and usage of the council's cost-of-living web support pages and how helpful users of these pages have found them, whilst also identifying any ways they can be further improved. Of those who had used the support webpages, 69% (over two thirds) said they had found them helpful. A number of suggestions for improving the pages were also received.

Summary feedback from the above public budget engagement exercise is included at Appendix J to this report and will be considered by members in coming to their decision at Cabinet and then their final decisions made on the revenue budget proposals at Budget Council on 8 March 2023.

The Capital Investment Plan proposals have been considered by Cabinet and Strategic Directors in conjunction with the Service Director - Finance, following initial assessment through the Capital Governance Board.

The 2023/24 Treasury Management Strategy Report included at Appendix I, has been prepared by the Council's s151 Officer (Service Director - Finance), and in consultation with the Council's external treasury management advisors, Arlingclose Limited Treasury Management Consultants. The Treasury Management report has also been considered at the Council's Corporate Governance and Audit Committee (CGAC), on 10 February 2023.

5. Next Steps

- 5.1 This report and the draft Budget form the background and the proposed formal motion. The Cabinet will need to decide if they are to accept this or propose amendments to the draft budget which will be proposed to Council on 8 March 2023 (Cabinet draft budget). Members will need to decide if they are to accept this or propose amendments to the draft Budget which will be proposed to Council. Any such amendments will be published on 1 March 2023.
- 5.2 Proposed amendments shall be submitted to the Chief Executive on or before 10.00am on Monday 27 February 2023 to ensure that, in conjunction with the Service Director-Finance, they can be reviewed to ensure they are financially sound and sustainable prior to the final submission deadline of 1 March 2023. The Notice of any such amendment must specify the terms of the proposed amendment and the effect which it will have on the draft Revenue Budget.
- 5.3 Members should note that once a budget is agreed by Council there may be a number of further steps and/or actions which would need to be taken in order to implement budget decisions for example – consultation, further detail of the steps needed or final proposals for making the planned changes. This is to ensure that the Council complies with legal and other requirements.
- 5.4 Following Council approval of the Capital Investment Plan, schemes will be released subject to Financial Procedure Rules.

6. Cabinet recommendations and reasons

Having read this report and the accompanying appendices, and having regard to the consultation process and integrated impact assessments, Cabinet recommend the following for approval by Council:

General Fund Revenue

- 6.1 That the draft Revenue Budget for 2023/24 to deliver a balanced position, be approved (Appendix A);

- 6.2 That the forecast spending and funding plans for the 2024-28 period be noted (Appendix A);
- 6.3 That the forecast levels of statutory and other Council reserves as set out at Appendix Cii, be noted;
- 6.4 That the strategy for the use of balances and reserves, is approved; (section 2.16);
- 6.5 That the Council's participation in the Leeds City Region Business Rates Pool for 2023/24 be noted, and to and to approve delegated authority to the Chief Executive and Service Director – Finance, in consultation with the Leader and Corporate Portfolio holder, to agree the governance arrangements for 2023/24, for approval through the Business Rates Joint Committee (paragraph 2.6.4);
- 6.6 To note that discussions around the uplifts on the rates paid to external providers for demand-led activities are ongoing and to approve delegated authority to the Strategic Director (Adults and Health) to agree the final uplifts to rates for 2023/24 (paragraph 2.10.3)
- 6.7 That the Council's anticipated Housing Support Fund Round 4 allocation, and Council Tax Support Fund for 2023/24 be noted, and to approve delegated authority to the Strategic Director for Corporate Strategy, Commissioning and Public Health, in consultation with the Corporate portfolio holder, Learning, Aspiration and Communities and Service Director-Finance to agree the mechanism for how the funding will be used (paragraph 2.13.7);
- 6.8 That members approve the Council's flexible capital receipts policy for 2022/23 and 2023/24 (paragraphs 2.14.8 – 2.14.11 and Appendix E);
- 6.9 That members approve the Council Tax requirement for 2023/24 (Appendix H, budget motion);
- 6.10 That members note the Council's Statutory s151 Officer's positive assurance statement as to the robustness of the forecasts and estimates and adequacy of financial reserves; (paragraphs 3.3.1 – 3.3.16);
- 6.11 That the Council's Statutory s151 Officer be given delegated authority to amend how the finally approved precepts are recorded in the Council's revenue budget in line with the final notifications received following decisions by the West Yorkshire Mayor Police and Crime Commissioner, the Fire & Rescue Authority and Parish Councils should these be received after 8 March 2023 (paragraph 3.1.3);

Treasury Management

- 6.12 That members approve the following recommendations set out in the 2023/24 Treasury Management report at Appendix I:
- 6.13 The borrowing strategy outlined in paragraphs 2.17-2.26 of the appended report;
- 6.14 The investment strategy outlined in paragraphs 2.27 - 2.35 of the appended report, including Appendices A and B of said report;

- 6.15 The policy for provision of repayment of debt (minimum revenue provision or MRP) outlined in the appended report outlined in paragraphs 2.36 - 2.39 of the appended report including Appendix C of said report;
- 6.16 The treasury management indicators in the appended report, Appendix D of said report;
- 6.17 The Investment Strategy (Non-Treasury Investments) in the appended report, at Appendix E of said report;

Capital

- 6.18 That the updated Capital Plan for 2022-28, be approved; (Appendix A)
- 6.19 That the Capital Strategy (including Prudential Indicators), set out at Appendix F, be approved;

Housing Revenue Account (HRA)

- 6.20 That the draft HRA Budget for 2023/24 be approved; (Appendix A)
- 6.21 That the strategy for the use of HRA reserves, as set out at paragraph 2.18.6, be approved;

Reasons

The Council has a statutory duty to set a balanced budget each year. The section 151 Officer has a duty under section 25 of the Local Government Act 2003 to report to full Council on the robustness of the forecasts and estimates and adequacy of the financial reserves.

7. Cabinet Portfolio Holder Recommendation

The Leader recommends that the attached General Fund revenue budget, Treasury Management Strategy, Investment Strategy, Capital Strategy, Capital Investment Plan and HRA budget, should be presented to the Council meeting on 8 March 2023.

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

The last financial year has been one of the most turbulent anyone can remember. The cost-of-living crisis and economic mess have put enormous pressure on the council's finances. This budget brings stability in challenging circumstances.

We've prioritised the people and services that need our help most. That means protecting social care services for older people and residents who have disabilities. It means investing in children who need extra support to thrive. And it means continuing to invest in our economy to bring opportunity and guard against future cost-of-living crises.

If the past year's economic turmoil has proved anything, it's that budgets need to add up. That means taking tough decisions and being honest about the challenges. That's

why our plans will mean savings in virtually every part of the council. We will focus those savings on back-office operations to minimise any direct impact on residents. But we can't underestimate the scale of the financial challenge that remains.

Comments from the Leader:

In this budget, we have taken the necessary steps to bring stability to the council's finances. Budget stability isn't just about numbers and spreadsheets. It underpins all the vital services we deliver to people across Kirklees. This budget protects services that residents value most while taking the difficult decisions needed in this harsh economic climate.

Our budget puts the council on a sound financial footing but we need change, at a national level, to safeguard services in the long term. The historic underfunding of Kirklees must end and our whole sector needs a long-term solution to social care costs. We also need the kind of investment in our infrastructure that stimulates a thriving economy. Without these kinds of changes, we will be heading into a new era of austerity, which is the last thing the residents of Kirklees need during a cost-of-living crisis.

8. Contact Officer and Relevant Papers

Eamonn Croston	Service Director – Finance
James Anderson	Head of Accountancy
Sarah Hill	Finance Manager
Rachel Firth	Finance Manager

Background Papers

- Council approved annual budget report 2022-26, 16 February 2022 (Item 6)
- Council financial outturn report 2021/22 to Council, 7 September 2022 (item 9)
- Autumn Statement 2022 - GOV.UK
- Council Budget Strategy Update report; 2023/24 and future years; 5th September 2022 (ITEM 8)
- Our Council Plan 21-23; 12th October 2021 (ITEM 9)
- Corporate Financial Monitoring Report Quarter 2, 2022-2023 to Cabinet November 2022 (Item 11)
- Provisional local government finance settlement 2023 to 2024 - GOV.UK
- Council Tax Base Report to Cabinet 17 January 2023 (Item 12)
- Housing Revenue Account annual rent setting and service charge report 2023/24, to Cabinet on 21 December 2022 (Item 8)
- Annual Schools funding settlement 2023/234 report to Cabinet 17 January 2023 (item 10)
- Integrated Impact Assessments on key budget proposals and impacts
- Budget Consultation exercise 2022/23

KIRKLEES COUNCIL

**General Fund and HRA Medium Term
Financial Plan 2023-28**

Revenue & Capital Budget Book

INTRODUCTION

How did we develop this documentation?

- The budget plans take account of existing year 2 to 5 Directorate budget plans, which have rolled forward into years 1 to 4 of the updated 2023-28 MTFP and incorporate new investment and savings proposals as appropriate.
- While revenue budgets are set annually before the start of each financial year, there is some limited flexibility for revenue budgets to be transferred between service activities in-year.
- The document refers to “controllable budgets”: These are budgets that the budget holder can directly influence. Controllable expenditure includes direct operational costs including overheads which are specific to that department.
- Examples of controllable expenditure are staff costs, premises, supplies & services, and payments to contractors. Controllable income includes schools income, other traded income, fees & charges, and specific government grants.
- For a small number of services all the controllable expenditure is entirely funded by income. These services have £0 in the net controllable expenditure column.
- The column labelled “2022-23 net controllable budget” provides the baseline or starting point for savings or increases proposed in the following three years to the financial year 2027-28.
- Inflation provision for all years is held within Central Budgets. Inflation for 2023-24 will subsequently be allocated out to relevant services at the start of the financial year.
- The Columns labelled “Changes” contains both proposed reductions in net expenditure “Minuses” and proposed increases in net expenditure “Pluses”.
- Proposed reductions in net expenditure “minuses” can be because of:
 - planned savings
 - reduced demand for that service, or
 - a planned increase in associated income.
- Proposed increases in net expenditure “Pluses” can be because of:
 - proposed increased spending, or
 - a planned reduction in associated income.
- The reductions in net expenditure “Minuses” that relate specifically to planned savings cross-reference to specific budget savings templates outlining the specific proposal. The budget saving template sets out:
 - the savings amount profiled across years

- a service description of what the proposal is (including inter-dependencies and risk)
 - potential impact of the proposal on service outcomes and any mitigating actions proposed
 - does the proposal require an integrated impact assessment
 - will the proposal require a specific service consultation
 - accountable head of service
- To support the budget process, we have published integrated impact assessments.
 - Current Full Time Equivalent (FTE) numbers for the Council are approximately 7,100, excluding schools.

GLOSSARY

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

2022-23 net controllable budgets provide the baseline or starting point for savings or increases proposed in subsequent years.

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

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

BUDGET DOCUMENTATION 2023-28
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Overall General Fund Summary By Strategic Director Portfolio

STRATEGIC DIRECTOR PORTFOLIOS	22-23 CONTROLLABLE GROSS EXPENDITURE £000	22-23 CONTROLLABLE INCOME £000	22-23 NET CONTROLLABLE BUDGET £000	CHANGES £000	23-24 BUDGET PROPOSAL £000	CHANGES £000	24-25 BUDGET PROPOSAL £000	CHANGES £000	25-26 BUDGET PROPOSAL £000	CHANGES £000	26-27 BUDGET PROPOSAL £000	CHANGES £000	27-28 BUDGET PROPOSAL £000
Children & Families													
Child Protection & Family Support	45,871	(2,621)	43,250	(1,463)	41,787	(144)	41,643	466	42,109		42,109		42,109
Learning & Early Support	313,044	(293,707)	19,337	(98)	19,239	(86)	19,153		19,153		19,153		19,153
Resources, Improvements & Partnerships	19,393	(897)	18,496	(1,774)	16,722	84	16,806	84	16,890		16,890		16,890
Total Children & Families	378,308	(297,225)	81,083	(3,335)	77,748	(146)	77,602	550	78,152	0	78,152	0	78,152
Adults & Health													
Customers & Communities	17,859	(5,151)	12,708	(99)	12,609	(147)	12,462	(272)	12,190		12,190		12,190
Adult Social Care - Older People & Physical Disabilities	85,497	(72,618)	12,879	(6,671)	6,208	(6,240)	(32)	(4,782)	(4,814)	(1,654)	(6,468)	550	(5,918)
Adult Social Care - Learning Disabilities & Mental Health	113,832	(32,875)	80,957	11,511	92,468	8,183	100,651	6,470	107,121	6,250	113,371	6,250	119,621
Adults Sufficiency	23,746	(9,038)	14,708	(75)	14,633	(74)	14,559		14,559		14,559		14,559
Total Adults & Health	240,934	(119,682)	121,252	4,666	125,918	1,722	127,640	1,416	129,056	4,596	133,652	6,800	140,452
Environment & Climate Change													
Environmental Strategy & Climate Change	13,505	(3,237)	10,268	2,975	13,243	(325)	12,918	(500)	12,418		12,418		12,418
Highways & Streetscene	80,708	(48,524)	32,184	471	32,655	(1,800)	30,855	(100)	30,755		30,755		30,755
Culture & Visitor Economy	36,144	(34,472)	1,672	310	1,982		1,982		1,982		1,982		1,982
Total Environment & Climate Change	130,357	(86,233)	44,124	3,756	47,880	(2,125)	45,755	(600)	45,155	0	45,155	0	45,155
Growth & Regeneration													
Skills & Regeneration	10,870	(7,037)	3,833	(236)	3,597		3,597		3,597		3,597		3,597
Development	27,954	(17,136)	10,818	(7)	10,811	(1,350)	9,461		9,461		9,461		9,461
Total Growth & Regeneration	38,824	(24,173)	14,651	(243)	14,408	(1,350)	13,058	0	13,058	0	13,058	0	13,058
Corporate Strategy, Commissioning & Public Health	152,846	(108,315)	44,531	(1,596)	42,935	(4)	42,931	100	43,031	200	43,231		43,231
Sub Total Strategic Director Portfolio	941,269	(635,628)	305,641	3,248	308,889	(1,903)	306,986	1,466	308,452	4,796	313,248	6,800	320,048
Central Budgets	32,756	(3,491)	29,265	34,844	64,109	23,687	87,796	10,874	98,670	10,855	109,525	8,970	118,495
Total Budgets	974,025	(639,119)	334,906	38,092	372,998	21,784	394,782	12,340	407,122	15,651	422,773	15,770	438,543

Funding Available:													
Business Rates Income					(48,454)		(52,040)		(53,131)		(54,192)		(55,276)
Government Funding					(79,025)		(83,238)		(84,730)		(86,358)		(88,018)
Council Tax					(190,746)		(200,552)		(207,843)		(214,855)		(222,113)
Adult Social Care Precept					(28,838)		(33,775)		(36,581)		(39,419)		(42,382)
Net Collection Fund transfer to general fund					(1,287)								
Total Funding Available					(348,350)		(369,605)		(382,285)		(394,824)		(407,789)
Transfer from Reserves - MTFP Support					(24,648)		0		0		0		0
Balanced 2023-24 Budget					0		25,177		24,837		27,949		30,754

CHILD PROTECTION & FAMILY SUPPORT

SERVICE ACTIVITY	22-23 CONTROLLABLE GROSS EXPENDITURE £000	22-23 CONTROLLABLE INCOME £000	22-23 NET CONTROLLABLE BUDGET £000	CHANGES £000	23-24 BUDGET PROPOSAL £000	CHANGES £000	24-25 BUDGET PROPOSAL £000	CHANGES £000	25-26 BUDGET PROPOSAL £000	CHANGES	26-27 BUDGET PROPOSAL	CHANGES £000	27-28 BUDGET PROPOSAL £000
Front of Door, Emergency Duty, Assessment & Intervention													
Front of Door	1,321	0	1,321	(397)	924		924		924		924		924
Emergency Duty Service	431	(30)	401		401		401		401		401		401
Assessment & Intervention	3,020	0	3,020	(329)	2,691	(17)	2,674		2,674		2,674		2,674
Total	4,772	(30)	4,742	(726)	4,016	(17)	3,999	0	3,999	0	3,999	0	3,999
Assessment & Intervention/Disabled Children's Services													
Assessment & Intervention	3,343	0	3,343	191	3,534		3,534		3,534		3,534		3,534
Disabled Children's Services	3,165	(93)	3,072	116	3,188	35	3,223	35	3,258		3,258		3,258
Persons from Abroad	415	0	415		415		415		415		415		415
Total	6,923	(93)	6,830	307	7,137	35	7,172	35	7,207	0	7,207	0	7,207
Corporate Parenting Service													
Looked After Children(0-17)	3,451	(44)	3,407	221	3,628		3,628		3,628		3,628		3,628
Leaving Care 18-21 (25)	1,188	(122)	1,066	69	1,135		1,135		1,135		1,135		1,135
External Residential Placements	3,991	(405)	3,586	(1,866)	1,720	130	1,850	130	1,980		1,980		1,980
Fostering (Placements)	9,921	(245)	9,676	167	9,843	167	10,010	167	10,177		10,177		10,177
Adoption	1,153	0	1,153	25	1,178	25	1,203	25	1,228		1,228		1,228
Guardianship and Child Arrangement	4,808	0	4,808	74	4,882	74	4,956	74	5,030		5,030		5,030
Leaving Care Supported Accommodation /Supported Lodgings	2,180	0	2,180	35	2,215	35	2,250	35	2,285		2,285		2,285
Unaccompanied Asylum Seeker Children	155	(149)	6		6		6		6		6		6
Service Specialist Training (Children)	379	(373)	6		6		6		6		6		6
IT Safeguarding & Project Team	256	0	256		256		256		256		256		256
Total	27,482	(1,338)	26,144	(1,275)	24,869	431	25,300	431	25,731	0	25,731	0	25,731
Psychosocial Support Service													
Multi Systemic Therapy & Formulation	1,087	0	1,087	59	1,146	(423)	723		723		723		723
Placement Support	774	0	774	34	808	(170)	638		638		638		638
Family Time Service	798	0	798	53	851		851		851		851		851
Total	2,659	0	2,659	146	2,805	(593)	2,212	0	2,212	0	2,212	0	2,212
Contextual Safeguarding & Youth Engagement Service													
Youth Justice Service	1,848	(970)	878		878		878		878		878		878
Youth Engagement Service Risk & Vulnerabilities	977	(190)	787	47	834		834		834		834		834
Total	2,825	(1,160)	1,665	47	1,712	0	1,712	0	1,712	0	1,712	0	1,712
Management & Regulatory													
	1,210	0	1,210	38	1,248	0	1,248	0	1,248	0	1,248	0	1,248
TOTAL CHILD PROTECTION & FAMILY SUPPORT	45,871	(2,621)	43,250	(1,463)	41,787	(144)	41,643	466	42,109	0	42,109	0	42,109

CHILD PROTECTION & FAMILY SUPPORT CHANGES

Service Activity	Proposed Change	Savings Template Reference	2023-24	2024-25	2025-26	2026-27	2027-28
			£k	£k	£k	£k	£k
Front of Door, Emergency Duty, Assess & Intervention	Demand Led Pressures		307				
	Remodel Early Help and Children’s Social Care in Line with National Review	NEW CH1	(1,033)	(17)			
Assessment & Intervention/Disabled Childrens Services	Demand Led Pressures		307	35	35		
Corporate Parenting Sevice	Demand Led Pressures		875	1,131	431		
	Social Care Grant - Children Achieve Sufficiency of Homes for Children in Care	NEW CH2	(1,300) (850)	(700)			
Psychosocial Support Service	Multi Systemic Therapy - grant funding			(423)			
	Demand Led Pressures Developing Foster Carer Support (Mockingbird)		146	(170)			
Contextual Safeguarding & YES	Demand Led Pressures		47				
Management & Support	Demand Led Pressures		38				
TOTAL FOR CHILD PROTECTION & FAMILY SUPPORT CHANGES			(1,463)	(144)	466	0	0

LEARNING & EARLY SUPPORT

SERVICE ACTIVITY	22-23 CONTROLLABLE GROSS EXPENDITURE £000	22-23 CONTROLLABLE INCOME £000	22-23 NET CONTROLLABLE BUDGET £000	CHANGES £000	23-24 BUDGET PROPOSAL £000	CHANGES £000	24-25 BUDGET PROPOSAL £000	CHANGES £000	25-26 BUDGET PROPOSAL £000	CHANGES £000	26-27 BUDGET PROPOSAL £000	CHANGES £000	27-28 BUDGET PROPOSAL £000
Strategic Leadership													
Statutory Responsibility for the Education System	887	(528)	359		359		359		359		359		359
Music Service	24	0	24		24		24		24		24		24
School Forum allocations	196	(197)	(1)		(1)		(1)		(1)		(1)		(1)
Total	1,107	(725)	382	0	382	0	382	0	382	0	382	0	382
Schools Organisation, Planning and Admissions													
Schools Organisation & Planning	207	(131)	76	(30)	46		46		46		46		46
School Admissions	605	(428)	177		177		177		177		177		177
Total	812	(559)	253	(30)	223	0	223	0	223	0	223	0	223
Education for Vulnerable Children Services incl Special Educational Needs													
Kirklees Special Educational Needs (SEN) pupils in Other Local Authorities (OLA) Mainstream	370	(230)	140		140		140		140		140		140
Specialist Provision Co-ordination	861	(786)	75		75		75		75		75		75
SEN Assessment & Commissioning team	1,663	(165)	1,498		1,498		1,498		1,498		1,498		1,498
Education of Looked After Children	798	(206)	592		592		592		592		592		592
Attendance & Pupil Support	1,544	(795)	749		749		749		749		749		749
Education Vulnerable Children Service-Psychology	1,120	(213)	907		907		907		907		907		907
International new arrivals	70	(57)	13		13		13		13		13		13
Early Years SEN Support Portex	146	(140)	6		6		6		6		6		6
Early Years SEN Support inc Portage service	1,636	(6)	1,630	(1,184)	446		446		446		446		446
Total	8,208	(2,598)	5,610	(1,184)	4,426	0	4,426	0	4,426	0	4,426	0	4,426
Early Learning													
Private Voluntary & Independent Formula Funding	17,242	(17,252)	(10)		(10)		(10)		(10)		(10)		(10)
Two year old funding	4,974	(4,974)	0		0		0		0		0		0
Early Years Quality Improvement, Workforce & Sufficiency	420	(585)	(165)		(165)		(165)		(165)		(165)		(165)
Total	22,636	(22,811)	(175)	0	(175)	0	(175)	0	(175)	0	(175)	0	(175)
Post 16 services	167	0	167		167		167		167		167		167
Learning Services Trading	3,048	(2,825)	223	(40)	183		183		183		183		183
Early Support													
Early Support Service Wide	1,057	0	1,057		1,057		1,057		1,057		1,057		1,057
Early Support Service	3,758	0	3,758	(124)	3,634		3,634		3,634		3,634		3,634
Children's Hubs	415	0	415		415		415		415		415		415
Former Grants	1,013	0	1,013		1,013		1,013		1,013		1,013		1,013

LEARNING & EARLY SUPPORT

SERVICE ACTIVITY	22-23 CONTROLLABLE GROSS EXPENDITURE £000	22-23 CONTROLLABLE INCOME £000	22-23 NET CONTROLLABLE BUDGET £000	CHANGES £000	23-24 BUDGET PROPOSAL £000	CHANGES £000	24-25 BUDGET PROPOSAL £000	CHANGES £000	25-26 BUDGET PROPOSAL £000	CHANGES £000	26-27 BUDGET PROPOSAL £000	CHANGES £000	27-28 BUDGET PROPOSAL £000
Detached Youth Service	1,190	(240)	950		950		950		950		950		950
Total	7,433	(240)	7,193	(124)	7,069	0	7,069	0	7,069	0	7,069	0	7,069
Commissioning													
Stronger Families	1,842	(1,842)	0		0		0		0		0		0
Careers Service Partnership	1,720	0	1,720	(120)	1,600	(86)	1,514		1,514		1,514		1,514
Total	3,562	(1,842)	1,720	(120)	1,600	(86)	1,514	0	1,514	0	1,514	0	1,514
DSG Schools													
Specialist Education Placements	6,213	(6,213)	0		0		0		0		0		0
Behavioural, Emotional & Exclusions	1,464	(1,461)	3		3		3		3		3		3
Further Education High Needs	2,405	(2,405)	0		0		0		0		0		0
Delegated Schools Budgets	211,853	(211,853)	0		0		0		0		0		0
SEN support including Further Education Post 16	16,178	(16,178)	0	1,400	1,400		1,400		1,400		1,400		1,400
Centrally Managed School Budgets	3,884	(4,787)	(903)		(903)		(903)		(903)		(903)		(903)
Childrens Pensions	3,948	(614)	3,334		3,334		3,334		3,334		3,334		3,334
Childrens Contingencies	19,547	(18,108)	1,439		1,439		1,439		1,439		1,439		1,439
Total	265,492	(261,619)	3,873	1,400	5,273	0	5,273	0	5,273	0	5,273	0	5,273
Salary for Assistant Director (Learning)	119	0	119		119		119		119		119		119
Prof charg Legal, Prop&oth inter prov ser	314	(488)	(174)		(174)		(174)		(174)		(174)		(174)
KIAS and Offsite visits	90	0	90		90		90		90		90		90
Grant funded budgets	0	0	0		0		0		0		0		0
Director & Infrastructure budget	56	0	56		56		56		56		56		56
Management & Regulatory	579	(488)	91	0	91	0	91	0	91	0	91	0	91
TOTAL LEARNING & EARLY SUPPORT	313,044	(293,707)	19,337	(98)	19,239	(86)	19,153	0	19,153	0	19,153	0	19,153

LEARNING & EARLY SUPPORT CHANGES

Service Activity	Proposed Change	Savings Template Reference					
			2023-24 £k	2024-25 £k	2025-26 £k	2026-27 £k	2027-28 £k
Schools Organisation, Planning and Admissions	Introduce fees and charges to recover costs for Academy conversions	NEW CH3	(30)				
Education for Vulnerable Children Services Incl Special Educational Needs	Remodel the approach to the SEND Inclusion Fund	NEW CH4	(1,184)				
Learning Services Trading	Redesign Headteacher Wellbeing Service	NEW CH5	(40)				
Early Support	Redesign our challenge and support offer to schools and settings	NEW CH6	(124)				
Commissioning	Review and Redesign C&K commission	NEW CH7	(120)	(86)			
DSG Schools	DSG deficit reduction recharge		1,400				
TOTAL FOR LEARNING & EARLY SUPPORT CHANGES			(98)	(86)	0	0	0

RESOURCES, IMPROVEMENTS & PARTNERSHIPS

SERVICE ACTIVITY	22-23 CONTROLLABLE GROSS EXPENDITURE £000	22-23 CONTROLLABLE INCOME £000	22-23 NET CONTROLLABLE BUDGET £000	CHANGES £000	23-24 BUDGET PROPOSAL £000	CHANGES £000	24-25 BUDGET PROPOSAL £000	CHANGES £000	25-26 BUDGET PROPOSAL £000	CHANGES £000	26-27 BUDGET PROPOSAL £000	CHANGES £000	27-28 BUDGET PROPOSAL £000
Sustainability, Capacity & Resourcing													
Family Placement Unit (inc Help Desk)	850	0	850		850		850		850		850		850
Fostering Service	5,916	0	5,916	(17)	5,899	84	5,983	84	6,067		6,067		6,067
Internal Residential	3,216	0	3,216	(852)	2,364		2,364		2,364		2,364		2,364
Disabled Children Service - Young People Activity Team	574	(21)	553		553		553		553		553		553
Disabled Children Service - Internal Residential	2,119	(127)	1,992		1,992		1,992		1,992		1,992		1,992
Commissioned Services	0	0	0		0		0		0		0		0
Total	12,675	(148)	12,527	(869)	11,658	84	11,742	84	11,826	0	11,826	0	11,826
Safeguarding & Quality Assurance													
Service Specialist Training	68	0	68		68		68		68		68		68
Safeguarding & Quality Assurance	2,390	0	2,390	(111)	2,279		2,279		2,279		2,279		2,279
Kirklees Safeguarding Children Board	297	(121)	176	(103)	73		73		73		73		73
Total	2,755	(121)	2,634	(214)	2,420	0	2,420	0	2,420	0	2,420	0	2,420
Other Commissioned Services													
Other Commissioned Services	3,022	(572)	2,450	(691)	1,759		1,759		1,759		1,759		1,759
Targeted Mental Health Service Contracts	360	0	360		360		360		360		360		360
Total	3,382	(572)	2,810	(691)	2,119	0	2,119	0	2,119	0	2,119	0	2,119
Management & Regulatory Functions	581	(56)	525	0	525	0	525	0	525	0	525	0	525
TOTAL RESOURCES, IMPROVEMENTS & PARTNERSHIPS	19,393	(897)	18,496	(1,774)	16,722	84	16,806	84	16,890	0	16,890	0	16,890

RESOURCES, IMPROVEMENTS & PARTNERSHIPS CHANGES

Service Activity	Proposed Change	Savings Template Reference					
			2023-24 £k	2024-25 £k	2025-26 £k	2026-27 £k	2027-28 £k
Sustainability, Capacity & Resourcing	Children's Social Care - Inflationary Pressures		84	84	84		
	Redesign Capacity for Improvement	NEW CH8	(101)				
	Residential Sufficiency- Magdale residential children's home		(852)				
Safeguarding & Quality Assurance	Redesign Capacity for Improvement	NEW CH8	(111)				
	Review Support for Partnerships	NEW CH9	(103)				
Other Commissioned Services	Redesign Capacity for Improvement	NEW CH8	(221)				
	Review Support for Partnerships	NEW CH9	(107)				
	Review of Investment in VCS and external contracted provision	NEW CH10	(363)				
TOTAL FOR RESOURCES, IMPROVEMENTS & PARTNERSHIPS CHANGES			(1,774)	84	84	0	0

CUSTOMER & COMMUNITIES

SERVICE ACTIVITY	22-23 CONTROLLABLE GROSS EXPENDITURE £000	22-23 CONTROLLABLE INCOME £000	22-23 NET CONTROLLABLE BUDGET £000	CHANGES £000	23-24 BUDGET PROPOSAL £000	CHANGES £000	24-25 BUDGET PROPOSAL £000	CHANGES £000	25-26 BUDGET PROPOSAL £000	CHANGES £000	26-27 BUDGET PROPOSAL £000	CHANGES £000	27-28 BUDGET PROPOSAL £000
Customer & Communities - Adults													
Access, Strategy & Delivery													
Registrars	1,064	(768)	296		296		296		296		296		296
Access to Services - Customer Service Centres	1,536	(242)	1,294		1,294		1,294		1,294		1,294		1,294
Kirklees Direct	2,988	(576)	2,412		2,412		2,412		2,412		2,412		2,412
Total	5,588	(1,586)	4,002	0	4,002	0	4,002	0	4,002	0	4,002	0	4,002
Local Integrated Partnerships													
Library & Information Centres	3,935	(58)	3,877		3,877		3,877		3,877		3,877		3,877
Community Languages	610	(757)	(147)		(147)		(147)		(147)		(147)		(147)
Community Plus	2,478	(295)	2,183	(99)	2,084	(147)	1,937	(272)	1,665		1,665		1,665
Integrated Wellness Model	1,941	(1,729)	212		212		212		212		212		212
Total	8,964	(2,839)	6,125	(99)	6,026	(147)	5,879	(272)	5,607	0	5,607	0	5,607
Customer & Communities - Childrens Communities													
Cohesion	490	(41)	449		449		449		449		449		449
Voluntary Sector Support	249	0	249		249		249		249		249		249
Total	739	(41)	698	0	698	0	698	0	698	0	698	0	698
Community Safety Hub													
Safer Kirklees	1,293	(558)	735		735		735		735		735		735
Vulnerable Persons Scheme	38	0	38		38		38		38		38		38
Total	1,331	(558)	773	0	773	0	773	0	773	0	773	0	773
Prevent	308	(127)	181		181		181		181		181		181
Domestic Abuse	521	0	521		521		521		521		521		521
Improvement & Relationships	322	0	322		322		322		322		322		322
Management & Regulatory Functions	86	0	86		86		86		86		86		86
TOTAL CUSTOMER & COMMUNITIES	17,859	(5,151)	12,708	(99)	12,609	(147)	12,462	(272)	12,190	0	12,190	0	12,190

CUSTOMERS & COMMUNITIES

Service Activity	Proposed Change	Savings Template Reference					
			2023-24 £k	2024-25 £k	2025-26 £k	2026-27 £k	2027-28 £k
Local Integrated Partnerships	Integrated Community and Access model to maximise citizen and community outcomes	NEW AD1	(99)	(147)	(272)		
TOTAL CUSTOMERS & COMMUNITIES CHANGES			(99)	(147)	(272)	0	0

ADULTS SOCIAL CARE - OLDER PEOPLE & PHYSICAL DISABILITIES

SERVICE ACTIVITY	22-23 CONTROLLABLE GROSS EXPENDITURE £000	22-23 CONTROLLABLE INCOME £000	22-23 NET CONTROLLABLE BUDGET £000	CHANGES £000	23-24 BUDGET PROPOSAL £000	CHANGES £000	24-25 BUDGET PROPOSAL £000	CHANGES £000	25-26 BUDGET PROPOSAL £000	CHANGES £000	26-27 BUDGET PROPOSAL £000	CHANGES £000	27-28 BUDGET PROPOSAL £000
Assessment and Care Management	6,255	(834)	5,421		5,421		5,421		5,421		5,421		5,421
Care Navigation	2,769	(189)	2,580		2,580		2,580		2,580		2,580		2,580
Self Directed Support	30,239	(11,895)	18,344	9,150	27,494	6,700	34,194	4,900	39,094	4,750	43,844	4,750	48,594
<u>Independent Sector Residential and Nursing</u>													
Independent Sector Residential and Nursing Placements - Older People	37,071	(17,841)	19,230		19,230		19,230		19,230		19,230		19,230
Independent Sector Residential and Nursing Placements - Physical Disabilities	4,444	(778)	3,666		3,666		3,666		3,666		3,666		3,666
Total	41,515	(18,619)	22,896	0	22,896	0	22,896	0	22,896	0	22,896	0	22,896
<u>Demand Led</u>													
Emergency Support	795	0	795		795		795		795		795		795
Other Demand Led	515	(600)	(85)	(867)	(952)	(3,840)	(4,792)	(5,382)	(10,174)	(2,204)	(12,378)		(12,378)
Adult Social Care Grant & Better Care Funding	0	(40,205)	(40,205)	(14,954)	(55,159)	(9,100)	(64,259)	(4,300)	(68,559)	(4,200)	(72,759)	(4,200)	(76,959)
Total	1,310	(40,805)	(39,495)	(15,821)	(55,316)	(12,940)	(68,256)	(9,682)	(77,938)	(6,404)	(84,342)	(4,200)	(88,542)
Total	82,088	(72,342)	9,746	(6,671)	3,075	(6,240)	(3,165)	(4,782)	(7,947)	(1,654)	(9,601)	550	(9,051)
Professional charges for legal, property	(685)	0	(685)		(685)		(685)		(685)		(685)		(685)
Business support	1,022	(15)	1,007		1,007		1,007		1,007		1,007		1,007
Service Management	837	0	837		837		837		837		837		837
Director for C, PH & ASC	178	0	178		178		178		178		178		178
Funding transfer from NHS England to Adults	(7)	(45)	(52)		(52)		(52)		(52)		(52)		(52)
QASS - Adults	2,064	(216)	1,848		1,848		1,848		1,848		1,848		1,848
Management & Regulatory	3,409	(276)	3,133		3,133		3,133		3,133		3,133		3,133
TOTAL ADULTS SOCIAL CARE - OLDER PEOPLE & PHYSICAL DISABILITIES	85,497	(72,618)	12,879	(6,671)	6,208	(6,240)	(32)	(4,782)	(4,814)	(1,654)	(6,468)	550	(5,918)

ADULT SOCIAL CARE - OLDER PEOPLE & PHYSICAL DISABILITIES CHANGES

Service Activity	Proposed Change	Savings Template Reference					
			2023-24 £k	2024-25 £k	2025-26 £k	2026-27 £k	2027-28 £k
Self Directed Support (SDS)	Adult Social Care - Cost & Demand Pressures		9,150	6,700	4,900	4,750	4,750
Other Demand Led	Better Care Fund Government Inflation Uplift	NEW AD2	(600)	(600)	(600)		
	Work with an external change partner to model future demand and identify/deliver social care efficiencies		(267)	(3,240)	(4,782)	(2,204)	
Adult Social Care Grant & Better Care Funding	Social Care Grant		(9,983)	(4,100)			
	Expected Other Funding In-Year		(4,971)	(5,000)	(4,300)	(4,200)	(4,200)
TOTAL ADULT SOCIAL CARE - OLDER PEOPLE & PHYSICAL DISABILITIES CHANGES			(6,671)	(6,240)	(4,782)	(1,654)	550

ADULT SOCIAL CARE - LEARNING DISABILITIES & MENTAL HEALTH

SERVICE ACTIVITY	22-23 CONTROLLABLE GROSS EXPENDITURE £000	22-23 CONTROLLABLE INCOME £000	22-23 NET CONTROLLABLE BUDGET £000	CHANGES £000	23-24 BUDGET PROPOSAL £000	CHANGES £000	24-25 BUDGET PROPOSAL £000	CHANGES £000	25-26 BUDGET PROPOSAL £000	CHANGES £000	26-27 BUDGET PROPOSAL £000	CHANGES £000	27-28 BUDGET PROPOSAL £000
Assessment and Care Management	4,344	(242)	4,102		4,102		4,102		4,102		4,102		4,102
Demand Led Activity													
Self Directed Support	34,820	(4,844)	29,976	12,000	41,976	8,750	50,726	6,450	57,176	6,250	63,426	6,250	69,676
Independent Sector Residential and Nursing													
Independent Sector Residential and Nursing Placements - Learning Disabilities	34,913	(9,948)	24,965		24,965		24,965		24,965		24,965		24,965
Independent Sector Residential and Nursing Placements - Mental Health	13,284	(4,896)	8,388		8,388		8,388		8,388		8,388		8,388
Total	48,197	(14,844)	33,353	0	33,353	0	33,353	0	33,353	0	33,353	0	33,353
In-House Residential - Older People	7,438	(2,688)	4,750	(362)	4,388	(378)	4,010	(124)	3,886		3,886		3,886
In-House Residential - Learning Disabilities	2,917	(807)	2,110	(57)	2,053	(115)	1,938		1,938		1,938		1,938
In-House Day Care													
In-House Day Care - Older People	1,216	(40)	1,176		1,176		1,176		1,176		1,176		1,176
In-House Day Care - Learning Disabilities	3,313	(402)	2,911	(70)	2,841	(74)	2,767	144	2,911		2,911		2,911
Total	4,529	(442)	4,087	(70)	4,017	(74)	3,943	144	4,087	0	4,087	0	4,087
Other Demand-Led Services													
Emergency Support	45	0	45		45		45		45		45		45
Learning Disability Shared Lives	1,157	0	1,157		1,157		1,157		1,157		1,157		1,157
Reablement	8,310	(7,812)	498		498		498		498		498		498
Care Phones & Assistive Technology	1,361	(1,196)	165		165		165		165		165		165
Total	10,873	(9,008)	1,865	0	1,865	0	1,865	0	1,865	0	1,865	0	1,865
Total Demand Led	108,774	(32,633)	76,141	11,511	87,652	8,183	95,835	6,470	102,305	6,250	108,555	6,250	114,805
Management & Regulatory	714	0	714		714		714		714		714		714
TOTAL ADULTS SOCIAL CARE - LEARNING DISABILITIES & MENTAL HEALTH	113,832	(32,875)	80,957	11,511	92,468	8,183	100,651	6,470	107,121	6,250	113,371	6,250	119,621

ADULT SOCIAL CARE - LEARNING DISABILITIES & MENTAL HEALTH CHANGES

Service Activity	Proposed Change	Savings Template Reference	2023-24	2024-25	2025-26	2026-27	2027-28
			£k	£k	£k	£k	£k
Self Directed Support	Adult Social Care - Demand Led Pressures		12,000	8,750	6,450	6,250	6,250
In House Residential - Older people	Work with the wider health and care system to properly reflect the cost and design of services provided to the wider health and care system	NEW AD3	(362)	(378)	(124)		
In House Residential - Learning Disabilities	Reviewing the respite offer for people with a learning disability and developing a new day service offer in North Kirklees.	NEW AD4	(57)	(115)			
In House Day Care	Reviewing the respite offer for people with a learning disability and developing a new day service offer in North Kirklees.	NEW AD4	(70)	(74)	144		
TOTAL ADULT SOCIAL CARE - LEARNING DISABILITES & MENTAL HEALTH CHANGES			11,511	8,183	6,470	6,250	6,250

ADULTS SUFFICIENCY

SERVICE ACTIVITY	22-23 CONTROLLABLE GROSS EXPENDITURE £000	22-23 CONTROLLABLE INCOME £000	22-23 NET CONTROLLABLE BUDGET £000	CHANGES £000	23-24 BUDGET PROPOSAL £000	CHANGES £000	24-25 BUDGET PROPOSAL £000	CHANGES £000	25-26 BUDGET PROPOSAL £000	CHANGES £000	26-27 BUDGET PROPOSAL £000	CHANGES £000	27-28 BUDGET PROPOSAL £000
<u>Demand Led Activity</u>													
Contracted service (indep sec daycare) Older People/Physical Disabilities	2,793	(766)	2,027	(49)	1,978	(48)	1,930		1,930		1,930		1,930
Contracted services Learning Disabilities/Mental Health	4,058	(79)	3,979	(26)	3,953	(26)	3,927		3,927		3,927		3,927
Contracted Services	6,851	(845)	6,006	(75)	5,931	(74)	5,857	0	5,857	0	5,857	0	5,857
<u>Other Demand-Led Services</u>													
Excellent Homes for Life (supported living)	1,871	(535)	1,336		1,336		1,336		1,336		1,336		1,336
Provision of Community Equipment	4,971	(4,399)	572		572		572		572		572		572
Total	6,842	(4,934)	1,908	0	1,908	0	1,908	0	1,908	0	1,908	0	1,908
Total Demand Led	13,693	(5,779)	7,914	(75)	7,839	(74)	7,765	0	7,765	0	7,765	0	7,765
<u>Early Intervention & Prevention</u>													
Supporting People	6,948	(2,761)	4,187		4,187		4,187		4,187		4,187		4,187
Support for Carers	429	0	429		429		429		429		429		429
Total	7,377	(2,761)	4,616	0	4,616	0	4,616	0	4,616	0	4,616	0	4,616
<u>Commissioning</u>													
Contracts Management	825	(346)	479		479		479		479		479		479
Other Commissioning Infrastructure	1,718	(152)	1,566		1,566		1,566		1,566		1,566		1,566
Total	2,543	(498)	2,045	0	2,045	0	2,045	0	2,045	0	2,045	0	2,045
Management & Regulatory	133	0	133		133		133		133		133		133
TOTAL ADULTS SUFFICIENCY	23,746	(9,038)	14,708	(75)	14,633	(74)	14,559	0	14,559	0	14,559	0	14,559

ADULTS SUFFICIENCY

Service Activity	Proposed Change	Savings Template Reference					
			2023-24 £k	2024-25 £k	2025-26 £k	2026-27 £k	2027-28 £k
Contracted service (indep sec daycare) Older People/Physical Disabilities	Review of Stroke Support Services	NEW CH11	(49)	(48)			
Contracted services Learning Disabilities/Mental Health	Mental Health Peer Support Service Pilot Review	NEW AD5	(26)	(26)			
TOTAL ADULTS SUFFICIENCY CHANGES			(75)	(74)	0	0	0

ENVIRONMENTAL STRATEGY & CLIMATE CHANGE

SERVICE ACTIVITY	22-23 CONTROLLABLE GROSS EXPENDITURE £000	22-23 CONTROLLABLE INCOME £000	22-23 NET CONTROLLABLE BUDGET £000	CHANGES £000	23-24 BUDGET PROPOSAL £000	CHANGES £000	24-25 BUDGET PROPOSAL £000	CHANGES £000	25-26 BUDGET PROPOSAL £000	CHANGES £000	26-27 BUDGET PROPOSAL £000	CHANGES £000	27-28 BUDGET PROPOSAL £000
Directorate Programme Office	584	0	584		584		584		584		584		584
Climate Change Programme	304	(195)	109	(50)	59		59		59		59		59
Environmental Health	1,998	(617)	1,381		1,381		1,381		1,381		1,381		1,381
Licensing	763	(1,292)	(529)		(529)		(529)		(529)		(529)		(529)
Schools Transport	7,024	(448)	6,576	2,625	9,201	(325)	8,876	(500)	8,376		8,376		8,376
Post 16 Schools Transport	1,825	(22)	1,803	400	2,203		2,203		2,203		2,203		2,203
Schools Transport	8,849	(470)	8,379	3,025	11,404	(325)	11,079	(500)	10,579		10,579		10,579
Corporate Enforcement Unit	57	0	57		57		57		57		57		57
Management & Support	950	(663)	287		287		287		287		287		287
TOTAL ENVIRONMENTAL & CLIMATE CHANGE	13,505	(3,237)	10,268	2,975	13,243	(325)	12,918	(500)	12,418	0	12,418	0	12,418

ENVIRONMENTAL STRATEGY & CLIMATE CHANGE CHANGES

Service Activity	Proposed Change	Savings Template Reference					
			2023-24 £k	2024-25 £k	2025-26 £k	2026-27 £k	2027-28 £k
Climate Change Programme	Secure external grant funds and capitalise staff against them	NEW EN1	(50)				
Schools Transport	School Transport Pressures Home to School Travel Transformation	NEW EN2	3,200 (175)	(325)	(500)		
TOTAL ENVIRONMENTAL STRATEGY & CLIMATE CHANGE CHANGES			2,975	(325)	(500)	0	0

HIGHWAYS & STREETSCENE

SERVICE ACTIVITY	22-23 CONTROLLABLE GROSS EXPENDITURE £000	22-23 CONTROLLABLE INCOME £000	22-23 NET CONTROLLABLE BUDGET £000	CHANGES £000	23-24 BUDGET PROPOSAL £000	CHANGES £000	24-25 BUDGET PROPOSAL £000	CHANGES £000	25-26 BUDGET PROPOSAL £000	CHANGES £000	26-27 BUDGET PROPOSAL £000	CHANGES £000	27-28 BUDGET PROPOSAL £000
Highways	27,620	(24,011)	3,609	(1,877)	1,732		1,732		1,732		1,732		1,732
Seasonal Weather	1,809	(33)	1,776	(160)	1,616		1,616		1,616		1,616		1,616
Organisation Development	398	(91)	307		307		307		307		307		307
Parking	2,111	(5,635)	(3,524)	500	(3,024)	(1,600)	(4,624)		(4,624)		(4,624)		(4,624)
Waste Services	34,212	(9,784)	24,428	2,065	26,493	(200)	26,293	(100)	26,193		26,193		26,193
Transport Services	6,999	(4,508)	2,491		2,491		2,491		2,491		2,491		2,491
Parks & Greenspaces	7,559	(4,462)	3,097	(57)	3,040		3,040		3,040		3,040		3,040
TOTAL HIGHWAYS & STREETSCENE	80,708	(48,524)	32,184	471	32,655	(1,800)	30,855	(100)	30,755	0	30,755	0	30,755

HIGHWAYS & STREETSCENE CHANGES

Service Activity	Proposed Change	Savings Template Reference					
			2023-24 £k	2024-25 £k	2025-26 £k	2026-27 £k	2027-28 £k
Highways	Highways Efficiencies	NEW EN3	(1,377)				
	Directorate Vacancy Management	NEW EN4	(500)				
Seasonal Weather	Highways Efficiencies	NEW EN3	(160)				
Parking	Car Parking Income Structural		600				
	Parking	NEW EN5	(100)	(1,600)			
Waste Services	Waste PFI credit fall out		3,200				
	Waste Operational Efficiencies	NEW EN6	(735)				
	Waste Strategy Efficiencies	NEW EN7	(400)	(200)	(100)		
Parks & Greenspaces	Waste Operational Efficiencies	NEW EN6	(57)				
TOTAL HIGHWAYS & STREETSCENE CHANGES			471	(1,800)	(100)	0	0

CULTURE & VISITOR ECONOMY

SERVICE ACTIVITY	22-23 CONTROLLABLE GROSS EXPENDITURE £000	22-23 CONTROLLABLE INCOME £000	22-23 NET CONTROLLABLE BUDGET £000	CHANGES £000	23-24 BUDGET PROPOSAL £000	CHANGES £000	24-25 BUDGET PROPOSAL £000	CHANGES £000	25-26 BUDGET PROPOSAL £000	CHANGES £000	26-27 BUDGET PROPOSAL £000	CHANGES £000	27-28 BUDGET PROPOSAL £000
Culture & Tourism													
Markets	1,627	(1,606)	21	400	421		421		421		421		421
Arts & Creative Development	1,116	(111)	1,005		1,005		1,005		1,005		1,005		1,005
Museums & Galleries	1,054	(315)	739		739		739		739		739		739
Culture & Tourism Management	92	0	92		92		92		92		92		92
Total	3,889	(2,032)	1,857	400	2,257	0	2,257	0	2,257	0	2,257	0	2,257
Venues													
Cliffe House	433	(474)	(41)		(41)		(41)		(41)		(41)		(41)
DRAM Centre	87	(49)	38		38		38		38		38		38
Town Halls & Public Halls	1,177	(1,002)	175		175		175		175		175		175
Catering	19,474	(19,875)	(401)	(90)	(491)		(491)		(491)		(491)		(491)
Caretaking & Cleaning	8,870	(7,030)	1,840		1,840		1,840		1,840		1,840		1,840
Bereavement	1,989	(4,010)	(2,021)		(2,021)		(2,021)		(2,021)		(2,021)		(2,021)
Management & Support	225	0	225		225		225		225		225		225
Total	32,255	(32,440)	(185)	(90)	(275)	0	(275)	0	(275)	0	(275)	0	(275)
TOTAL CULTURE & VISITOR ECONOMY	36,144	(34,472)	1,672	310	1,982	0	1,982	0	1,982	0	1,982	0	1,982

CULTURE & VISITOR ECONOMY CHANGES

Service Activity	Proposed Change	Savings Template Reference					
			2023-24 £k	2024-25 £k	2025-26 £k	2026-27 £k	2027-28 £k
Markets	Markets Income Structural		400				
Catering	Catering Rationalisation	NEW EN8	(90)				
TOTAL CULTURE & VISITOR ECONOMY CHANGES			310	0	0	0	0

SKILLS & REGENERATION

SERVICE ACTIVITY	22-23 CONTROLLABLE GROSS EXPENDITURE £000	22-23 CONTROLLABLE INCOME £000	22-23 NET CONTROLLABLE BUDGET £000	CHANGES £000	23-24 BUDGET PROPOSAL £000	CHANGES £000	24-25 BUDGET PROPOSAL £000	CHANGES £000	25-26 BUDGET PROPOSAL £000	CHANGES £000	26-27 BUDGET PROPOSAL £000	CHANGES £000	27-28 BUDGET PROPOSAL £000
Business & Economy													
Business & Enterprise Centres	773	(1,356)	(583)	(200)	(783)		(783)		(783)		(783)		(783)
Business & Skills	819	0	819	10	829		829		829		829		829
Total	1,592	(1,356)	236	(190)	46	0	46	0	46	0	46	0	46
Employment & Skills	984	(46)	938		938		938		938		938		938
Planning & Building Control													
Planning Development Management	2,310	(2,494)	(184)	(88)	(272)		(272)		(272)		(272)		(272)
Planning Policy & Strategy	1,134	(37)	1,097	185	1,282		1,282		1,282		1,282		1,282
Building Control	794	(1,248)	(454)	(76)	(530)		(530)		(530)		(530)		(530)
Flood Management	574	(176)	398		398		398		398		398		398
Total	4,812	(3,955)	857	21	878	0	878	0	878	0	878	0	878
Major Projects													
Major Projects	1,402	(967)	435	(67)	368		368		368		368		368
Project Management Office	303	(291)	12		12		12		12		12		12
Total	1,705	(1,258)	447	(67)	380	0	380	0	380	0	380	0	380
Management & Support	1,777	(422)	1,355		1,355		1,355		1,355		1,355		1,355
TOTAL SKILLS & REGENERATION	10,870	(7,037)	3,833	(236)	3,597	0	3,597	0	3,597	0	3,597	0	3,597

SKILLS & REGENERATION CHANGES

Service Activity	Proposed Change	Savings Template Reference	2023-24	2024-25	2025-26	2026-27	2027-28
			£k	£k	£k	£k	£k
Business & Enterprise Centres	Business centres - review portfolio and increase in rental charges	NEW GR1	(200)				
Business & Skills	Business Advisors		128				
	Growth and Regeneration Mitigations		(147)				
	Senior Officers		103				
	Reduction in Growth Services (Development, Employment & Skills Services)	NEW GR2	(74)				
Planning Development Management	Increase in planning pre application fees and Building Control fees	NEW GR3	(88)				
Planning Policy & Strategy	Staffing		222				
	Growth and Regeneration Mitigations		(37)				
Building Control	Reduction in growth services (Development)	NEW GR2	(76)				
Major Projects	Capitalisation of Staff Costs	NEW GR4	(67)				
TOTAL SKILLS & REGENERATION CHANGES			(236)	0	0	0	0

DEVELOPMENT

SERVICE ACTIVITY	22-23 CONTROLLABLE GROSS EXPENDITURE £000	22-23 CONTROLLABLE INCOME £000	22-23 NET CONTROLLABLE BUDGET £000	CHANGES £000	23-24 BUDGET PROPOSAL £000	CHANGES £000	24-25 BUDGET PROPOSAL £000	CHANGES £000	25-26 BUDGET PROPOSAL £000	CHANGES £000	26-27 BUDGET PROPOSAL £000	CHANGES £000	27-28 BUDGET PROPOSAL £000
Housing Growth	1,186	(87)	1,099		1,099		1,099		1,099		1,099		1,099
Property													
Corporate Landlord	13,636	(3,359)	10,277	(586)	9,691	(1,350)	8,341		8,341		8,341		8,341
Landbank	506	(57)	449		449		449		449		449		449
Capital Delivery	2,747	(4,223)	(1,476)		(1,476)		(1,476)		(1,476)		(1,476)		(1,476)
Assets & Estates	1,715	(3,831)	(2,116)	787	(1,329)		(1,329)		(1,329)		(1,329)		(1,329)
Management	89	0	89		89		89		89		89		89
Total	18,693	(11,470)	7,223	201	7,424	(1,350)	6,074		6,074		6,074		6,074
Town Centres	740	(364)	376	(208)	168		168		168		168		168
Housing Services													
Accessible Homes Team	1,534	(1,171)	363		363		363		363		363		363
Housing Management	147	(96)	51		51		51		51		51		51
Housing Solutions	5,516	(3,806)	1,710		1,710		1,710		1,710		1,710		1,710
Managed Properties													
Regeneration	138	(142)	(4)		(4)		(4)		(4)		(4)		(4)
Total	7,335	(5,215)	2,120	0	2,120	0	2,120	0	2,120	0	2,120	0	2,120
TOTAL DEVELOPMENT	27,954	(17,136)	10,818	(7)	10,811	(1,350)	9,461	0	9,461	0	9,461	0	9,461

DEVELOPMENT CHANGES

Service Activity	Proposed Change	Savings Template Reference	2023-24	2024-25	2025-26	2026-27	2027-28
			£k	£k	£k	£k	£k
Corporate Landlord	Improve compliance/facilitate Asset Transformation programme		265				
	Asset Strategy - Staffing		81				
	Growth and Regeneration Mitigations		119				
	Reduction in Growth Services (Development, Employment & Skills Services)	NEW GR2	(151)				
	Asset Rationalisation - Reduction in office/service delivery accommodation revenue budget	NEW GR5	(900)	(1,350)			
Assets & Estates	Commercial Properties Income Structural		700				
	Restructure of Disposals/Acquisitions & Commercial Team		87				
Town Centres	Capitalisation of Staff Costs	NEW GR4	(208)				
TOTAL DEVELOPMENT CHANGES			(7)	(1,350)	0	0	0

CORPORATE STRATEGY, COMMISSIONING & PUBLIC HEALTH

SERVICE ACTIVITY	22-23 CONTROLLABLE GROSS EXPENDITURE £000	22-23 CONTROLLABLE INCOME £000	22-23 NET CONTROLLABLE BUDGET £000	CHANGES £000	23-24 BUDGET PROPOSAL £000	CHANGES £000	24-25 BUDGET PROPOSAL £000	CHANGES £000	25-26 BUDGET PROPOSAL £000	CHANGES £000	26-27 BUDGET PROPOSAL £000	CHANGES £000	27-28 BUDGET PROPOSAL £000
STRATEGY & INNOVATION													
IT	13,901	(2,525)	11,376		11,376		11,376		11,376		11,376		11,376
Policy, Partnerships & Corporate Planning													
Policy	997	(98)	899	(42)	857		857		857		857		857
Chief Executive & Corporate Support	1,386	(293)	1,093		1,093		1,093		1,093		1,093		1,093
Total	2,383	(391)	1,992	(42)	1,950	0	1,950	0	1,950	0	1,950	0	1,950
Strategic Communications	1,625	(168)	1,457		1,457		1,457		1,457		1,457		1,457
Intelligence & Performance	2,966	(683)	2,283		2,283		2,283		2,283		2,283		2,283
Transformation	1,769	(86)	1,683		1,683		1,683		1,683		1,683		1,683
TOTAL STRATEGY, INNOVATION & PLANNING	22,644	(3,853)	18,791	(42)	18,749	0	18,749	0	18,749	0	18,749	0	18,749
PUBLIC HEALTH & PEOPLE													
Peoples Service	7,670	(3,072)	4,598	(80)	4,518		4,518		4,518		4,518		4,518
Public Health													
Sexual Health	4,118		4,118		4,118		4,118		4,118		4,118		4,118
Health Checks	279		279		279		279		279		279		279
Health Protection	727	(38)	689		689		689		689		689		689
Child Measurement	9		9		9		9		9		9		9
Substance Misuse	5,936	(273)	5,663		5,663		5,663		5,663		5,663		5,663
Obesity	151		151		151		151		151		151		151
Physical Activity	332		332		332		332		332		332		332
Smoking & Tobacco	565		565		565		565		565		565		565
5-19 Public Health	1,525		1,525		1,525		1,525		1,525		1,525		1,525
Health at Work	4		4		4		4		4		4		4
Public Mental Health	6		6		6		6		6		6		6
Public Health - Miscellaneous	1,119		1,119		1,119		1,119		1,119		1,119		1,119
Emergency Planning Team	338	(107)	231		231		231		231		231		231
Corporate Health & Safety	449	(41)	408		408		408		408		408		408
Public Health - Management & Regulatory	1,195	80	1,275	(10)	1,265	54	1,319		1,319		1,319		1,319

CORPORATE STRATEGY, COMMISSIONING & PUBLIC HEALTH

SERVICE ACTIVITY	22-23 CONTROLLABLE GROSS EXPENDITURE £000	22-23 CONTROLLABLE INCOME £000	22-23 NET CONTROLLABLE BUDGET £000	CHANGES £000	23-24 BUDGET PROPOSAL £000	CHANGES £000	24-25 BUDGET PROPOSAL £000	CHANGES £000	25-26 BUDGET PROPOSAL £000	CHANGES £000	26-27 BUDGET PROPOSAL £000	CHANGES £000	27-28 BUDGET PROPOSAL £000
Public Health Grant		(27,018)	(27,018)	10	(27,008)	(54)	(27,062)		(27,062)		(27,062)		(27,062)
0-5 Public Health (Mandated)	5,003		5,003		5,003		5,003		5,003		5,003		5,003
0-5 Public Health (other)	430		430		430		430		430		430		430
Total	22,186	(27,397)	(5,211)	0	(5,211)	0	(5,211)	0	(5,211)	0	(5,211)	0	(5,211)
Sport & Physical Activity													
Leisure Management	46	(30)	16		16		16		16		16		16
Sport & Physical Activity	0	0	0		0		0		0		0		0
Grant to Kirklees Active Leisure (KAL)	4,155	(2,000)	2,155	200	2,355	200	2,555	200	2,755	200	2,955		2,955
Total	4,201	(2,030)	2,171	200	2,371	200	2,571	200	2,771	200	2,971	0	2,971
Healthwatch	185	(160)	25		25		25		25		25		25
TOTAL PUBLIC HEALTH & PEOPLE	34,242	(32,659)	1,583	120	1,703	200	1,903	200	2,103	200	2,303	0	2,303
GOVERNANCE & COMMISSIONING													
Legal	5,841	(852)	4,989		4,989		4,989		4,989		4,989		4,989
Procurement	1,062	(201)	861		861		861		861		861		861
Risk	3,637	(193)	3,444	300	3,744	200	3,944		3,944		3,944		3,944
Place Based Working													
District Committees	460	0	460		460		460		460		460		460
Placed Based Working Services	1,161	(282)	879		879		879		879		879		879
Total	1,621	(282)	1,339	0	1,339	0	1,339	0	1,339	0	1,339	0	1,339
Governance													
Governance	1,936	(42)	1,894		1,894		1,894		1,894		1,894		1,894
Electoral Services	889	(6)	883		883		883		883		883		883
Councillors Allowances	1,585	(213)	1,372		1,372		1,372		1,372		1,372		1,372
Civic Office	39	(6)	33		33		33		33		33		33
Total	4,449	(267)	4,182	0	4,182	0	4,182	0	4,182	0	4,182	0	4,182
Management & Regulatory	137	0	137		137		137		137		137		137

CORPORATE STRATEGY, COMMISSIONING & PUBLIC HEALTH

SERVICE ACTIVITY	22-23 CONTROLLABLE GROSS EXPENDITURE £000	22-23 CONTROLLABLE INCOME £000	22-23 NET CONTROLLABLE BUDGET £000	CHANGES £000	23-24 BUDGET PROPOSAL £000	CHANGES £000	24-25 BUDGET PROPOSAL £000	CHANGES £000	25-26 BUDGET PROPOSAL £000	CHANGES £000	26-27 BUDGET PROPOSAL £000	CHANGES £000	27-28 BUDGET PROPOSAL £000
TOTAL GOVERNANCE & COMMISSIONING	16,747	(1,795)	14,952	300	15,252	200	15,452	0	15,452	0	15,452	0	15,452
<u>FINANCE</u>													
Accountancy	2,329	(527)	1,802		1,802		1,802		1,802		1,802		1,802
Commercial Services	145	(27)	118		118		118		118		118		118
Welfare & Exchequer	10,997	(3,768)	7,229	(400)	6,829	(367)	6,462		6,462		6,462		6,462
Management & Regulatory	137	0	137	(1,711)	(1,574)	(100)	(1,674)	(100)	(1,774)		(1,774)		(1,774)
Benefit Payments	65,605	(65,686)	(81)	137	56	63	119		119		119		119
TOTAL FINANCE	79,213	(70,008)	9,205	(1,974)	7,231	(404)	6,827	(100)	6,727	0	6,727	0	6,727
TOTAL CORPORATE STRATEGY, COMMISSIONING & PUBLIC HEALTH	152,846	(108,315)	44,531	(1,596)	42,935	(4)	42,931	100	43,031	200	43,231	0	43,231

CORPORATE STRATEGY, COMMISSIONING & PUBLIC HEALTH CHANGES

Service Activity	Proposed Change	Savings Template Reference	2023-24	2024-25	2025-26	2026-27	2027-28
			£k	£k	£k	£k	£k
Policy	General Efficiencies	NEW CS1	(42)				
Peoples Service	Process Improvements across People Services	NEW CS2	(80)				
Grant to Kirklees Active Leisure (KAL)	KAL Funding Contribution - National Living Wage		200	200	200	200	
Risk	Insurance Retendering		300	200			
Welfare & Exchequer	Funding Opportunities/Workforce Planning	NEW CS3	(400)	(367)			
Management & Regulatory	Various Efficiency Targets	NEW CS4	(1,711)	(100)	(100)		
Benefit Payments	Housing Benefit Subsidy Pressure		500				
	Temporary Accommodation Portfolio Expansion	NEW GR6	(363)	63			
TOTAL CORPORATE STRATEGY, COMMISSIONING & PUBLIC HEALTH CHANGES			(1,596)	(4)	100	200	0

CENTRAL BUDGETS

SERVICE ACTIVITY	22-23 CONTROLLABLE GROSS EXPENDITURE £000	22-23 CONTROLLABLE INCOME £000	22-23 NET CONTROLLABLE BUDGET £000	CHANGES £000	23-24 BUDGET PROPOSAL £000	CHANGES £000	24-25 BUDGET PROPOSAL £000	CHANGES £000	25-26 BUDGET PROPOSAL £000	CHANGES £000	26-27 BUDGET PROPOSAL £000	CHANGES £000	27-28 BUDGET PROPOSAL £000
Contingencies	(4,619)	(1,765)	(6,384)	29,221	22,837	5,750	28,587	6,450	35,037	6,550	41,587	6,050	47,637
Treasury Management	14,582	(1,403)	13,179	6,503	19,682	17,537	37,219	4,024	41,243	3,375	44,618	2,920	47,538
Central Pension & Related Costs	2,124	(308)	1,816		1,816		1,816		1,816		1,816		1,816
Joint Committees	19,965	0	19,965	(880)	19,085	400	19,485	400	19,885	930	20,815		20,815
Corporate Management	704	(15)	689		689		689		689		689		689
TOTAL CENTRAL BUDGETS	32,756	(3,491)	29,265	34,844	64,109	23,687	87,796	10,874	98,670	10,855	109,525	8,970	118,495

CENTRAL BUDGETS CHANGES

Service Activity	Proposed Change	Savings Template Reference	2023-24	2024-25	2025-26	2026-27	2027-28
			£k	£k	£k	£k	£k
Contingencies	Efficiency Targets	NEW CE1	(1,500)				
	Flexible Capital Receipts Review		(2,000)				
	Review of Contingency Budget Requirement		(329)				
	Review of employers superannuation rate		(200)				
	Cost of Living - Pay award Increased Pressure		15,700		600	600	
	Cost of Living - Energy Increased Pressure		9,800				
	Asset Rationalisation - Reduction in office/service delivery accommodation	NEW GR5	(300)				
	Other Inflation Requirement Over Years		8,050	5,750	5,850	5,950	6,050
Treasury Management	Review of Treasury Management Budget		9,884	7,456	7,764	4,413	697
	Capital Plan Review	NEW CE2	(3,481)	(3,519)	(3,740)	(1,038)	2,223
	Release of Minimum Revenue Provision (MRP) Flexibility		100	13,600			
Joint Committees	Assumed Joint Committees Levy Uplifts		50	400	400		
	West Yorkshire Combined Authority Gainshare Funding		(930)			930	
TOTAL FOR CENTRAL BUDGETS CHANGES			34,844	23,687	10,874	10,855	8,970

HRA Revenue Budget

SERVICE ACTIVITY	22-23 NET	CHANGES	23-24	CHANGES	24-25	CHANGES	25-26	CHANGES	26-27	CHANGES	27-28
	CONTROLLABLE		BUDGET		BUDGET		BUDGET		BUDGET		BUDGET
	BUDGET	£000	PROPOSAL	£000	PROPOSAL	£000	PROPOSAL	£000	PROPOSAL	£000	PROPOSAL
	£000		£000		£000		£000		£000		£000
Repairs & Maintenance	28,458	1,837	30,295	(515)	29,780	0	29,780	0	29,780	0	29,780
Housing Management											
Policy & Management	14,417	643	15,060	79	15,139	157	15,296	160	15,456	162	15,618
Council Services bought in	3,453	(38)	3,415	0	3,415	0	3,415	0	3,415		3,415
Homes & Neighbourhoods Man't Costs	22,323	1,492	23,815	0	23,815	(500)	23,315	(1,000)	22,315	0	22,315
Special Services (Communal facilities)	1,661	789	2,450	0	2,450	0	2,450	0	2,450		2,450
sub-total	41,854	2,886	44,740	79	44,819	(343)	44,476	(840)	43,636	162	43,798
Other Expenditure											
Depreciation charge on HRA Assets	17,800	1,100	18,900	0	18,900	0	18,900	0	18,900	0	18,900
Interest payable on capital debt	7,367	(205)	7,162	180	7,342	260	7,602	260	7,862	0	7,862
Bad debt provision	1,000	0	1,000	0	1,000	0	1,000	0	1,000		1,000
HRA share of corporate & democratic core	0	0	0	0	0	0	0	0	0		0
Rents, Rates , Taxes & other charges	525	0	525	0	525	0	525	0	525		525
Inflation Provision	0	2,349	2,349	0	2,349	0	2,349	0	2,349		2,349
Sub total	26,692	3,244	29,936	180	30,116	260	30,376	260	30,636	0	30,636
Total Expenditure	97,004	7,967	104,971	(256)	104,715	(83)	104,632	(580)	104,052	162	104,214
Dwelling Rent income	(83,252)	(4,381)	(87,633)	(3,793)	(91,426)	(514)	(91,940)	(2,352)	(94,292)	(2,201)	(96,493)
Non-Dwelling Rent Income	(282)	(10)	(292)	(18)	(310)	(16)	(326)	(17)	(343)	(13)	(356)
Tenant & Leaseholder charges for services & facilities	(3,238)	(293)	(3,531)	(153)	(3,684)	(164)	(3,848)	(175)	(4,023)	(170)	(4,193)
HRA Interest income on cashflow	(120)	65	(55)	0	(55)	0	(55)	0	(55)	0	(55)
Excellent Homes for Life (PFI) Government Grant	(7,912)	0	(7,912)	0	(7,912)	0	(7,912)	0	(7,912)	0	(7,912)
Total Income	(94,804)	(4,619)	(99,423)	(3,964)	(103,387)	(694)	(104,081)	(2,544)	(106,625)	(2,384)	(109,009)
Net Operating Expenditure	2,200	3,348	5,548	(4,220)	1,328	(777)	551	(3,124)	(2,573)	(2,222)	(4,795)
Revenue contribution to capital expenditure	0	0	0	0	0	0	0	2,573	2,573	2,222	4,795
Appropriation (from)/to HRA Reserves	(2,200)	(3,348)	(5,548)	4,220	(1,328)	777	(551)	551	0	0	0
Net Surplus/deficit	0	0	0	0	0	0	0	0	0	0	0

Housing Revenue Account

Service Activity	Proposed Change	2023-24	2024-25	2025-26	2026-27	2027-28
		£k	£k	£k	£k	£k
Expenditure						
Repairs & Maintenance	Inflationary Pressures on repairs	1,837	(515)			
Policy & Management	Housing PFI Cost Pressures, RTB Admin & Ombudsman Subscription	643	79	157	160	162
Homes & Neighbourhoods Man't Costs	Inflation & additional resources for front line services	1,492		(500)	(1,000)	
Council Services bought in	Various Minor Adjustments	(38)				
Depreciation	Technical Adjustment	1,100				
Interest payable on capital debt	Adjustment to debt interest linked to forecast borrowing	(205)	180	260	260	
Special Services	Increased Utilities Costs	789				
Inflation Provision	Provision for Management & repairs Inflation	2,349				
Income						
Dwelling Rent income	Rent Increase 7% year 1, CPI+1% Thereafter. Void Level 2%	(4,381)	(3,793)	(514)	(2,352)	(2,201)
Non-Dwelling Rent Income		(10)	(18)	(16)	(17)	(13)
Tenant & Leaseholder charges for services & facilities	Inflation on Service Charges Income	(293)	(153)	(164)	(175)	(170)
Interest Income on Cashflow	Interest Linked to reserve balances	65				
Revenue contribution to capital expenditure					2,573	2,222
Contribution from HRA Balances	Contribution from balances	(3,348)	4,220	777	551	
TOTAL Housing Revenue Account		0	0	0	0	0

Capital Plan Expenditure Summary

Capital Plan Expenditure Summary	Revised Capital Plan						Total £'000
	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28- 2030/31 £'000	
General Fund:							
Aspire & Achieve	15,810	14,646	23,334	24,422	10,400	4,150	92,762
Best Start	1,504	2,364	50	0	0	0	3,918
Independent	5,992	5,040	483	1,530	2,017	9,775	24,837
Sustainable Economy	118,506	149,305	135,384	111,641	71,605	204,076	790,517
Well	3,702	4,347	2,457	1,684	725	0	12,915
Clean & Green	5,683	8,428	10,383	11,190	100	4,685	40,469
Efficient & Effective	4,647	6,700	5,993	982	980	900	20,202
General Fund Capital Plan	155,844	190,830	178,084	151,449	85,827	223,586	985,620
Housing Revenue Account:							
Independent - Strategic Priorities	9,795	24,442	24,405	23,350	17,250	37,610	136,852
Independent - Baseline	19,320	21,728	32,098	30,785	30,785	30,785	165,501
HRA Capital Plan	29,115	46,170	56,503	54,135	48,035	68,395	302,353
TOTAL EXPENDITURE	184,959	237,000	234,587	205,584	133,862	291,981	1,287,973

Capital Plan Funding Summary

Appendix A

General Fund Funding Summary	Revised Capital Plan						
	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28- 2030/31 £'000	Total £'000
<i>Direct / Earmarked Contributions to Schemes</i>							
Capital Grants/Contributions	60,278	99,019	94,303	72,184	38,957	29,761	394,502
Earmarked Capital Receipts	3,745	6,790	7,540	7,990	9,591	990	36,646
Service Funded Prudential Borrowing	5,099	9,449	8,000	7,626	100	2,150	32,424
Revenue Contributions	542	226	226	0	0	0	994
<i>Pooled Resources</i>							
Non-Earmarked Capital Receipts	3,852	4,000	4,000	4,000	4,000	4,000	23,852
Corporate Prudential Borrowing	82,328	71,346	64,015	59,649	33,179	186,685	497,202
GENERAL FUND FUNDING	155,844	190,830	178,084	151,449	85,827	223,586	985,620

Housing Revenue Account Funding Summary	Revised Capital Plan						
	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28- 2030/31 £'000	Total £'000
Capital Grants/Contributions	1,179	3,988	1,988	3,442	4,626	11,382	26,605
Earmarked Capital Receipts	2,420	7,082	8,142	5,824	2,400	3,788	29,656
Reserves / Revenue Contributions	5,301	15,959	18,011	18,360	19,427	29,309	106,367
Reserves - MRR	17,795	14,263	19,422	19,729	20,022	20,274	111,505
Corporate Prudential Borrowing	2,420	4,878	8,940	6,780	1,560	3,642	28,220
HRA FUNDING	29,115	46,170	56,503	54,135	48,035	68,395	302,353

GENERAL FUND CAPITAL PLAN			Revised Capital Plan					
	Funding	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28- 2030/31 £'000	Total £'000
ASPIRE & ACHIEVE								
Strategic Priorities								
New Special School for Woodley @ Almondbury	B/G	600	1,950	3,250	11,184	5,000	500	22,484
New Special School for J.Norton @ Deighton	B	500	1,100	9,378	3,485	500	0	14,963
District Sufficiency	T	1,100	3,050	12,628	14,669	5,500	500	37,447
Additionally Resourced Provisions/Satellite Provisions	G	100	2,000	1,950	4,150	0	0	8,200
Brambles Primary Academy	G/B S106	1,552	400	0	0	0	0	1,952
King James High School	B	817	22	0	0	0	0	839
Scissett Middle School	S106	121	87	0	0	0	0	208
Birkby Junior Expansion	B	10	0	0	0	0	0	10
Beaumont Academy	B	96	0	0	0	0	0	96
North Huddersfield Trust School	B/G	100	2,050	700	150	0	0	3,000
Manor Croft Academy	B/G Cont	2,886	150	0	0	0	0	3,036
Thornhill Community Academy	B	652	0	0	0	0	0	652
Secondary Places Basic Need	G	0	0	1,703	1,000	1,000	0	3,703
<i>New Pupil Places in Primary/Secondary Schools</i>	T	6,234	2,709	2,403	1,150	1,000	0	13,496
Libraries & Public Buildings	B	360	302	1,953	303	0	0	2,918
Almondbury Library	B	0	55	0	0	0	0	55
<i>Libraries & Public Buildings</i>	T	360	357	1,953	303	0	0	2,973
Strategic Priorities Total		7,794	8,116	18,934	20,272	6,500	500	62,116



GENERAL FUND CAPITAL PLAN			Revised Capital Plan						Total
	Funding	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28- 2030/31 £'000	£'000	
ASPIRE & ACHIEVE									
Baseline									
Basic Need	G/B	533	900	500	500	500	500	3,433	
Capital Maintenance	G/B	6,014	4,350	3,200	3,000	2,800	2,600	21,964	
Devolved Formula Capital	G	758	750	700	650	600	550	4,008	
Baseline Total		7,305	6,000	4,400	4,150	3,900	3,650	29,405	
One Off Projects									
SEND Provision	G	711	530	0	0	0	0	1,241	
One Off Projects Total		711	530	0	0	0	0	1,241	
ASPIRE & ACHIEVE TOTAL		15,810	14,646	23,334	24,422	10,400	4,150	92,762	
BEST START									
Strategic Priorities									
Homes for Children	B	0	1,049	0	0	0	0	1,049	
Homes for Children (Magdale House)	B	275	0	0	0	0	0	275	
Childrens Home - Healds Road	B	200	50	0	0	0	0	250	
Our Space Grant Scheme	B	656	315	0	0	0	0	971	
Young Peoples Activity Team Reprovision - Ravensthorpe	B	300	950	50	0	0	0	1,300	
Strategic Priorities Total		1,431	2,364	50	0	0	0	3,845	
One Off Projects									
Liquid Logic Portal	B*	73	0	0	0	0	0	73	
One Off Projects Total		73	0	0	0	0	0	73	
BEST START TOTAL		1,504	2,364	50	0	0	0	3,918	

GENERAL FUND CAPITAL PLAN		Funding	Revised Capital Plan					2027/28- 2030/31 £'000	Total £'000
			2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000		
INDEPENDENT									
Strategic Priorities									
	Commissioning Option Appraisals to facilitate outcomes of Specialist Accommodation Strategy	B	10	13	10	0	0	0	33
	Knowl Park House	B	3,360	3,790	223	0	0	0	7,373
	Red Laithes Court	B	100	0	0	0	0	0	100
	Havelock St, Ravensthorpe	B	150	0	0	0	0	0	150
	Day Services Support for Vulnerable Adults	B	140	0	0	1,530	2,017	9,775	13,462
	Strategic Priorities Total		3,760	3,803	233	1,530	2,017	9,775	21,118
One Off Projects									
	Adults Social Care Operation	G	65	210	250	0	0	0	525
	Adults Social Care Operation - AT IT Consultant	G	62	0	0	0	0	0	62
	Carefirst System Replacement	B/R/ G	1,166	583	0	0	0	0	1,749
	Carephones - Digital Switchover	B	937	444	0	0	0	0	1,381
	Infection Prevention Control	B	2	0	0	0	0	0	2
	One Off Projects Total		2,232	1,237	250	0	0	0	3,719
INDEPENDENT TOTAL			5,992	5,040	483	1,530	2,017	9,775	24,837



GENERAL FUND CAPITAL PLAN		Funding	Revised Capital Plan						Total £'000
			2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28- 2030/31 £'000	
SUSTAINABLE ECONOMY									
Strategic Priorities									
West Yorkshire plus Transport Schemes:									
A62 to Cooper Bridge Corridor Improvements		G	450	5,075	12,689	38,313	18,573	0	75,100
A653 Leeds to Dewsbury Corridor (M2D2L)		G	453	10	0	0	0	0	463
A629 Halifax Road Phase 5		G/B	1,058	1,445	5,218	1,853	0	0	9,574
UTMC Urban Traffic Management		G	162	0	0	0	0	0	162
Huddersfield Southern Corridors		G/B	2,187	7,716	1,243	0	66	0	11,212
North Kirklees Orbital Route (NKOR)		G	46	0	0	0	0	0	46
Corridor Improvement Programme									
Holmfirth Town Centre Access Plan		G/B	474	4,124	1,900	16	5	5	6,524
A62 Smart Corridor		G/B	10,069	3,110	0	0	0	0	13,179
CityConnect									
CityConnect Cooper Bridge		G	214	0	0	0	0	0	214
CityConnect Huddersfield Town Centre		G/B	10	54	0	0	0	0	64
WYTF Rolling Fund		B	107	0	0	0	0	0	107
<i>West Yorkshire plus Transport Schemes</i>		T	15,230	21,534	21,050	40,182	18,644	5	116,645

GENERAL FUND CAPITAL PLAN			Revised Capital Plan						Total
	Funding	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28- 2030/31 £'000	£'000	
SUSTAINABLE ECONOMY									
Strategic Priorities									
Emergency Active Travel	G	1,625	0	0	0	0	0	1,625	
Transforming Cities Fund:									
<i>Rail-Bus Better Connected Stations:</i>									
Huddersfield Rail Station Access	B	497	0	0	0	0	0	497	
<i>TCF Main scheme:</i>									
Heckmondwike Bus Station	G	1,250	3,264	0	0	0	0	4,514	
Dewsbury/Cleckheaton Sust Travel Corridor	G	1,000	7,000	3,482	0	0	0	11,482	
Dews TC Walking & Cycling Imps	G/B	1,000	7,500	3,045	0	0	0	11,545	
Huddersfield Rail Station Access	G/B	750	5,500	3,950	0	0	0	10,200	
Trinity Street Foot/Cycle Bridge	G	250	4,000	927	0	0	0	5,177	
A629 Wakefield Rd Sust Travel Corridor	G	350	102	0	0	0	0	452	
Huddersfield Bus Station	G/B	500	2,500	4,250	0	0	0	7,250	
Dewsbury/Batley/Tingley Sus Travel Corridor	G/B	750	3,250	2,500	0	0	0	6,500	
<i>Transforming Cities Fund</i>	T	6,347	33,116	18,154	0	0	0	57,617	
Integrated Transport & Active Travel									
	G/B /S106	694	176	177	176	176	177	1,576	
Transpennine Route Upgrade (Network Rail)									
	G	155	635	475	0	0	0	1,265	



GENERAL FUND CAPITAL PLAN			Revised Capital Plan						Total
	Funding	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28- 2030/31 £'000	£'000	
SUSTAINABLE ECONOMY									
Strategic Priorities									
Aspirational Regeneration of Major Town Centres - Feasibility	B	12	131	0	0	0	0	143	
<i>Regeneration of Strategic Town Centres - Huddersfield :</i>									
Holding pot	B	93	0	0	0	0	0	93	
<u>Huddersfield Town Centre Schemes</u>									
Huddersfield TC - Shop Front Grants	B	100	250	400	31	0	0	781	
The Northumberland Street Regeneration Project	B	1,706	200	0	0	0	0	1,906	
Huddersfield Market LUF match funding	R	0	2,000	0	0	0	0	2,000	
Huddersfield TC Design Framework	B	723	0	0	0	0	0	723	
Cultural Interventions - Growing Seeds	B	9	0	0	0	0	0	9	
	T	2,538	2,450	400	31	0	0	5,419	
The George Hotel HAZ Scheme	B/G	2,689	809	322	0	0	0	3,820	
The George Hotel	B*	3,482	8,973	7,750	0	0	0	20,205	
Estate Buildings HAZ Scheme	B/G	3,621	1,944	0	0	0	0	5,565	
HAZ Complementary Initiatives	B/G	44	15	0	0	0	0	59	
	T	9,836	11,741	8,072	0	0	0	29,649	
<u>Huddersfield Public Realm Works</u>									
New Street Public Realm Development	B	2,122	2,505	13	0	0	0	4,640	
Huddersfield Town Centre Cameras	B	68	25	25	0	0	0	118	
Refurb of 2 New Street, Huddersfield	B	17	0	0	0	0	0	17	
	T	2,207	2,530	38	0	0	0	4,775	

GENERAL FUND CAPITAL PLAN			Revised Capital Plan					
	Funding	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28- 2030/31 £'000	Total £'000
SUSTAINABLE ECONOMY								
Strategic Priorities								
Public Realm - Golden Route	B	185	535	65	27	0	0	812
Huddersfield Town Centre	T	14,859	17,256	8,575	58	0	0	40,748
<i>Regeneration of Strategic Town Centres – Dewsbury:</i>								
<i>Better Spaces Strategy:</i>								
BS Phase 2 - Town Park	B	0	0	0	595	0	0	595
Town Park - matchfunding	R	0	0	0	7,400	0	0	7,400
Town Park - Town Fund Grant	G	170	1,800	4,280	0	0	0	6,250
BS Phase 2 - Public Art	B	20	102	0	0	0	0	122
BS Phase 2 - Public Art Town Fund	G	65	0	0	0	0	0	65
	T	255	1,902	4,280	7,995	0	0	14,432
Dewsbury Revival Grant Scheme - Shop	B	0	0	300	862	0	0	1,162
Building Revival Scheme - Town Fund Grant	G	480	1,790	880	0	0	0	3,150
Heritage Action Zone	B/R/G	1,192	1,957	0	0	0	0	3,149
Daisy Hill Neighbourhood	B/R/G	920	748	1,000	1,000	1,900	0	5,568
Dewsbury Market Upgrade	B/R/G	70	140	7,747	5,215	0	0	13,172
The Arcade	B/G	97	2,808	3,289	0	0	0	6,194

GENERAL FUND CAPITAL PLAN		Funding	Revised Capital Plan					2027/28-2030/31 £'000	Total £'000
			2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000		
SUSTAINABLE ECONOMY									
	Strategic Priorities								
	<i>Regeneration of Strategic Town Centres - Dewsbury</i>								
	Other Town Fund Accelerated Grant	G	198	100	0	0	0	298	
	Construction Skills Village	G/R	0	200	2,050	0	0	2,250	
	Creative Culture	G	404	412	459	309	0	1,584	
	Sustainable Transport	G	1,325	0	0	0	0	1,325	
	Dewsbury Town Centre	T	4,941	10,057	20,005	15,381	1,900	52,284	
	<i>Town Centre Action Plans</i>	T	19,812	27,444	28,580	15,439	1,900	93,175	
	Smaller Towns & Villages	B	20	200	250	1,000	1,000	3,850	
	Batley Smaller Towns & Villages	B/G	277	2,161	0	0	0	2,438	
	Batley – LUF Round 2	G	0	3,644	8,359	0	0	12,003	
	Cleckheaton Smaller Towns & Villages	B	70	75	1,365	0	0	1,510	
	Holmfirth Smaller Towns & Villages	B	110	75	240	1,055	0	1,480	
	Heckmondwike Smaller Towns & Villages	B	110	150	300	935	0	1,495	
	Other - Our Local Centres	B	85	0	0	0	0	85	
	<i>Regeneration and Greening of Smaller Towns and Villages</i>	T	672	6,305	10,514	2,990	1,000	22,861	

GENERAL FUND CAPITAL PLAN		Funding	Revised Capital Plan						Total £'000
			2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28- 2030/31 £'000	
SUSTAINABLE ECONOMY									
	Strategic Priorities								
	Cultural Heart	B	18,055	3,500	18,500	25,300	22,727	175,556	263,638
	Strategic Acquisition Fund	B	1,400	3,197	0	0	0	0	4,597
	Property Investment Fund:								
	103 New Street	B**	2,763	0	0	0	0	0	2,763
	Kingsgate Phase 2	B**	0	5,702	1,800	0	0	0	7,502
	<i>Property Investment Fund</i>	T	2,763	5,702	1,800	0	0	0	10,265
	Start Up and Retention Policy Capital Grants	Res	500	226	226	0	0	0	952
	Dewsbury Riverside	B	1,105	2,973	2,000	2,000	600	0	8,678
	Site Development	G/ S106	177	48	0	0	0		225
	Public Realm Improvements	B	133	0	0	0	0		133
	Strategic Priorities Total		68,668	104,856	101,476	86,087	45,047	177,118	583,252

GENERAL FUND CAPITAL PLAN		Funding	Revised Capital Plan						Total £'000
			2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28- 2030/31 £'000	
SUSTAINABLE ECONOMY									
	Baseline								
	Housing Private	G/R	3,799	4,150	4,150	4,150	4,292	4,150	24,691
	Highways								
	Maintenance								
	Principal Roads	B/G	4,693	6,860	6,678	3,678	3,678	3,678	29,265
	Roads Connecting Communities	G	1,653	1,096	1,096	1,096	1,097	1,096	7,134
	Local Community Roads	B/G	8,391	5,483	5,483	4,453	4,453	5,013	33,276
	Structures	G	1,874	1,200	1,200	1,200	1,200	1,200	7,874
	Active Travel / PROW	B/G	200	0	0	0	0	0	200
	Streetlighting	B*/ G	2,219	1,000	1,000	1,000	1,000	0	6,219
	Locality Based U Roads Improvements	B	5,822	3,000	3,000	3,000	2,878	1,530	19,230
	<i>Highways Maintenance</i>	T	24,852	18,639	18,457	14,427	14,306	12,517	103,198
	Integrated Transport								
	Network Management	B/G	1,177	815	815	815	815	815	5,252
	Safer Roads	B/G	2,052	1,175	1,175	1,175	1,175	1,176	7,928
	Flood Management and Drainage Improvements	B/G s278	917	450	450	450	450	450	3,167
	Developer Funded Schemes	s278	397	0	0	0	0	0	397
	<i>Highways Integrated Transport</i>	T	4,543	2,440	2,440	2,440	2,440	2,441	16,744
	<i>Highways Total</i>	T	29,395	21,079	20,897	16,867	16,746	14,958	119,942



GENERAL FUND CAPITAL PLAN		Funding	Revised Capital Plan						Total £'000
			2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28- 2030/31 £'000	
SUSTAINABLE ECONOMY									
	Baseline								
	Corporate Landlord Asset Investment	B	9,403	8,955	4,021	1,000	933	4,300	28,612
	Corporate Landlord Compliance	B	1,315	1,521	1,450	1,000	1,000	1,000	7,286
	<i>Corporate Landlord</i>	T	10,718	10,476	5,471	2,000	1,933	5,300	35,898
	Corporate Landlord Suitability Programme	B	1,031	905	1,995	1,000	1,000	1,000	6,931
	Sustainability of Huddersfield Town Hall - Conditions	B	400	1,600	100	700	700	0	3,500
	<i>Corporate Landlord Asset Strategy Review</i>	T	1,431	2,505	2,095	1,700	1,700	1,000	10,431
	Bereavement	B	497	150	0	0	0	0	647
	Vehicle Replacement Programme	B	2,304	2,965	68	0	1,250	1,250	7,837
	School Catering	B	383	200	200	200	200	200	1,383
	Baseline Total		48,527	41,525	32,881	24,917	26,121	26,858	200,829
	One-Off Projects								
	Housing (Regeneration)	S106/ R	525	300	300	200	0	0	1,325
	Strategic Asset Utilisation	B	131	904	40	0	0	0	1,075
	Operational Services Asset Mngt	B	0	1,008	276	276	276	0	1,836
	Asset Management Property Database	B	10	135	61	61	61	0	328
	Leeds City Region Revolving Fund	B	500	461	250	0	0	0	1,211
	School Catering - Compliance Essential Works	B*	145	100	100	100	100	100	645
	Ward Based Activity	B	0	16	0	0	0	0	16
	One-Off Projects Total		1,311	2,924	1,027	637	437	100	6,436
	SUSTAINABLE ECONOMY TOTAL		118,506	149,305	135,384	111,641	71,605	204,076	790,517

GENERAL FUND CAPITAL PLAN		Funding	Revised Capital Plan						Total £'000
			2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28- 2030/31 £'000	
WELL									
Strategic Priorities									
	Spensborough Valley Leisure Centre	B	1,677	0	0	0	0	0	1,677
	Huddersfield Leisure Centre	B	25	0	0	0	0	0	25
	Dewsbury Sports Centre Priorities	B	1	233	185	0	0	0	419
	Strategic Priorities Total		1,703	233	185	0	0	0	2,121
Baseline									
	Kirklees Active Leisure	B*/ B	279	126	150	0	0	0	555
	Play Strategy	B/G /Cont / S106	1,720	3,988	2,122	1,684	725	0	10,239
	Baseline Total		1,999	4,114	2,272	1,684	725	0	10,794
	WELL TOTAL		3,702	4,347	2,457	1,684	725	0	12,915



GENERAL FUND CAPITAL PLAN		Funding	Revised Capital Plan						Total £'000
			2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28- 2030/31 £'000	
CLEAN AND GREEN									
Strategic Priorities									
	Depot Works	B	28	0	0	0	0	0	28
	Waste Management Plant/ Infrastructure	B	1,850	3,820	2,100	2,774	0	0	10,544
	Climate Emergency - Green Travel	B	233	800	0	0	0	0	1,033
	Air Quality	B	100	225	0	0	0	0	325
	Huddersfield Heat Network	G/B/ B*	297	1,000	7,200	7,526	0	2,050	18,073
	Trees for Climate Programme	G	2,782	2,483	983	790	0	2,535	9,573
	Strategic Priorities Total		5,290	8,328	10,283	11,090	0	4,585	39,576
Baseline									
	Environment & Strategic Waste	B	100	100	100	100	100	100	600
	Baseline Total		100	100	100	100	100	100	600
One Off Projects									
	Electric Vehicle Charge Points	G	293	0	0	0	0	0	293
	One Off Projects Total		293	0	0	0	0	0	293
CLEAN AND GREEN TOTAL			5,683	8,428	10,383	11,190	100	4,685	40,469

GENERAL FUND CAPITAL PLAN		Funding	Revised Capital Plan					2027/28-2030/31 £'000	Total £'000
			2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000		
EFFICIENT AND EFFECTIVE									
Baseline									
	Information Technology	B/G	1,158	900	900	900	900	5,658	
	One Venue Development	B	41	648	250	0	0	939	
	Sustainability of Major Town Halls - Service Development	B*	173	250	0	0	0	423	
	Baseline Total		1,372	1,798	1,150	900	900	7,020	
One Off Projects									
	Transformation Capitalisation	B	3,000	4,000	4,000	0	0	11,000	
	Information Technology (Digital)	B	275	902	843	82	80	2,182	
	One Off Projects Total		3,275	4,902	4,843	82	80	13,182	
EFFICIENT AND EFFECTIVE TOTAL			4,647	6,700	5,993	982	980	20,202	
GENERAL FUND CAPITAL PLAN TOTAL			155,844	190,830	178,084	151,449	85,827	985,620	

FUNDING KEY:

B = Borrowing

B* = Service funded Borrowing

B** = Borrowing for provision of loans for development projects, covered by repayments

G = Grant

R = Capital receipts

S106 = Section 106 developer contributions

* = Borrowing Addition



HOUSING REVENUE ACCOUNT CAPITAL PLAN			Revised Capital Plan					2027/28-2030/31 £'000	Total £'000
Funding	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000				
INDEPENDENT									
Strategic Priorities									
Housing Growth	H/R	3,100	4,170	3,120	3,260	3,400	3,400	20,450	
New Build Phase 1 - Ashbrow Extra Care	H/R/ Cont/ S106	1,500	7,000	2,335	0	0	0	10,835	
Remodelling / High Rise	H/G	1,200	4,570	3,550	8,290	11,250	28,140	57,000	
IT System (Universal Housing Replacement)	H	595	572	500	500	0	0	2,167	
Council House Building	B/R	3,400	8,130	14,900	11,300	2,600	6,070	46,400	
Strategic Priorities Total		9,795	24,442	24,405	23,350	17,250	37,610	136,852	
Baseline									
Housing Capital Plan	H	12,600	12,650	12,650	12,812	12,812	12,812	76,336	
Estate Improvements (Neighbourhood Investment)	H	500	880	990	1,100	1,100	1,100	5,670	
Compliance	H	2,400	3,000	2,263	2,263	2,263	2,263	14,452	
Fuel poverty	H/ G	320	1,400	1,849	825	825	825	6,044	
Adaptations	H	3,500	3,798	3,221	3,260	3,260	3,260	20,299	
Six Storey Blocks	H	0	0	3,400	3,500	3,500	3,500	13,900	
Low Rise Blocks	H	0	0	4,125	4,025	4,025	4,025	16,200	
Retirement Living Schemes	H	0	0	3,600	3,000	3,000	3,000	12,600	
Baseline Total		19,320	21,728	32,098	30,785	30,785	30,785	165,501	
HRA CAPITAL PLAN TOTAL		29,115	46,170	56,503	54,135	48,035	68,395	302,353	

FUNDING KEY:

H = HRA revenue contribution/major repairs reserve
R = Capital receipts

S106 = Section 106 developer contributions
Cont = Other external contributions

B = Borrowing
G = Grant



Appendix B

Savings Templates

Summary Table

Ref	Directorate	Service Area	Proposal title	Page in appendix
Children and Families				
NEW CH1	Children and Families	Child protection & Family Support – Front of Door, Emergency Duty, Assess & Intervention	Remodel Early Help and Children’s Social Care in Line with National Review	3
NEW CH2	Children and Families	Child protection & Family Support – Corporate Parenting Service	Achieve Sufficiency of homes for children in care	6
NEW CH3	Children and Families	Learning & Early Support - Schools Organisation, Planning and Admissions	Introduce fees and charges to recover costs for Academy conversions	8
NEW CH4	Children and Families	Learning & Early Support - Education for Vulnerable Children Services incl Special Educational Needs	Remodel the approach to the SEND Inclusion Fund	10
NEW CH5	Children and Families	Learning & Early Support - Learning Services Trading	Redesign Headteacher Wellbeing Service	12
NEW CH6	Children and Families	Learning & Early Support - Early Support	Redesign our challenge and support offer to schools and settings	14
NEW CH7	Children and Families	Learning & Early Support - Commissioning	Review and Redesign C&K commission	16
NEW CH8	Children and Families	Resources Improvement & Partnerships - Various	Redesign Capacity for Improvement	18
NEW CH9	Children and Families	Resources Improvement & Partnerships - Various	Review Support for Partnerships	20
NEW CH10	Children and Families	Resources Improvement & Partnerships - Other Commissioned Services/Adults Sufficiency – Contracted Services	Review of Investment in VCS and external contracted provision	22
Adults and Health				
NEW AD1	Adults and Health	Local Integrated Partnerships	Integrated Community and Access model to maximise citizen and community outcomes	24
NEW AD2	Adults and Health	Adult Social Care - Demand Led	Work with an external change partner to model future demand and identify/deliver social care efficiencies	26
NEW AD3	Adults and Health	In-House Residential – Older People	Work with the wider health and care system to properly reflect the cost and design of services provided to the wider health and care system	28
NEW AD4	Adults and Health	Adult Social Care - Various	Reviewing the respite offer for people with a learning disability and developing a new day service offer in North Kirklees.	30
NEW AD5	Adults and Health	Contracted services Learning Disabilities/Mental Health	Mental Health Peer Support Service Pilot Review	32
Environment and Climate Change				
NEW EN1	Environment and Climate Change	Climate Change Programme	Secure external grant funds and capitalise staff against them	34

NEW EN2	Environment and Climate Change	Schools Transport	Home to School Travel Transformation	36
NEW EN3	Environment and Climate Change	Highways/Seasonal Weather	Highways Efficiencies	38
NEW EN4	Environment and Climate Change	Directorate	Directorate Vacancy Management	40
NEW EN5	Environment and Climate Change	Parking	Parking	41
NEW EN6	Environment and Climate Change	Waste Services/Parks & Greenspaces	Waste Operational Efficiencies	43
NEW EN7	Environment and Climate Change	Waste Services	Waste Strategy Efficiencies	45
NEW EN8	Environment and Climate Change	Catering	Catering Rationalisation	47
Growth and Regeneration				
NEW GR1	Growth and Regeneration	Business & Enterprise Centres	Business centres - review portfolio and increase in rental charges	48
NEW GR2	Growth and Regeneration	Various	Reduction in Growth Services (Development, Employment & Skills Services)	50
NEW GR3	Growth and Regeneration	Planning Development Management	Increase in planning pre application fees and Building Control fees	51
NEW GR4	Growth and Regeneration	Town Centres/Major Projects	Capitalisation of Staff Costs	53
NEW GR5	Growth and Regeneration	Corporate Landlord/Central Budgets	Asset Rationalisation - Reduction in office/service delivery accommodation revenue budget	55
NEW GR6	Growth and Regeneration	Housing Services	Temporary Accommodation Portfolio Expansion	57
Corporate Strategy, Commissioning and Public Health				
NEW CS1	Corporate Strategy, Commissioning and Public Health	Policy	General efficiencies	59
NEW CS2	Corporate Strategy, Commissioning and Public Health	Peoples Service	Process Improvements across People Services	60
NEW CS3	Corporate Strategy, Commissioning and Public Health	Welfare & Exchequer	Funding Opportunities/Workforce Planning	62
NEW CS4	Corporate Strategy, Commissioning and Public Health	Various	Various Efficiency Targets	64
Central Budgets				
NEW CE1	Central budgets	Contingencies	Efficiency Targets	65
NEW CE2	Central budgets	Treasury Management	Capital Plan Review	66

Directorate	Children and Families
Service Area	Child Protection & Family Support - Various
Headline Proposal	Remodel Early Help and Children's Social Care in Line with National Review
Reference	NEW CH1

Forecast Savings	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Incremental Savings	(1,033)	(17)			
Cumulative Savings	(1,033)	(1,050)	(1,050)	(1,050)	(1,050)

Description of Savings Proposal (could relate to spend, income or both)
<p>The National Care Review has recommended some significant changes to the makeup of the social care workforce moving from an only social work qualified workforce supporting all children in need of help to one which permits the use of differently qualified staff including family support workers. This would give us the opportunity to integrate Early Help and Children in Need provision.</p> <p>The service is carrying long term vacancies due to acute national shortages of qualified social worker posts which is not sustainable. The service proposes to bridge the gap by recruiting social work assistants/family support workers in line with recommendations from the National Care Review.</p> <p>The service proposes to maintain a reduced vacancy / turnover savings target of £500k.</p> <p>Alongside the savings against reduced/vacancy the Service proposes to convert 14 Social Worker posts into Family Support and Youth Engagement and Contact and Liaison posts to ensure remaining Social Workers can prioritise their statutory duties.</p>

Impacts

Will/could the proposal have implications for any of the following?

Service users / Customers	No	Legal / regulatory requirements	No
Council staff	No	Capital programme	No
Partners	No	Work location / building	No
Other Council Services	No	Contracts / procurement	No
Corporate (enabling) support	No	Information technology (IT)	No
Other (specify)	No	Other (specify)	No

Potential impacts
<p>The Family Support and Child Protection Service is aiming to achieve an 'Outstanding' Ofsted rating in the next ILACs (Inspection of Local Authority Children's Services).</p> <p>We are acutely aware of the National shortage of Social Workers and our decision some time ago not to use Agency Social Workers. This decision would put capacity into the Social Work Teams and will enable</p>

Social Workers to concentrate on their Statutory responsibilities with other practitioners providing some of the other day to day support to children and young people.

We see this approach as Part 1 of remodelling Early Help and Children's Social Care which is in line with the National Review, albeit the Government has not yet provided their feedback on the proposals. Should the Review be implemented as proposed there will be an opportunity move to Part 2 of the remodelling of Early Help and Children's Social Care. This would lead to a restructure of Services across the whole of Children's Services which will lead to further savings in 2024/25.

The second decision taken was to remove a small number of posts from the structure which is not without any impact.

The benefits of this include:

- Financial savings.
- Reverting to a model of Advanced Practitioner management that has previously worked and has worked in other local authorities
- Having Advanced Practitioners managed in the locality teams should allow the local areas to have a better understanding of the work that they are doing.

Potential impact

- Additional management responsibilities for the Team Managers who are now managing the Advanced Practitioners, however this is accepted as the right way forward by the area Team Managers and Service Managers.
- Potential lack of independent oversight of the Advanced Practitioner group as there is a potential that the Advanced Practitioners will have very different expectations and experiences if they are used in a different way in each office (We will be putting a document together to set out the expectations of the role to provide to the areas to help minimise this and the PSW will be meeting with the Advanced Practitioners on a monthly basis).
- There is some concern that Advanced Practitioner will be used to undertake more case work if there is not a robust system in place to make sure that their work supporting ASYEs is prioritised. This will limit their effectiveness. However, this will be closely monitored, and outcomes will shape how we take the National Review forward.
- There is some work that the two Team Managers have been doing beyond managing the Advanced Practitioners. that will need to be picked up elsewhere. This is currently being considered by the Heads of Service and will be addressed within Service.
- Reducing the number of Advanced Practitioners will reduce their ability to influence change through providing training to all staff and support to newly qualified social workers. There will be an increase in their workload shortly as we are bringing training in house. It is acknowledged however that there has not been a full complement of Advanced Practitioners since their post was established. There is also further work to be done with our Level 3 Social Workers who would contribute to this work as part of their ongoing development.

Finally, is the reduction of a Service Manager post within Assessment and Intervention. Following the last Inspection in 2018, there were several recommendations made that required additional capacity without Assessment and Intervention, some of which was based around the Children with Disability Service. A decision was taken to recruit a Service Manager specifically for the Children with Disability Service with a focus on modernising the Service and looking to the Early Support aspect to be placed within the Early Support Service. Over the last two years the Service has been transformed and in May

of 2022 the Children with Disability Early Support Team was relocated within the Early Support Service. It has been agreed therefore that the Children with Disability Service can now be held alongside another Service Manager, hence our ability to reduce the Service Manager cohort by one.

What mitigating actions are proposed?

Addressed above.

Does this proposal require an Integrated Impact Assessment? (Y/N)	N
Will this proposal require a Specific Service Consultation? (Y/N)	N* * 24/25 onwards there would be Service Consultation based on the outcome of the National Care Review

Accountable Head of Service	Elaine McShane, Service Director, Child Protection and Family Support
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Directorate	Children and Families
Service Area	Child protection & Family Support – Corporate Parenting Service
Headline Proposal	Achieve Sufficiency of homes for children in care
Reference	NEW CH2

Forecast Savings	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Incremental Savings	(850)				
Cumulative Savings	(850)	(850)	(850)	(850)	(850)

Description of Savings Proposal (could relate to spend, income or both)
<p>The savings proposals are across Family Support and Child Protection and Resources - Improvement and Partnerships. They relate to 3 areas, the reduction of children placed in external residential provision, increasing in-house Foster Carers and reducing the amount of overtime, casual bank and agency spend in internal residential provision.</p> <p>We will achieve this by:</p> <ul style="list-style-type: none"> Reducing out of areas placements by a net amount of 4 placements at £4k per week and converting 10 IFA Placements to Internal Carers. This will make combined savings of £988k. Reduction in Internal Residential estate overtime, casual bank, agency due will reduce budget pressures by £650k. <p>Part of the proposed savings will fund the revenue costs for Magdale House and the minimal revenue costs for the satellite homes totalling £788k (current budget pressures). Therefore, the over proposal will result in a saving of £850k.</p> <p>The proposed savings are dependent on successfully increasing our approved Foster Carers, opening Magdale House as a 4 bedded Children’s Home, successfully establishing 2 satellite Children’s Homes attached to our existing provision and being able to safely staff our children’s homes. As the sufficiency budget is a demand led budget achieving these savings will also be dependent on the number of children we are looking after, any significant change in profile of need and national and local policy decisions.</p>

Impacts

Will /could the proposal have implications for any of the following?

Service users / Customers	Yes	Legal / regulatory requirements	Yes
Council staff	No	Capital programme	Yes
Partners	Yes	Work location / building	No
Other Council Services	Yes	Contracts / procurement	Yes
Corporate (enabling) support	No	Information technology (IT)	No
Other (specify)	No	Other (specify)	No

Potential impacts

- A reduction in overtime, bank and agency spend will have an impact on staffing levels in children’s homes.
- Reducing out of area placements will require the sufficiency infrastructure to be supported locally, which will mean support from enabling services is essential e.g., support with capital and repairs, communications support for foster carer campaigns.

What mitigating actions are proposed?

- The restructuring and modernisation of children’s residential provision will provide a more flexible staffing model across the homes.
- Ensuring clear communication and relationships with enabling services and clear project planning.
- Good communication with local IFA’s and also looking at how we collaborate more closely together locally.

Does this proposal require an Integrated Impact Assessment? (N)	N
Will this proposal require a Specific Service Consultation? (Y)	N

Accountable Head of Service	Joel Hanna, Head of Service for Sufficiency for Children and Young People
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Directorate	Children and Families
Service Area	Learning and Early Support – School Organisation, Planning and Admissions
Headline Proposal	Introduce fees and charges to recover costs for Academy conversions
Reference	NEW CH3

Forecast Savings	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Incremental Savings	(30)				
Cumulative Savings	(30)	(30)	(30)	(30)	(30)

Description of Savings Proposal (could relate to spend, income or both)

Over the last 4 years there have been between 5 and 7 schools that have chosen or been required to convert to an Academy, joining a Multi Academy Trust.

Academic year	Number of conversions
2018/19	7
2019/20	7
2020/21	5
2021/22	6

An academy conversion involves:

- the TUPE of staff
- the establishment of a lease for land and/or playing fields
- and the establishment of a commercial transfer agreement.

Under Section 14 of the Education Act 2002, schools/trusts can apply for a grant towards the costs of conversion of no more than £25,000.

This proposal seeks to develop a full cost recovery approach for costs incurred by the Local Authority as part of this process from April 2023. A similar approach is undertaken by other Councils.

Detailed work to develop this approach would be put forward to the Education and Learning Partnership Board.

Impacts

Will /could the proposal have implications for any of the following?

Service users / Customers	Yes	Legal / regulatory requirements	Yes
Council staff	No	Capital programme	No
Partners	Yes	Work location / building	No
Other Council Services	No	Contracts / procurement	No
Corporate (enabling) support	No	Information technology (IT)	No

Other (specify)	No
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Other (specify)	No
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Potential impacts

This would be a shift to current arrangements with our school partners and Multi Academy Trusts and could impact upon relationships. Particularly at a time when overall funding is under pressure.

What mitigating actions are proposed?
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Engagement with Multi Academy Trusts and schools through the Education and Learning Partnership Board, and provide an adequate notice period for introducing this charge. Being transparent about how costs are calculated will demonstrate the rationale for our approach and enable appropriate capacity to undertake the requisite work needed to secure conversion within realistic and reasonable timescales.

Does this proposal require an Integrated Impact Assessment? (Y/N)	N
Will this proposal require a Specific Service Consultation? (Y/N)	N

Accountable Head of Service	Martin Wilby, Head of Education Places and Access
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Directorate	Children and Families
Service Area	Learning and Early Support - Education for Vulnerable Children Services incl Special Educational Needs
Headline Proposal	Remodel the approach to the SEND Inclusion Fund
Reference	NEW CH4

Forecast Savings	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Incremental Savings	(1,184)				
Cumulative Savings	(1,184)	(1,184)	(1,184)	(1,184)	(1,184)

Description of Savings Proposal (could relate to spend, income or both)
Like all Local Areas, Kirklees is required to have a Special Educational Needs (and Disabilities) Inclusion Fund (SENDIF) to support 3- and 4-year-olds with Special Educational Needs to take up their early years' entitlements.
As part of our SEND Transformation plans, we propose to redesign our approach as well as ensuring we comply with our statutory duties by ensuring expenditure is met from the High Needs Block of the Dedicated Schools Grant and/or the Early Years Block in line with government guidance.

Impacts

Will/could the proposal have implications for any of the following?

Service users / Customers	Yes	Legal / regulatory requirements	Yes
Council staff	No	Capital programme	No
Partners	Yes	Work location / building	No
Other Council Services	Yes	Contracts / procurement	No
Corporate (enabling) support	No	Information technology (IT)	No
Other (specify)	No	Other (specify)	No

Potential impacts
There needs to be engagement with the Schools Forum and the Early Years sector regarding changes to the funding approach and consideration given to opportunities to redesign how funding is agreed and allocated to enable early support for our children and families.
An Integrated Impact Assessment will be undertaken as part of any redesign to enable the best outcomes and consider and mitigate any potential negative impacts. These will include: <ul style="list-style-type: none"> Consider impact of working parents/ carers having to come out of workforce / work fewer hours with an impact on increased benefit claims / reduction in tax contributions/ increased risk of families falling into poverty. Impact on parent / carer mental health & wellbeing. Reduction in numbers of children attending settings due to lack of additionality to support needs.

What mitigating actions are proposed?
To consider using some of the block transfer to bolster the Early Years SEND team and/or widen the remit and capacity of the specialist outreach teams to provide advice and support for Early Years settings.

Does this proposal require an Integrated Impact Assessment? (Y/N)	Yes an IIA is required however, on review it has been agreed for comprehensive scoping to take place prior. To confirm no decisions to change any service delivery will be made until a detailed IIA has been completed.
Will this proposal require a Specific Service Consultation? (Y/N)	Y – it needs to be considered in the context of the SEND transformation

Accountable Head of Service	Kelsey Clark-Davies, Head of Inclusion and Educational Safeguarding
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Directorate	Children and Families
Service Area	Learning and Early Support – Learning Services Trading
Headline Proposal	Redesign Headteacher Wellbeing Service
Reference	NEW CH5

Forecast Savings	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Incremental Savings	(40)				
Cumulative Savings	(40)	(40)	(40)	(40)	(40)

Description of Savings Proposal
<p>The Headteacher Wellbeing Service is well established and has been valued for several years. The offer has evolved to meet the changing needs of our schools. The wellbeing element of our Headteacher Support offer was made universal in 2020/21 during, and as we came out of the Covid 19 pandemic. This was in recognition of the impact on head teachers and emerged from discussions held at the Education and Learning Partnership Board.</p> <p>Elements of what the team delivers are already offered commercially, including, for example, the Headteacher induction programme.</p> <p>In order to sustain this offer for Headteachers, it is proposed to redesign the offer with the focus being on supporting resilience and peer support for school leaders and growing future leaders. Opportunities would be explored to consider the contributions LA maintained schools already make via de-delegation for school absence insurance. The proposed approach would be co-produced with Governing Bodies and school leaders.</p>

Impacts

Will /could the proposal have implications for any of the following?

Service users / Customers	Yes	Legal / regulatory requirements	No
Council staff	Yes	Capital programme	No
Partners	Yes	Work location / building – Central Stores	No
Other Council Services	Yes	Contracts / procurement	No
Corporate (enabling) support	No	Information technology (IT)	No
Other (specify)	No	Other (specify)	No

Potential impacts
Increased turnover of school leaders as leadership resilience may be impacted – this is an early support service that helps to attract and retain School Leaders into Kirklees.

What mitigating actions are proposed?
Co-produce with Governors the service going forward – as well as considering a full range of support including coaching and a professional supervision model.

Does this proposal require an Integrated Impact Assessment? (Y/N)	N
Will this proposal require a Specific Service Consultation? (Y/N)	N

Accountable Head of Service	Natalie McSheffrey, Head of Education Relationships and Business
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Directorate	Children and Families
Service Area	Learning and Early Support - Early Support
Headline Proposal	Redesign our challenge and support offer to schools and settings
Reference	NEW CH6

Forecast Savings	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Incremental Savings	(124)				
Cumulative Savings	(124)	(124)	(124)	(124)	(124)

Description of Savings Proposal (could relate to spend, income or both)
<p>Using the foundations established in the Council's learning strategy 'Our Kirklees Futures', it is proposed to co-produce the delivery of our challenge and support approach for schools and settings, considering the removal of the Government's Monitoring and Brokerage Grant from April 2023.</p> <p>In order to use collective capacity across the system to secure and deliver on priorities for improving outcomes, we need to redesign the approach. This will involve retaining a core monitoring and brokerage function bolstered by the ability to commission associate practitioners for specific work (where funded) and/or to lead and develop conferences/training where these are fully funded or generate income.</p> <p>Alongside this, we will consider our Early Years statutory duty functions across Learning and Early Support teams and scope out the Local Authority Early Years Statutory duties. This would support reassurance that the Local Authority is meeting its statutory duties or where there are gaps or duplication, it will ensure delivery priorities are shaping the Early Years vision for Kirklees. Prioritising Early Years is a key action identified as part of Our Kirklees Futures.</p>

Impacts

Will /could the proposal have implications for any of the following?

Service users / Customers	Yes	Legal / regulatory requirements	Yes
Council staff	Yes	Capital programme	No
Partners	Yes	Work location / building	No
Other Council Services	Yes	Contracts / procurement	No
Corporate (enabling) support	No	Information technology (IT)	No
Other (specify)	No	Other (specify) PIU	Yes

Potential impacts
The Education and Learning Partnership Board would be key in coproducing a refreshed approach, which would be in place and operational for the Academic Year 2023/24. In relation to Early Years,

scoping needs to be undertaken considering priorities identified by discovery work with the Local Government Association and the newly established Early Years Development Board.

Work will need to be data led and we will need to focus capacity on underperformance, brokerage and system leadership to effect change, for example oracy.

What mitigating actions are proposed?

- Targeting early years is key for us to enable the biggest change to outcomes, however there are opportunities to incorporate this work into our ‘Families Together’ approach.
- Exploring wider opportunities that may exist in relation to Thriving Kirklees and widest Early Years Outcomes.
- There may be opportunities to make impacts for the system by focussed and cost neutral training, but we need to baseline information first. Some external funding may be available to us for example by bidding to Education Endowment Fund. Consideration of changes to training can be factored into the revised support and challenge protocol.
- Engagement would need to take place with the Education and Learning Partnership Board and Schools Forum to co-produce and make clear the approach for Maintained Schools.
- We can work with Multi Academy Trusts and other key strategic partners, for example the Teaching School Hub, Research Schools and the Department for Education, to maximise opportunities for inward investment for Kirklees strategic priorities.
- High quality support from the Performance and Information Unit is needed to secure data analysis to underpin opportunities for targeted work and to underpin conferences/ consultancy.
- Maximising opportunities to bring in funding for the district through bids.
- Opportunities to be developed with neighbouring authorities to potentially share capacity.

Does this proposal require an Integrated Impact Assessment? (Y/N)	Yes an IIA is required however, on review it has been agreed for comprehensive scoping to take place prior. To confirm no decisions to change any service delivery will be made until a detailed IIA has been completed.
Will this proposal require a Specific Service Consultation? (Y/N)	Y

Accountable Head of Service	Jo-Anne Sanders, Service Director – Learning and Early Support and Michelle Lister, Head of Early Support
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Directorate	Children and Families
Service Area	Learning and Early Support - Commissioning
Headline Proposal	Review and redesign C+K commission
Reference	NEW CH7

Forecast Savings	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Incremental Savings	(120)	(86)			
Cumulative Savings	(120)	(206)	(206)	(206)	(206)

Description of Savings Proposal (could relate to spend, income or both)
<p>This proposal relates to reviewing the contract with C+K Careers to consider the opportunities to redesign key commissioned activities and review the approach to service delivery, considering statutory duties as key priorities.</p> <p>C+K Careers are currently commissioned through a core contract and commissioning arrangement covering statutory and pre-statutory duties in the spheres of careers education, information, advice and guidance, NEET (Not in Education, Employment or Training) prevention, and NEET re-engagement.</p> <p>As a commercial venture there would be opportunities to work with C+K Careers to explore additional sources of income, as well as opportunities to achieve efficiencies through a review of overhead and premises costs.</p>

Impacts

Will /could the proposal have implications for any of the following?

Service users / Customers	Yes	Legal / regulatory requirements	Yes
Council staff	No	Capital programme	No
Partners	Yes	Work location / building	No
Other Council Services	Yes	Contracts / procurement	Yes
Corporate (enabling) support	No	Information technology (IT)	No
Other (specify)	No	Other (specify)	No

Potential impacts
<ul style="list-style-type: none"> • There could potentially be an impact that the number of NEET Young People increases. • That early support and/or preventative work with young people is reduced. • Service delivery is further impacted because commercial operations are not sustained.

What mitigating actions are proposed?
<ul style="list-style-type: none"> • To discuss the C + K model of delivery and consider how we can work together with the provider to prioritise outcomes. • Phase in changes over a 2-year period. • Allow time for C+K Careers to find alternative sources of income to meet pre-statutory duties. • Improve and develop commercial relationships with schools to ensure schools meet their statutory duties and improve outcomes within the CEIAG and NEET prevention context.

Does this proposal require an Integrated Impact Assessment? (Y/N)	Yes an IIA is required however, on review it has been agreed for comprehensive scoping to take place prior. To confirm no decisions to change any service delivery will be made until a detailed IIA has been completed.
Will this proposal require a Specific Service Consultation? (Y/N)	N

Accountable Head of Service	Phil Mark, Head of Post-16, Progression and Partnerships
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Directorate	Children and Families
Service Area	Resources Improvement and Partnership - Various
Headline Proposal	Redesign Capacity for Improvement
Reference	NEW CH8

Forecast Savings	2023/24 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Incremental Savings	(433)				
Cumulative Savings	(433)	(433)	(433)	(433)	(433)

Description of Savings Proposal

It is widely accepted that there is a significant cost associated with having a Children's Social care department rated Inadequate by Ofsted as the judgement requires a need to build in additional capacity to support improvement. The council has received 2 positive outcomes from its last 2 inspections and has worked to develop a self-improvement approach. The service will now be in a position to review the additional capacity and redesigning the improvement work across Children's Services.

This saving will include a service redesign across Resources, Improvement and Partnerships. Further detailed work will be required, and some savings are being made through integration, some through natural turn over and some through not filling planned posts. The overall savings that could be achieved are £433k.

This involves the removal of 11 FTE posts currently vacant or that will become vacant in 2023/24.

Impacts

Will /could the proposal have implications for any of the following?

Service users / Customers	Yes		Legal / regulatory requirements	Yes
Council staff	Yes		Capital programme	No
Partners	Yes		Work location / building	Yes
Other Council Services	No		Contracts / procurement	Yes
Corporate (enabling) support	No		Information technology (IT)	No
Other (specify)	No		Other (specify)	No

Potential impacts

- Reduction in ability to undertake wider Quality Assurance (QA) work across services.
- Risk in relation to resilience of management team and input into inspection preparation and improvement activity.
- Reduction of capacity to carry out QA and Contract management activities.

What mitigating actions are proposed?
Mitigating actions will include a redesign of some roles across the service to undertake wider functions across improvement and QA activity.

Does this proposal require an Integrated Impact Assessment? (Y)	Yes an IIA is required however, on review it has been agreed for comprehensive scoping to take place prior. To confirm no decisions to change any service delivery will be made until a detailed IIA has been completed.
Will this proposal require a Specific Service Consultation? (Y)	N

Accountable Head of Service	Sara Miles, Head of Safeguarding and Quality Assurance, Stewart Horn, Head of Children’s Integrated Commissioning, Joel Hanna, Head of Sufficiency for Children and Young People
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Directorate	Children and Families
Service Area	Resources Improvement and Partnership – Various
Headline Proposal	Review Support for Partnerships
Reference	NEW CH9

Forecast Savings	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Incremental Savings	(210)				
Cumulative Savings	(210)	(210)	(210)	(210)	(210)

Description of Savings Proposal (could relate to spend, income or both)

The proposal is in relation to reviewing how we support our partnership arrangements across Children’s Services. The proposal will be part of a wider piece of work across the council in relation to our infrastructure to support the range of partnerships that we support. The proposal will explore how we can integrate some of the infrastructure and support, explore how some functions may cease to be delivered and how other areas of support could be reduced.

Impacts

Will /could the proposal have implications for any of the following?

Service users / Customers	Yes	Legal / regulatory requirements	Yes
Council staff	Yes	Capital programme	No
Partners	Yes	Work location / building	No
Other Council Services	No	Contracts / procurement	No
Corporate (enabling) support	Yes	Information technology (IT)	No
Other (specify)	No	Other (specify)	No

Potential impacts

- Some of the partnerships we support are statutory in nature so potential impact to reduce support for non-statutory partnership arrangements.
- Potential impacts on relationships with external partnerships and delivery collaboratives.

What mitigating actions are proposed?

- Examine ways of integrating existing support to provide functions across a range of partnerships.
- Explore alternative ways that partnerships could be self-supporting or look at alternative ways of sustaining existing arrangements.

Does this proposal require an Integrated Impact Assessment? (Y/N)	N
Will this proposal require a Specific Service Consultation? (Y/N)	Y

Accountable Head of Service	Paul Harris, Head of Children’s Improvement, Partnerships and Voice / Sara Miles, Head of Safeguarding and Quality Assurance
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Directorate	Children's and Adult Commissioned Services
Service Area	Resources Improvement and Partnerships – Other Commissioned Services/Adults Sufficiency – Contracted Services
Headline Proposal	Review of investment in VCS and external contracted provision
Reference	NEW CH10

Forecast Savings	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Incremental Savings	(412)	(48)			
Cumulative Savings	(412)	(460)	(460)	(460)	(460)

Description of Savings Proposal (could relate to spend, income or both)
<p>This proposal relates to reviewing our investment strategy in the VCS sector and externally contracted provision.</p> <p>The proposal is to review our investment into the VCS and externally contracted provision in order to ensure our investment is in line with current priorities in children's and adult services. The proposal may include looking at a variety of options in relation to service provision which could include reduction of budgets in some areas, delivering some provision in different ways and how commissioning and contracting could be further integrated across the system. The proposal also involves seeking alternative funding sources to support existing activity.</p>

Impacts

Will/could the proposal have implications for any of the following?

Service users / Customers	Yes	Legal / regulatory requirements	Yes
Council staff	No	Capital programme	No
Partners	Yes	Work location / building	No
Other Council Services	No	Contracts / procurement	Yes
Corporate (enabling) support	Yes	Information technology (IT)	No
Other (specify)	No	Other (specify)	No

Potential impacts
<ul style="list-style-type: none"> Potential reduction of front-line service provision Potential destabilising of VCS or externally contracted provision
What mitigating actions are proposed?
<ul style="list-style-type: none"> Working with VCS and external contracted provision to discuss service delivery priorities and how services could refocus and deliver differently

- Working with VCS and external contracted provision to explore any unintended consequences on stability
- To consider alternative external funding sources

Does this proposal require an Integrated Impact Assessment? (Y/N)	Yes an IIA is required however, on review it has been agreed for comprehensive scoping to take place prior. To confirm no decisions to change any service delivery will be made until a detailed IIA has been completed.
Will this proposal require a Specific Service Consultation? (Y/N)	N

Accountable Head of Service	Stewart Horn, Head of Children’s Integrated Commissioning / Simon Baker, Head of Commissioning Partnerships and Market Development
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Directorate	Adults and Health
Service Area	Local Integrated Partnerships
Headline Proposal	Integrated Community and Access model to maximise citizen and community outcomes
Reference	NEW AD1

Forecast Savings	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Incremental Savings	(99)	(147)	(272)		
Cumulative Savings	(99)	(246)	(518)	(518)	(518)

Description of Savings Proposal (refer to entry in the Budget Book where relevant)

Building on what we learnt and achieved by working closely with our communities and citizens during the pandemic, this proposal aims to integrate services to further improve outcomes for citizens and communities. This was the original strategic intent behind the portfolio of services when they were developed but the pandemic prevented this work proceeding.

The proposal will create efficiencies by bringing more closely together a number of teams and services that work in our local communities and by building on the valued role that each of our libraries has in the local community as both a physical location and as a way of connecting communities and supporting individuals needing advice and information. This will create greater resilience and will enable some sharing of capacity, reducing the overall number of posts needed across all services, particularly in the context of vacancy management.

Impacts

Will /could the proposal have implications for any of the following?

Service users / Customers	Yes	Legal / regulatory requirements	Yes
Council staff	Yes	Capital programme	Yes
Partners	Yes	Work location / building	Yes
Other Council Services	Yes	Contracts / procurement	Yes
Corporate (enabling) support	Yes	Information technology (IT)	Yes
Other (specify)		Other (specify)	

Potential impacts

Potential impacts include:

- Integrating some functions should support multiple cross council key plans and accelerate place-based working. During development and transition a perceived /actual loss of frontline deliverability may arise.

Impact on demand forecasts?

- Anticipated increased demand as local, national, and international economic, political and broader health and care pressures will result in increased demand for services as well as increased complexity.

What mitigating actions are proposed?

- Ongoing impact assessment during transition to integrated model, including prioritisation for retaining frontline service delivery where possible.

Does this proposal require an Integrated Impact Assessment? (Y/N)	Yes - an IIA is required however, on review it has been agreed for comprehensive scoping to take place prior - to confirm no decisions to change any service delivery will be made until a detailed IIA has been completed.
Will this proposal require a Specific Service Consultation? (Y/N)	Yes

Accountable Head of Service	Communities and Access Services- Service Director Jill Greenfield
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Directorate	Adults and Health
Service Area	Adult Social Care – Demand Led
Headline Proposal	Work with an external change partner to model future demand and identify/deliver social care efficiencies
Reference	NEW AD2

Forecast Savings	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Incremental Savings	(267)	(3,240)	(4,782)	(2,204)	
Cumulative Savings	(267)	(3,507)	(8,289)	(10,493)	(10,493)

Description of Savings Proposal (could relate to spend, income or both)
<p>We are proposing to commission external expertise to support the identification of pathway and demand efficiencies, this will be overlaid with expected population growth and social care reform impacts to give a clear budget ask against a more efficient service.</p> <p>The commission will likely take the form of an exploration/analysis stage and then a potential change programme of work to embed efficiency opportunities. There will be a cost to the initial stage and to the subsequent change programme, but the financial benefits realised by the change programme will significantly exceed the cost of delivery and payments to the external provider will be linked to delivery of savings.</p> <p>Current operational pressures across the Health and Care System and the demands arising from the implementation programme for the new Electronic Social Care Record System and managing national social care policy change means that there is no internal capacity to undertake the work. Additional staff would need to be recruited which will be challenging in the current recruitment environment, particularly as staff would only be needed on a temporary basis.</p> <p>The figures are an indicative breakdown of the how the £8m-£12m per annum benefit might profile over an MTFs, assuming design were to start in July 2023. The actual efficiency values and savings profile will be determined by the initial exploration/analysis stage in Q1 of 2023/24.</p>

Impacts

Will /could the proposal have implications for any of the following?

Service users / Customers	Yes	Legal / regulatory requirements	No
Council staff	Yes	Capital programme	No
Partners	Yes	Work location / building	No
Other Council Services	Yes	Contracts / procurement	Yes
Corporate (enabling) support	Yes	Information technology (IT)	Yes
Other (specify)	No	Other (specify)	No

Potential impacts

What will be the impact of not doing this, or doing less of it? / Impact on outcomes?

- Budget pressures will increase
- Staff retention will worsen
- Staff efficiency and productivity will worsen
- Timely completion of contacts, assessments, reviews and other tasks such as court work will be adversely affected
- The vision for adult social care delivery would be at risk
- Pressure in acute hospitals will worsen as the pathways used to discharge people are inefficient and become overwhelmed
- Backlogs, waiting lists and overdue work will increase

What mitigating actions are proposed?

There may be some internal changes that could be embedded to address and mitigate demand but the detailed work and benefit realisation that would be delivered by this external commission would not be achievable internally without support. The initial cost is a non-recurrent cost, and the change programme financial benefits will exceed the cost of any external support, with the intention that the payment for the external support is linked to the delivery of savings.

Does this proposal require an Integrated Impact Assessment? (Y/N)	Yes - an IIA is required however, on review it has been agreed for comprehensive scoping to take place prior - to confirm no decisions to change any service delivery will be made until a detailed IIA has been completed.
Will this proposal require a Specific Service Consultation? (Y/N)	Yes

Accountable Head of Service	Richard Parry, Strategic Director, Adults and Health
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Directorate	Adults and Health
Service Area	In House Residential – Older People
Headline Proposal	Work with the wider health and care system to properly reflect the cost and design of services provided to the wider health and care system
Reference	NEW AD3

Forecast Savings	2023/24 £000	2024/2 £000	2025/26 £000	2026/27 £000	2027/28 £000
Incremental Savings	(362)	(378)	(124)		
Cumulative Savings	(362)	(740)	(864)	(864)	(864)

Description of Savings Proposal (refer to entry in the Budget Book where relevant)

The Council and the wider health care system work closely together to provide a range of services that support hospital discharge, enable people to become more independent and to enable people with long term complex needs to live a good life.

The Council provides a number of services on behalf of the NHS but the cost to the Council of providing these services is not consistently reflected in the re-imburement that the Council receives from the NHS system.

Whilst there is good local operational joint working, the wider national funding arrangements for health and for social care are not well aligned. As a consequence, whilst there are financial pressures across the system, the NHS system has seen a relative increase in funding compared to adult social care.

The Council will work closely with NHS partners to review the current arrangements and, where necessary, recover the full cost of providing the service or redesign the service offer so that it fits within the resources available to the whole system.

Impacts

Will /could the proposal have implications for any of the following?

Service users / Customers	Yes	Legal / regulatory requirements	Yes
Council staff	Yes	Capital programme	No
Partners	Yes	Work location / building	No
Other Council Services	Yes	Contracts / procurement	No
Corporate (enabling) support	Yes	Information technology (IT)	Yes
Other (specify)	No	Other (specify)	No

Potential Impacts

What will be the impact of not doing this, or doing less of it?/Impact on outcomes?

- Services will continue to deliver safe, effective and quality care though the variances in outcomes, quality and cost will remain

- Continued staffing challenges in meeting an increasingly complex operating environment, higher levels of service user occupancy in bed-based services, higher levels of service user complexity etc
- Inability as a provider to re-engage with commissioners on a clearer scope of service offer, clearer terms and clearer pricing regime
- The Council will continue to subsidise to the true service cost which presents unbudgeted pressures

What will be the impact on demand forecasts?

- This proposal requires a more strategic consideration given the role Council services play in supporting D2A and supporting acute trust pressures

What mitigating actions are proposed?

- Ongoing discussions with commissioners to level the commissioner/provider operating context
- Careful management of existing budgets and overspends, without compromising safety and quality
- Ongoing engagement with Health partners on the system wide impacts of services and how costs borne by social care services accrue benefits elsewhere in the system
- Consider a phased approach to increases in rates to manage the impact on NHS partners

Does this proposal require an Integrated Impact Assessment? (Y/N)	Yes Stage 1 – complete. Stage 2 - On review – having completed Stage 1 IIA we are aware Stage 2 is required, however until consultation and engagement with key stakeholders takes place we cannot complete this. To confirm, no decisions to change any service delivery will be made until Stage 2 has been completed.
Will this proposal require a Specific Service Consultation? (Y/N)	Y

Accountable Head of Service	Saf Bhuta, Head of (In-House) Care Provision
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Directorate	Adults and Health
Service Area	Adult Social Care – Various
Headline Proposal	Reviewing the respite offer for people with a learning disability and developing a new day service offer in North Kirklees.
Reference	NEW AD4

Forecast Savings	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Incremental Savings	(127)	(189)	144		
Cumulative Savings	(127)	(316)	(172)	(172)	(172)

Description of Savings Proposal (refer to entry in the Budget Book where relevant)
<p>Respite care allows family carers to take a break from caregiving; to recharge, ease their stress, and avoid burnout. Supporting family carers is a priority area for the Council and enables a more resilient carer and cared for relationship.</p> <p>Kirklees Council currently have a limited range of in house delivered respite services on offer to family carers and adults with learning disabilities. Through the Council’s Capital Development Programme, we have already built a flagship respite unit for adults with learning disabilities – Cherry Trees – through which many service users are already benefiting from the high quality, modern and digitally enabled facilities which promote independence.</p> <p>Building on the learning from the pandemic, when we were forced to put in place alternative arrangements for respite, we want to further explore how the Council can ensure that there is a broad range of respite services available for families that better matches their needs, including the development of a better non-residential offer.</p> <p>Families and service users tell us they want greater choice and control, with meaningful activities during evenings and weekends as well as during the day to support independence. Council provided services will need to respond to this through a new service offer that reflects this demand.</p> <p>Our understanding of demand, needs analysis and the feedback from service users/carers is central to this proposal to maximise the existing Council provided day opportunities offer for people with learning disabilities by ensuring this is targeted at those with the greatest need. We will maximise our service capacity to enable complex transitions to access Council delivered day services, should service users choose, as opposed to accessing direct payments.</p> <p>We know this delivers good value for money for the Council as well as good outcomes for service users through the high-quality services the Council provides.</p> <p>We know that our day service provision in North Kirklees operates from buildings that are now dated and don’t allow staff to offer some of the services that are available in other locations in Kirklees.</p> <p>We want to explore how we can accelerate the re-provision of some of the day service offer into more modern buildings by reviewing the whole estate that we use to support people with a learning disability</p>

and their families and, potentially, changing the nature of the service delivered from some buildings in order that we can then have a new, more modern, service offer.

We plan to complement this further through the Council’s Capital Programme to deliver state of the art, sustainable building-based day services in Kirklees by 2030, with environments that offer day opportunities in modern, purpose-built settings that are positive, stimulating and enabling, but this proposal will enable us to offer a better interim service until the full modernisation is complete.

Impacts

Will /could the proposal have implications for any of the following?

Service users / Customers	Yes	Legal / regulatory requirements	Yes
Council staff	Yes	Capital programme	Yes
Partners	Yes	Work location / building	Yes
Other Council Services	Yes	Contracts / procurement	No
Corporate (enabling) support	Yes	Information technology (IT)	Yes
Other (specify)	Yes	Other (specify)	No
Families of service users			

Potential Impacts

What will be the impact of not doing this, or doing less of it? Impact on outcomes?

- Opportunities to optimise a flexible offer of respite and day opportunities may remain untapped.
- Conditions of existing buildings through which services are delivered are not conducive to the model of care the Council is working to.

What will be the impact on demand forecasts?

- No changes in demand forecast within the overall learning disability overnight respite market
However it should be noted that there are not many alternative provisions to in-house and the market may not be able to meet all needs.

What mitigating actions are proposed?

- Strength based reviews of existing service users and their packages to ensure appropriate and flexible support models are considered

Does this proposal require an Integrated Impact Assessment? (Y/N)	Yes Stage 1 – complete. Stage 2 - On review – having completed Stage 1 IIA we are aware Stage 2 is required, however until consultation and engagement with key stakeholders takes place we cannot complete this. To confirm, no decisions to change any service delivery will be made until Stage 2 has been completed.
Will this proposal require a Specific Service Consultation? (Y/N)	Y

Accountable Head of Service	Saf Bhuta, Head of (In-House) Care Provision
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Directorate	Adults and Health
Service Area	Contracted services – Learning Disabilities/Mental Health
Headline Proposal	Mental Health Peer Support Service Pilot Review
Reference	NEW AD5

Forecast Savings	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Incremental Savings	(26)	(26)			
Cumulative Savings	(26)	(52)	(52)	(52)	(52)

Description of Savings Proposal (could relate to spend, income or both)
<ul style="list-style-type: none"> An 18month Mental Health Peer Support Service pilot was developed with an annual budget of £52k p.a. For a number of reasons, take up by individuals has been limited and so the pilot has not progressed at scale since it was started and so the proposal is to cease the pilot rather than to continue. Not proceeding further generates the identified saving. If necessary, opportunities to develop a new, jointly funded pilot will be explored and/or other options that have since become available within newly developed provision established since the original pilot commenced.

Impacts

Will /could the proposal have implications for any of the following?

Service users / Customers	Yes	Legal / regulatory requirements	No
Council staff	No	Capital programme	No
Partners	Yes	Work location / building	No
Other Council Services	No	Contracts / procurement	Yes
Corporate (enabling) support	No	Information technology (IT)	No
Other (specify)	Yes	Other (specify)	
Voluntary Sector staff			

Potential impacts

What will be the impact of not doing this, or doing less of it? Impact on outcomes?

- Impact could be low because the pilot was at a small scale and used by few people.
- Where they are supported by 'carers' there could be a knock-on effect as more caring support would be required which may lead to carer breakdown.

What mitigating actions are proposed?

- The current provision is a standalone pilot project so opportunities will be explored to incorporate the anticipated benefits into other services.

Does this proposal require an Integrated Impact Assessment? (Y/N)	Yes Stage 1 – complete. Stage 2 - On review – having completed Stage 1 IIA we are aware Stage 2 is required, however until consultation and engagement with key stakeholders takes place we cannot complete this. To confirm, no decisions to change any service delivery will be made until Stage 2 has been completed.
Will this proposal require a Specific Service Consultation? (Y/N)	No – the service was only ever a pilot with limited take up.

Accountable Head of Service	Christina McCool, Head of Learning Disability and Mental Health
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Directorate	Environment and Climate Change
Service Area	Climate Change Programme
Headline Proposal	Secure external grant funds and capitalise staff against them
Reference	NEW EN1

Forecast Savings	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Incremental Savings	(50)				
Cumulative Savings	(50)	(50)	(50)	(50)	(50)

Description of Savings Proposal (could relate to spend, income or both)
Secure external grant funds and capitalise staff against them.

Impacts

Will/could the proposal have implications for any of the following?

Service users / Customers	Yes	Legal / regulatory requirements	No
Council staff	Yes	Capital programme	Yes
Partners	Yes	Work location / building	No
Other Council Services	Yes	Contracts / procurement	No
Corporate (enabling) support	Yes	Information technology (IT)	No
Other (specify)	No	Other (specify)	No

Potential impacts
<ul style="list-style-type: none"> For 2023-24 we have secured the funds already. However, if we are unable to keep securing funds, we will be unable to fund posts. External funding pots are becoming increasingly competitive. The work we deliver will be influenced by available funds and the priorities of said funders.
What mitigating actions are proposed?
<ul style="list-style-type: none"> Having a comprehensive external funding plan that outlines all opportunities and maximise the bids we submit. Linking with the Councils funding officer for support. Providing training for all team members on bidding for and managing external funds. As detailed above this approach has proven successful already.

Does this proposal require an Integrated Impact Assessment? (Y/N)	Yes Stage 1 - Complete
Will this proposal require a Specific Service Consultation? (Y/N)	No

Accountable Head of Service

Martin Wood, Head of Public Protection

Directorate	Environment and Climate Change
Service Area	Schools Transport
Headline Proposal	Home to School Travel Transformation
Reference	NEW EN2

Forecast Savings	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Incremental Savings	(175)	(325)	(500)		
Cumulative Savings	(175)	(500)	(1,000)	(1,000)	(1,000)

Description of Savings Proposal
It is proposed that we reduce the cost of delivering home to school transport by implementing a transformation programme.

Impacts

Will /could the proposal have implications for any of the following?

Service users / Customers	Yes	Legal / regulatory requirements	Yes
Council staff	Yes	Capital programme	Yes
Partners	Yes	Work location / building	Yes
Other Council Services	Yes	Contracts / procurement	Yes
Corporate (enabling) support	No	Information technology (IT)	Yes
Other (specify)	No	Other (specify)	No

Potential impacts
Changes to Home to School Transport Transformation are currently under development and have not as yet been consulted. Impacts can only be fully understood once they have. A comprehensive review of the service could have impacts on the families that receive Home to School Transport, the business that provides Home to School Transport, and the staff that deliver the Home to School Transport.

What mitigating actions are proposed?
Consultation and service redesign will involve all stakeholders.

Does this proposal require an Integrated Impact Assessment? (Y/N)	<p style="text-align: center;">Yes</p> <p>On review, having completed a Stage 1 IIA we are aware that a Stage 2 is required. However, until consultation and engagement with key stakeholders takes place, we are unable to provide a comprehensive assessment. To</p>
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	confirm, no decisions to change any service delivery will be made until a Stage 2 IIA has been completed.
Will this proposal require a Specific Service Consultation? (Y/N)	No

Accountable Head of Service	Martin Wood, Head of Public Protection
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Directorate	Environment & Climate Change
Service Area	Highways/Seasonal Weather
Headline Proposal	Highways Efficiencies
Reference	NEW EN3

Forecast Savings	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Incremental Savings	(1,537)				
Cumulative Savings	(1,537)	(1,537)	(1,537)	(1,537)	(1,537)

Description of Savings Proposal (could relate to spend, income or both)

Several areas are being proposed a number are related to spend, income or both.

- To review Highways fees and charges inclusive of both Emergency and Temporary Traffic Regulations Orders. Benchmarking has identified a below average charging regime within Kirklees. This review will align Kirklees to the national average (income).
- To review our streetworks fees and charges (income).
- To undertake an evaluation of all revenue budgets (73) stripping out non-essential spend (reduced spend) and realigning for the financial year 23/24.
- To review the winter service provision, with a focus on elements of the service that do not form part of our key duty, procurement and community self-help schemes including a review of the grit bin criteria (reduced spend)
- To review internal staffing recharge to capital programmes/projects/schemes. The review will include benchmarking with surrounding authorities, professional services, and consultants (income)
- A review of the organisational structure (reduced spend)
- A review of the School Crossing Patrol provision. Benchmarking has demonstrated that other models exist to fund this service including SLAs with the schools receiving the service.

Impacts

Will /could the proposal have implications for any of the following?

Service users / Customers	Yes	Legal / regulatory requirements	Yes
Council staff	Yes	Capital programme	Yes
Partners	Yes	Work location / building	No

Other Council Services	No
Corporate (enabling) support	No
Other (specify)	No

Contracts / procurement	Yes
Information technology (IT)	Yes
Other (specify)	No

Potential impacts

A reduction in service is likely, but the service will still meet its minimum statutory duties. Most of the saving target will be achieved through income generation.

What mitigating actions are proposed?

Maximise income opportunities and seek additional funding streams.

Does this proposal require an Integrated Impact Assessment? (Y/N)	<p>Yes</p> <p>On review, having completed a Stage 1 IIA we are aware that a Stage 2 is required. However, until consultation and engagement with key stakeholders takes place, we are unable to provide a comprehensive assessment. To confirm, no decisions to change any service delivery will be made until a Stage 2 IIA has been completed.</p>
Will this proposal require a Specific Service Consultation? (Y/N)	Some elements will

Accountable Head of Service	Mark Scarr, Head of Highways
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Directorate	Environment & Climate Change
Service Area	Directorate
Headline Proposal	Directorate Vacancy Management
Reference	NEW EN4

Forecast Savings	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Incremental Savings	(500)				
Cumulative Savings	(500)	(500)	(500)	(500)	(500)

Description of Savings Proposal (could relate to spend, income or both)
The savings total relates to efficiencies sought across the directorate through vacancy management.

Impacts

Will /could the proposal have implications for any of the following?

Service users / Customers	No	Legal / regulatory requirements	No
Council staff	Yes	Capital programme	No
Partners	Yes	Work location / building	No
Other Council Services	Yes	Contracts / procurement	No
Corporate (enabling) support	Yes	Information technology (IT)	No
Other (specify)	No	Other (specify)	No

Potential impacts
Without being able to have a full cohort of staff in each affected service area, Service delivery will potentially be reduced. This may result in delays in some service delivery. The prioritisation will ensure the impact on citizens is kept at a minimum.
What mitigating actions are proposed?
Existing staff will need to be supported to ensure they do not feel they have to pick up extra work.

Does this proposal require an Integrated Impact Assessment? (Y/N)	No
Will this proposal require a Specific Service Consultation? (Y/N)	No

Accountable Head of Service	Colin Parr, Strategic Director, Environment and Climate Change
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Directorate	Environment & Climate Change
Service Area	Parking
Headline Proposal	Parking
Reference	NEW EN5

Forecast Savings	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Incremental Savings	(100)	(1,600)			
Cumulative Savings	(100)	(1,700)	(1,700)	(1,700)	(1,700)

Description of Savings Proposal (could relate to spend, income or both)
<p>To undertake a review of the current parking policy, strategy, charges and fees.</p> <p>To consider how the current parking strategy aligns to local and regional policy and to benchmark the current fees and charges.</p> <p>A consultation will be held within the financial year commencing April 2023 and will include permits, off-street parking, on-street parking charges and visitor attractions.</p>

Impacts

Will /could the proposal have implications for any of the following?

Service users / Customers	Yes	Legal / regulatory requirements	Yes
Council staff	Yes	Capital programme	Yes
Partners	Yes	Work location / building	No
Other Council Services	No	Contracts / procurement	No
Corporate (enabling) support	No	Information technology (IT)	Yes
Other (specify)	No	Other (specify)	No

Potential impacts
<p>Negative Impact</p> <ul style="list-style-type: none"> Inability to provide a parking service that is fit for purpose, a reduction in enforcement capacity, impact on road safety and potential closure of parking assets if unmaintained due to the lack of sustainable funding. Inability to undertake the role of Civil Parking Enforcement Authority TMA 2004. <p>Positive impact</p> <ul style="list-style-type: none"> Drive modal shift, cycling and walking, healthy lifestyles, improved air quality, a reduction in carbon emissions and congestion and disruption.
What mitigating actions are proposed?

None to report

Does this proposal require an Integrated Impact Assessment? (Y/N)	Yes On review, having completed a Stage 1 IIA we are aware that a Stage 2 is required. However, until consultation and engagement with key stakeholders takes place, we are unable to provide a comprehensive assessment. To confirm, no decisions to change any service delivery will be made until a Stage 2 IIA has been completed.
Will this proposal require a Specific Service Consultation? (Y/N)	Yes

Accountable Head of Service	Will Acornley, Head of Operational Services
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Directorate	Environment & Climate Change
Service Area	Waste Services/Parks and Greenspaces
Headline Proposal	Waste Operational Efficiencies
Reference	NEW EN6

Forecast Savings	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Incremental Savings	(792)				
Cumulative Savings	(792)	(792)	(792)	(792)	(792)

Description of Savings Proposal (could relate to spend, income or both)
<p>Collection and Trade</p> <p>To review the current fees and charges for Waste Services, noting the current level of inflation and the cost impact of delivering the services.</p> <p>The services included in the review are:</p> <ul style="list-style-type: none"> • Garden Waste • Replacement and New Wheeled Bins • White Goods and Electrical Items • Trade Waste • Allotments • Bulky Waste items <p>Any proposed increases will be benchmarked against neighbouring authorities.</p> <p>HWRC Opening Hours</p> <ul style="list-style-type: none"> • A recent trial has been undertaken to extend the opening hours of HWRC. The trial failed to deliver tangible benefits above the exist contractual hours and therefore the proposal is to revert to the existing opening hours saving £70k. (reduced spend)

Impacts

Will /could the proposal have implications for any of the following?

Service users / Customers	Yes	Legal / regulatory requirements	No
Council staff	No	Capital programme	No
Partners	No	Work location / building	No
Other Council Services	No	Contracts / procurement	No
Corporate (enabling) support	No	Information technology (IT)	No
Other (specify)	No	Other (specify)	No

Potential impacts
The affordability of the service for our customers.
What mitigating actions are proposed?
<p>Bulky Waste</p> <p>We would continue to provide 2 free collections per annum to those on the assisted collections list, and a 50% discount to Kirklees Passport holders to mitigate affordability concerns.</p> <p>We will also continue to develop our network of reuse partners and promote our HWRC reuse containers and shop.</p>

Does this proposal require an Integrated Impact Assessment? (Y/N)	<p>Yes</p> <p>On review, having completed a Stage 1 IIA we are aware that a Stage 2 is required. However, until consultation and engagement with key stakeholders takes place, we are unable to provide a comprehensive assessment. To confirm, no decisions to change any service delivery will be made until a Stage 2 IIA has been completed.</p>
Will this proposal require a Specific Service Consultation? (Y/N)	Some elements

Accountable Head of Service	Will Acornley, Head of Operational Services
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Directorate	Environment & Climate Change
Service Area	Waste Services
Headline Proposal	Waste Strategy Efficiencies
Reference	NEW EN7

Forecast Savings	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Incremental Savings	(400)	(200)	(100)		
Cumulative Savings	(400)	(600)	(700)	(700)	(700)

Description of Savings Proposal (could relate to spend, income or both)
<p>Contract:</p> <p>The current PFI Waste contract is operating under a Deed of Variation(DoV) which was negotiated recently. This variation enabled improvements and cost savings within the contract. A recent independent review by the Infrastructure and Projects Authority held up the DoV as exemplar. The contract remains strong and performing better than anticipated (reduced of spend).</p> <p>Disposal:</p> <p>High levels of contamination of our green recycling bins continues to place a pressure both operationally and financially on the service. Work has been undertaken to understand the financial impact of this high level of contamination, as well as ongoing education and advice to reduce the impact.</p> <p>Contractual contamination limits are set within the DoV, but current levels far exceed the contractual limits with some examples identifying over 40% contamination rates.</p> <p>The proposal will introduce a simpler policy to managing contamination including the removal of the provision for those who continue to contaminate (reduced spend).</p>

Impacts

Will /could the proposal have implications for any of the following?

Service users / Customers	Yes	Legal / regulatory requirements	No
Council staff	No	Capital programme	No
Partners	No	Work location / building	No
Other Council Services	No	Contracts / procurement	No
Corporate (enabling) support	No	Information technology (IT)	No
Other (specify)	No	Other (specify)	No

Potential impacts
Removal of the provision for those who continue to contaminate.
What mitigating actions are proposed?
Continue to provide education, communication and advice.

Does this proposal require an Integrated Impact Assessment? (Y/N)	<p style="text-align: center;">Yes</p> <p>On review, having completed a Stage 1 IIA we are aware that a Stage 2 is required. However, until consultation and engagement with key stakeholders takes place, we are unable to provide a comprehensive assessment. To confirm, no decisions to change any service delivery will be made until a Stage 2 IIA has been completed.</p>
Will this proposal require a Specific Service Consultation? (Y/N)	No

Accountable Head of Service	Will Acornley, Head of Operational Services
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Directorate	Environment & Climate Change
Service Area	Catering
Headline Proposal	Catering rationalisation
Reference	NEW EN8

Forecast Savings	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Incremental Savings	(90)				
Cumulative Savings	(90)	(90)	(90)	(90)	(90)

Description of Savings Proposal (could relate to spend, income or both)
Changes to the delivery of catering services such as reviewing opening hours of cafes.

Impacts

Will /could the proposal have implications for any of the following?

Service users / Customers	Yes	Legal / regulatory requirements	No
Council staff	Yes	Capital programme	No
Partners	No	Work location / building	No
Other Council Services	No	Contracts / procurement	Yes
Corporate (enabling) support	No	Information technology (IT)	No
Other (specify)	No	Other (specify)	No

Potential impacts
Minimal impact as will not affect the quality of food or achievement of outcomes.
What mitigating actions are proposed?
To find alternative methods of delivery.

Does this proposal require an Integrated Impact Assessment? (Y/N)	N
Will this proposal require a Specific Service Consultation? (Y/N)	N

Accountable Head of Service	Jenny Frear, Head of Venues, Commercial, Regulatory and Operational Services
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Directorate	Growth and Regeneration
Service Area	Business and Enterprise Centres
Headline Proposal	Business centres – Review portfolio and increase in rental charges
Reference	NEW GR1

Forecast Savings	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Incremental Savings	(200)				
Cumulative Savings	(200)	(200)	(200)	(200)	(200)

Description of Savings Proposal (could relate to spend, income or both)
This is a combined proposal with a savings target of £200k, to be generated through a combination of reviewing the current business centre portfolio with a view to possible reductions and disposals, plus inflation linked rental increases and increased occupancy targets for the remaining centres. Further work is underway to model the exact implications and savings, but £200k is felt to be realistic.

Impacts

Will /could the proposal have implications for any of the following?

Service users / Customers	Yes	Legal / regulatory requirements	No
Council staff	Yes	Capital programme	No
Partners	No	Work location / building	No
Other Council Services	Yes	Contracts / procurement	No
Corporate (enabling) support	No	Information technology (IT)	No
Other (specify)	No	Other (specify)	No

Potential impacts
<ul style="list-style-type: none"> • Minor detriment to the economic objectives and potential reputational risk. • Potential increase in vacant units/impact on income if rent increases not sustainable for some tenants • Will reduce demand for operational services in the business centre portfolio in the medium-term.
What mitigating actions are proposed?
<ul style="list-style-type: none"> • Work with tenants to manage impacts of rent increases • Offer alternative accommodation to tenants affected elsewhere in the Council’s business centre portfolio.

Does this proposal require an Integrated Impact Assessment? (Y/N)	Yes, an IIA is required however, on review, it has been agreed for comprehensive scoping to take place prior. To confirm, no decisions to change any service delivery will be made until a detailed IIA has been completed.
Will this proposal require a Specific Service Consultation? (Y/N)	Y - engage with tenants affected

Accountable Head of Service	Chris Duffill, Head of Business, Economy & Growth
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Directorate	Growth and Regeneration
Service Area	Various
Headline Proposal	Reduction in Growth Services (Development, Employment and Skills Services)
Reference	NEW GR2

Forecast Savings	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Incremental Savings	(301)				
Cumulative Savings	(301)	(301)	(301)	(301)	(301)

Description of Savings Proposal (could relate to spend, income or both)
The savings total relates to a number of efficiencies sought across the directorate through the following means; vacancy management, alternative funding sources, cost recovery from capital projects and reducing the offer to new projects or activities across the organisation.

Impacts

Will /could the proposal have implications for any of the following?

Service users / Customers	No	Legal / regulatory requirements	No
Council staff	Yes	Capital programme	No
Partners	Yes	Work location / building	No
Other Council Services	Yes	Contracts / procurement	No
Corporate (enabling) support	Yes	Information technology (IT)	No
Other (specify)	No	Other (specify)	No

Potential impacts
Without being able to have a full cohort of staff in each affected service area, the Growth and Regeneration Directorate offer to the rest of the organisation will have to be reduced or the work supported prioritised. This may result in delays in some service delivery. The prioritisation will ensure the impact on citizens is kept at a minimum.

What mitigating actions are proposed?
Existing staff will need to be supported to ensure they do not feel they have to pick up extra work.

Does this proposal require an Integrated Impact Assessment? (Y/N)	No
Will this proposal require a Specific Service Consultation? (Y/N)	No

Accountable Head of Service/SD	Gillian Wallace, Head of Employment and Skills Chris Duffill, Head of Business, Economy, and Growth David Martin, Head Corporate Landlord and Capital
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Directorate	Growth and Regeneration
Service Area	Planning Development Management
Headline Proposal	Increase in planning pre application fees and Building Control fees
Reference	NEW GR3

Forecast Savings	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Incremental Savings	(88)				
Cumulative Savings	(88)	(88)	(88)	(88)	(88)

Description of Savings Proposal (could relate to spend, income or both)

We are being consistent in our treatment of increases to fees and charges where there are legitimate reasons to raise these in line with inflation and/ or to match what other service providers/ LA's are charging. It is proposed to increase pre-application planning service fees and Building Control fees in line with inflation, to allow us to continue to meet projected service costs and to provide more resource to deliver a better-quality service to customers. This would generate £12k per annum from pre-application fees, and £76k per-annum from Building Control fees.

Impacts

Will /could the proposal have implications for any of the following?

Service users / Customers	Yes	Legal / regulatory requirements	No
Council staff	No	Capital programme	Yes
Partners	Yes	Work location / building	No
Other Council Services	Yes	Contracts / procurement	No
Corporate (enabling) support	No	Information technology (IT)	No
Other (specify)	Yes	Other (specify)	No
Planning and Building Control applicants			

Potential impacts
<ul style="list-style-type: none"> • There is a risk that the service will not be able to cover costs. • Increased fees could potentially reduce demand on the services. • All activities involving planning or building control will need to increase budgets to meet the cost of the future fee level
What mitigating actions are proposed?
<ul style="list-style-type: none"> • Increasing the quality of pre application advice so that the customer feels they are getting value, despite the increase in fee; increased use of the pre-application system by applicants will lead to an improvement in the quality of planning applications and outcomes • Increasing Building control fees in line with inflation only should help to retain market share.

- Clear communication of fee increases so applicants and services users are aware and can budget accordingly.

Does this proposal require an Integrated Impact Assessment? (Y/N)	Y
Will this proposal require a Specific Service Consultation? (Y/N)	N

Accountable Head of Service	Mathias Franklin, Head of Planning and Development
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Directorate	Growth and Regeneration
Service Area	Town Centres/Major Projects
Headline Proposal	Capitalisation of Staff Costs
Reference	NEW GR4

Forecast Savings	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Incremental Savings	(275)				
Cumulative Savings	(275)	(275)	(275)	(275)	(275)

Description of Savings Proposal (could relate to spend, income or both)

This proposal relates to the capitalisation of staff costs for posts that are eligible now projects are on site and asset improvement is in delivery. The same principle of capitalisation applies across the directorate, in particular, there are proposals for town centre and major project developments.

Town Centres

Proposal

This proposal relates to further capitalising staff costs to the maximum permissible as from April 2023. This in line with other capital areas and follows best practise.

Size of Current Capital Programme for Delivery

Currently there are projects available in the Capital Plan within Town centres to a value of £196m. These are distributed over Huddersfield, Dewsbury and other local centres. A further £20m was agreed by Cabinet for the George Hotel. This includes all grants secured to date, e.g., Town Deal.

Other Funding Sources

Secured

- As of w/c 13th November 2022, for town centre projects we secured a further £350k of capital and £480k of revenue from UK Shared Prosperity Fund (UKSPF). We await the terms of that agreement.
- We have secured £75k from UK Gainshare.
- Levelling Up Fund (LUF) bids submitted to the Department for Levelling Up, Housing and Communities in August have resulted in a confirmed allocation of £12m for Batley.

Further Funding and Income

The main source of external funding remains UKSPF. Plans are being put in place to access that in 23/24. In addition, several projects – particularly around small/local centres have been added to the transport pipeline exercise currently undertaken by West Yorkshire Combined Authority. This is to access future West-Yorkshire-plus Transport Fund (WYTF) plus funds or other similar from the Department for Transport (DfT) – Timescales are due to be announced in Spring 23.

Major Projects

To date, the Head of Service costs have not been apportioned to specific projects and included in external grant claims. This proposal is to move to a system of doing so, seeking to recover the maximum permissible costs (including on costs), to allow for non-eligible management and service leadership time that cannot be claimed against projects. In addition, the capitalisation of staffing costs is now possible, as major schemes are now on site.

Impacts

Will /could the proposal have implications for any of the following?

Service users / Customers	No	Legal / regulatory requirements	Yes
Council staff	Yes	Capital programme	Yes
Partners	Yes	Work location / building	No
Other Council Services	No	Contracts / procurement	No
Corporate (enabling) support	No	Information technology (IT)	No
Other (specify)	No	Other (specify)	No

Potential impacts

The proposal as an approach is relatively low risk providing that Capital remains available in the budget for projects. However, risks are identified as below:

- Capital available to projects need to be maintained and there needs to be a consideration of the cumulative impact of multiple services recharging against the same projects – if not levels of professional fees may grow too high and undermine project delivery.
- There should be an assumption that further capital needs to be brought into the plan – as set out above. UKSPF, LTP and Gainshare have potential.
- External funding bodies will need to be satisfied that our treatment of capitalised costs is consistent with rules for funding.
- Staff may require clarification of their unchanged employment situation in relation to capitalisation of costs relating to their posts.

What mitigating actions are proposed?

- More emphasis on income/funding generation. Particularly dedicated officer time to seek out new source of funds and for submitting bids.
- Staff sharing across service areas to help fill capacity and expertise gap.
- Training plan/staff development plan put in place to ensure expertise is maximised.
- Ensure our treatment of capitalised costs meets with expectations of financial regulations.

Does this proposal require an Integrated Impact Assessment? (Y/N)	N
Will this proposal require a Specific Service Consultation? (Y/N)	N

Accountable Head of Service	Simon Taylor, Head of Town Centre Programmes Rashid Mahmood, Head of Major Projects
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Directorate	Growth and Regeneration
Service Area	Corporate Landlord/Central Budgets
Headline Proposal	Asset rationalisation - reduction in office/service delivery accommodation revenue budget.
Reference	NEW GR5

Forecast Savings	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Incremental Savings	(1,200)	(1,350)			
Cumulative Savings	(1,200)	(2,550)	(2,550)	(2,550)	(2,550)

Description of Savings Proposal (could relate to spend, income or both)
<p>As the Civic Centre 1 refurbishment draws to a conclusion it allows the council to realise the opportunity of remodelling its Huddersfield Campus.</p> <ul style="list-style-type: none"> • Currently the Landlord revenue spend is projected to hit £8.8m by next year. • This spend includes repair/maintenance, utilities, caretaking and cleaning and statutory testing. • A planned rationalisation of our assets could release £2.55m from our revenue budget. A clear focus on rationalising buildings within the Huddersfield campus would bring £1.2m of the projection. Further savings would come from building consolidation across the wider asset base. • Closure of buildings will need to include full mothballing or demolition or disposal. • Proposals for rationalisation will come forward in the late Spring 2023, late Summer 23, and early in 2024. • Disposal will also have the benefit of a potential capital injection, which is yet unquantified. • Continued support from central colleagues working on the rationalisation would be needed.

Impacts

Will /could the proposal have implications for any of the following?

Service users / Customers	Yes	Legal / regulatory requirements	No
Council staff	Yes	Capital programme	Yes
Partners	Yes	Work location / building	Yes
Other Council Services	Yes	Contracts / procurement	No
Corporate (enabling) support	Yes	Information technology (IT)	Yes
Other (specify)	No	Other (specify)	No

Potential impacts
Potential impacts on services and staff working from buildings which may close.

What mitigating actions are proposed?

Conversations with services about impacts on staff bases are taking place. Further mitigating actions to be identified through an Integrated Impact Assessment and Specific Service Consultations.

Does this proposal require an Integrated Impact Assessment? (Y/N)	Y
Will this proposal require a Specific Service Consultation? (Y/N)	Y

Accountable Head of Service	David Martin, Head of Corporate Landlord and Capital
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Directorate	Growth and Regeneration
Service Area	Housing Services
Headline Proposal	Temporary Accommodation Portfolio Expansion
Reference	NEW GR6

Forecast Savings	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Incremental Savings	(363)	63			
Cumulative Savings	(363)	(300)	(300)	(300)	(300)

Description of Savings Proposal (could relate to spend, income or both)
<p>These proposals expand the council's portfolio of temporary accommodation and reduces the need and cost of Bed & Breakfast hotel accommodation and Housing Benefit Subsidy Loss. The proposals will deliver more appropriate accommodation for homeless people, especially for families with children.</p> <p>By initially making 20 units available from vacated accommodation at Bishops Court and Holme Park Court, Berry Brow, the council can increase its stock of temporary accommodation, albeit in a time-limited way. This arrangement avoids the need for purchasing hotel accommodation for homeless individuals and families while providing a higher standard of accommodation.</p> <p>The council has also identified former student accommodation at DIGS Ashenhurst to increase its stock of temporary accommodation. The pilot scheme will utilise two of the five blocks on site to provide temporary accommodation for up to 12 families and 12 single people. This scheme anticipates reducing the level of Housing Benefit Subsidy Loss incurred by using hotels as well as delivering more appropriate accommodation for individuals and families.</p>

Impacts

Will /could the proposal have implications for any of the following?

Service users / Customers	Yes	Legal / regulatory requirements	Yes
Council staff	No	Capital programme	No
Partners	Yes	Work location / building	No
Other Council Services	No	Contracts / procurement	Yes
Corporate (enabling) support	No	Information technology (IT)	No
Other (specify)	No	Other (specify)	No

Potential impacts
Without increasing council stock for temporary accommodation purposes B&B hotel accommodation will remain a significant supplier of emergency accommodation. Hotel accommodation is inappropriate for use beyond short-term emergency accommodation. Government can consider sanctions where

families are accommodated within Bed & Breakfast accommodation in excess of 6 weeks. Failure to seek alternatives to hotel accommodation may see funding sanctions. Increasing council stock for temporary accommodation purposes will minimise the need to use hotel accommodation and will be eligible for Welfare & Exchequer colleagues to reclaim all the Housing Benefit costs and greatly minimise pressure on General Fund through a reduced HB Subsidy Loss.

The demand for temporary accommodation is likely to increase further due to the economic climate and affordable housing market. Failure to expand the range and variety of accommodation for temporary use and more sustainable accommodation is likely to see a greater reliance on hotel accommodation and an increasing burden on the HB Subsidy Loss.

What mitigating actions are proposed?

Housing Solutions Service are currently exploring alternative options alongside extending the use of Berry Brow properties and the Ashenhurst pilot. Options for both temporary accommodation and more sustainable accommodation are being considered for the longer-term.

A joint task & finish group between Homes & Neighbourhoods and Housing Services will be set up to manage the risks associated with increasing temporary accommodation households alongside the emptying of two high rise blocks. This will include suitable allocation, resident wellbeing and building safety.

We will be commencing work on a tender specification with procurement and legal colleagues to ensure we have a robust process in place for when the pilot scheme concludes. We are also exploring alternative options for the provision of temporary accommodation to develop other viable models.

Does this proposal require an Integrated Impact Assessment? (Y/N)	Y – for wider demolition plans
Will this proposal require a Specific Service Consultation? (Y/N)	N

Accountable Head of Service	Stephen Cale – Acting Head of Housing Services <i>(Michelle Anderson-Dore, Head of Housing Management & Partnerships)</i>
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Directorate	Corporate Strategy, Commissioning, and Public Health
Service Area	Policy
Headline Proposal	General efficiencies
Reference	NEW CS1

Forecast Savings	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Incremental Savings	(42)				
Cumulative Savings	(42)	(42)	(42)	(42)	(42)

Description of Savings Proposal (could relate to spend, income or both)
The policy team will undertake a review of the council's membership networks in order to streamline and generate efficiencies.

Impacts

Will /could the proposal have implications for any of the following?

Service users / Customers	No	Legal / regulatory requirements	No
Council staff	Yes	Capital programme	No
Partners	Yes	Work location / building	No
Other Council Services	Yes	Contracts / procurement	No
Corporate (enabling) support	Yes	Information technology (IT)	No
Other (specify) - Low-medium impact on regional and national profile	Yes	Other (specify)	No

Potential impacts
Reduced access to networking, learning and intelligence resources on best practice, and opportunities to increase the profile of Kirklees. There is a small reputational risk through the withdrawal of memberships.
What mitigating actions are proposed?
A greater prioritisation of desk-research time to support services on specific topics. A greater focus of efforts on engagement with the LGA and West Yorkshire Combined Authority (WYCA) to compensate, with increased clarity of their services too.

Does this proposal require an Integrated Impact Assessment? (Y/N)	N
Will this proposal require a Specific Service Consultation? (Y/N)	N

Accountable Head of Service	Stephen Bonnell, Head of Policy, Partnerships and Corporate Planning
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Directorate	Corporate Services
Service Area	People Services
Headline Proposal	Process Improvements across People Services
Reference	NEW CS2

Forecast Savings	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Incremental Savings	(80)				
Cumulative Savings	(80)	(80)	(80)	(80)	(80)

Description of Savings Proposal (could relate to spend, income or both)
<p>This savings proposal is made up of a number of savings initiatives linked to process improvements and more efficient ways of working across People Services department.</p> <ul style="list-style-type: none"> £40k of savings are attributed to HD One and ways of working around Payroll and Lunar pay on our traded services offering. £40k of savings is linked to various reviews around ways of working across People Services and with some of our stakeholders where their activities have an impact on our costs and therefore savings potential.

Impacts: Will /could the proposal have implications for any of the following?

Service users / Customers	Yes	Legal / regulatory requirements	Yes
Council staff	Yes	Capital programme	No
Partners	Yes	Work location / building	No
Other Council Services	No	Contracts / procurement	Yes / No
Corporate (enabling) support	No	Information technology (IT)	No
Other (specify)	No	Other (specify)	Yes / No

Potential impacts
<ul style="list-style-type: none"> £40k of the total savings is attributed to HD One and ways of working around Payroll and Lunar pay on our traded services – the impact of changing ways around payroll will be minimal as the customer is already aware that the changes are planned for 23/24, it will be a matter of timing to ensure the impact on the stakeholder is minimised. £40k of the total savings is linked to various reviews around ways of working across People Services and with some of our stakeholders – there will be a piece of stakeholder engagement needed to achieve the additional savings. This will be managed to ensure the impact on relevant stakeholders is minimal.
What mitigating actions are proposed?
<ul style="list-style-type: none"> Clear and planned communication with relevant stakeholders. Timing will be carefully considered in line with other savings across the Council.

Does this proposal require an Integrated Impact Assessment? (Y/N)	N
Will this proposal require a Specific Service Consultation? (Y/N)	N

Accountable Head of Service	Shauna Coyle, Head of People Services
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Directorate	Finance
Service Area	Welfare and Exchequer
Headline Proposal	Funding opportunities / Workforce planning
Reference	NEW CS3

Forecast Savings	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Incremental Savings	(400)	(367)			
Cumulative Savings	(400)	(767)	(767)	(767)	(767)

Description of Savings Proposal (could relate to spend, income or both)
<p>The service will continue to maximise a range of external funding opportunities over the short to medium-term to deliver savings, alongside service wide ongoing workforce planning and development, and opportunities for continuous improvement through new initiatives and technologies, and as part of the Council's broader Access to Services Strategy.</p> <p>Process improvements will be focused on transactional element of the service, safeguarding capacity towards household support grants, and more complex cases.</p>

Impacts

Will /could the proposal have implications for any of the following?

Service users / Customers	Yes	Legal / regulatory requirements	No
Council staff	Yes	Capital programme	No
Partners	Yes	Work location / building	No
Other Council Services	Yes	Contracts / procurement	Yes
Corporate (enabling) support	Yes	Information technology (IT)	Yes
Other (specify)	No	Other (specify)	No

Potential impacts
<p>Mitigated through the development of key customer facing strategies, investment in staff through ongoing workforce planning and development and continued use of funding opportunities.</p> <p>Additional risk that needs to be in scope</p> <p>The service has been under additional pressure following the pandemic, including ongoing asks placed on it by government; initially to deliver business grant support, and latterly a range of cost-of-living household support measures district wide. These continuing pressures could stretch the service's ability to continue to respond effectively and efficiently across the breadth of its core service activity.</p> <p>Government asks on Councils and the service for the continuation of, and increase in, additional asks to administer further initiatives at a local level for household, business and related support, without a corresponding increase in New Burdens or other external funding. More generally, the impact of Cost-</p>

of-Living pressures and may potentially increase further, the numbers of vulnerable households, individuals and businesses on the service, seeking additional Council support.

What mitigating actions are proposed?

Savings proposals factor in additional short-term capacity, process and technology investment to support the service to continue to deliver effective business critical activity alongside the additional government asks, while it plans for the longer term.

Continuous management review of Government policy, asks of Councils to administer these at a local level, funding impacts and impact against existing plans.

Does this proposal require an Integrated Impact Assessment? (Y/N)	N
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Will this proposal require a Specific Service Consultation? (Y/N)	N
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Accountable Head of Service	Sarah Brown/Julian Hobson, Acting Heads of Welfare and Exchequer
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Directorate	Corporate Strategy, Commissioning and Public Health
Service Area	Various
Headline Proposal	Various efficiency targets
Reference	NEW CS4

Forecast Savings	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Incremental Savings	(1,711)	(100)	(100)		
Cumulative Savings	(1,711)	(1,811)	(1,911)	(1,911)	(1,911)

Description of Savings Proposal (could relate to spend, income or both)
The savings total relates to a number of efficiencies sought across the directorate through the following means; vacancy management, alternative funding sources, cost recovery from capital projects and reducing the offer to new projects or activities across the organisation.

Impacts

Will /could the proposal have implications for any of the following?

Service users / Customers	No	Legal / regulatory requirements	No
Council staff	Yes	Capital programme	No
Partners	Yes	Work location / building	No
Other Council Services	Yes	Contracts / procurement	No
Corporate (enabling) support	Yes	Information technology (IT)	No
Other (specify)	No	Other (specify)	No

Potential impacts
Without being able to have a full cohort of staff in each affected service area, the corporate offer to the rest of the organisation will have to be reduced or the work supported prioritised. This may result in delays in some service delivery. The prioritisation will ensure the impact on citizens is kept at a minimum.

What mitigating actions are proposed?
Existing staff will need to be supported through a prioritisation process to ensure they focus on the correct organisational priorities.

Does this proposal require an Integrated Impact Assessment? (Y/N)	No
Will this proposal require a Specific Service Consultation? (Y/N)	No

Accountable Head of Service/SD	Rachel Spencer-Henshall, Strategic Director, Corporate Strategy, Commissioning and Public Health
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Directorate	Central Budgets
Service Area	Contingencies
Headline Proposal	Efficiency Targets
Reference	NEW CE1

Forecast Savings	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Incremental Savings	(1,500)				
Cumulative Savings	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)

Description of Savings Proposal

During 2023/24, the Council will target a total £1.5m of further savings across all Directorates. Building on last year's efficiency targets, these further targets will cover cost efficiencies along with opportunities for additional income and will be specific to the relevant directorate. As part of the Council's continued focus on achieving value for money, these additional savings targets have been set.

Impacts

Will /could the proposal have implications for any of the following?

Service users / Customers	No	Legal / regulatory requirements	No
Council staff	No	Capital programme	No
Partners	No	Work location / building	No
Other Council Services	No	Contracts / procurement	No
Corporate (enabling) support	No	Information technology (IT)	No
Other (specify)	No	Other (specify)	No

Potential impacts

This saving is based on improving value for money, so that work is completed with a reduced resource requirement. This should reduce the risk of a negative impact on service outcomes, which can be a consequence where staffing levels reduce but working practices do not change.

What mitigating actions are proposed?

The development and implementation of proposals will be monitored and reviewed through the Council's senior leadership team and progress against them reported quarterly to Cabinet through established financial reporting processes in-year.

Does this proposal require an Integrated Impact Assessment? (Y/N)	N
Will this proposal require a Specific Service Consultation? (Y/N)	N

Accountable Head of Service	All Strategic Directors
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Directorate	Central Budgets
Service Area	Treasury Management
Headline Proposal	Capital Plan Review
Reference	NEW CE2

Forecast Savings	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Incremental Savings	(3,481)	(3,519)	(3,740)	(1,038)	2,223
Cumulative Savings	(3,481)	(7,000)	(10,740)	(11,778)	(9,555)

Description of Savings Proposal
<p>The plan to undertake a fundamental review of the profiling/prioritisation/phasing of the Capital Plan was reported to Council as part of the Medium-Term Financial Plan (MTFP) update on 7th September 2022.</p> <p>The review has considered flexibilities to stretch the plan over a longer time frame, reprioritisation options for capital projects/programmes, plus any opportunities for alternative funding sources. Increased costs of borrowing have been factored into the affordability assessment and impact on Treasury Management (TM) budgets.</p> <p>The savings shown above compare the Treasury Management budget based on the capital prioritisation exercise against the Draft Capital Plan as per the September 2022 MTFP update (after removing any differences in interest rate assumptions).</p>

Impacts

Will /could the proposal have implications for any of the following?

Service users / Customers	Yes	Legal / regulatory requirements	No
Council staff	No	Capital programme	Yes
Partners	Yes	Work location / building	No
Other Council Services	Yes	Contracts / procurement	Yes
Corporate (enabling) support	Yes	Information technology (IT)	No
Other (specify)	No	Other (specify)	No

Potential impacts
<p>A number of 'pipeline' projects have been removed from the Plan. These projects are usually at a low level of maturity. Deferring the scheme provides time for the scheme to be developed further and the financial, strategic, economic, and commercial case of the project to be strengthened. These schemes can then be considered alongside other emerging priorities in future updates of the Capital Investment Plan. The borrowing released from these projects contributes to the overall TM budget saving.</p>

What mitigating actions are proposed?

The multi-year capital plan aligns investment proposals to the Council's outcomes and priorities.

Many proposed changes to the Capital Plan involve stretching projects/programmes across a longer timeframe e.g. to 2030/31.

Significant levels of capital investment have been reprofiled out of the current financial year (22/23) & Yr1 – Yr3 of the Draft Capital Plan into later years i.e., 2026/27 onwards.

Assumptions on several self-financing schemes have been refreshed along with grant assumptions. The latter includes updating the Plan following confirmation of DfE (Department for Education) Basic Need capital funding allocations.

As per previous budget rounds, a new Yr5 capital allocation has been built into the Plan for baseline programmes of capital work.

Subject to robust business cases, the opportunity to incorporate commercial or self-financing schemes into the Plan exists throughout the year.

Does this proposal require an Integrated Impact Assessment? (Y/N)	No
Will this proposal require a Specific Service Consultation? (Y/N)	No

Accountable Head of Service	Eamonn Croston, Service Director - Finance
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FUNDING AND SPEND CHANGES

	2023-24 £k	2024-25 £k	2025-26 £k	2026-27 £k	2027-28 £k
STARTING BUDGET GAP 22-27 MTFP	16,372	31,373	33,548	38,245	38,245
MTFS UPDATE CHANGES					
Government Funding Changes	(10,500)	(10,500)	(10,500)	(10,500)	(10,500)
Cost of living – energy spend	14,700	14,700	14,700	14,700	14,700
Cost of Living – pay award	13,400	13,400	14,000	14,600	14,600
Cost of Living – other inflation	1,500	1,500	1,500	1,500	1,500
School transport pressures	2,400	2,400	2,400	2,400	2,400
Treasury management budget changes	3,400	5,700	8,700	8,300	8,300
	24,900	27,200	30,800	31,000	31,000
MTFS UPDATE REVISED BUDGET GAP	41,272	58,573	64,348	69,245	69,245
FURTHER CHANGES - FUNDING					
<u>Council Tax</u>					
New Year 5 Growth (1.99% assumed)					(9,835)
Further Gov't flexibility; 1% 23/24	(2,092)	(4,422)	(4,612)	(4,798)	(4,991)
Further Gov't flexibility; Social Care Precept 1% 23/24	(2,092)	(4,422)	(4,612)	(4,798)	(4,991)
Council Tax Base adjustment 23/24	995				
	(3,189)	(8,844)	(9,224)	(9,596)	(19,817)
<u>Government Funding</u>					
New Year 5 Business Rates Retention Scheme Uplift					(2,082)
Funding adjustments - 23/24 financial settlement	5,996	(438)	(1,113)	(1,869)	(2,531)
	5,996	(438)	(1,113)	(1,869)	(4,613)
<u>Collection Fund</u>					
Net repayment to General Fund 23/24	(1,676)				
Total Funding Changes since MTFP Update	1,131	(9,282)	(10,337)	(11,465)	(24,430)
FURTHER CHANGES - SPEND					
<u>Children</u>					
Additional Demand/Cost Pressures	1,300	2,000	2,000	2,000	2,000
Social Care Grant Increase – 23/24 financial settlement	(1,300)	(2,000)	(2,000)	(2,000)	(2,000)
Dedicated Schools Grant deficit reduction recharge	1,400	1,400	1,400	1,400	1,400
	1,400	1,400	1,400	1,400	1,400
<u>Adults</u>					
Additional Demand/Cost Pressures	8,500	12,600	12,600	12,600	19,400
Social Care Grant Increase – 23/24 financial settlement	(8,500)	(12,600)	(12,600)	(12,600)	(12,600)
	0	0	0	0	6,800

	2023-24	2024-25	2025-26	2026-27	2027-28
	£k	£k	£k	£k	£k
<u>Environment & Climate Change</u>					
Schools Transport Pressure - Additional	800	800	800	800	800
Car Parking Income Adjustment	600	600	600	600	600
Markets Income Adjustment	400	400	400	400	400
	1,800	1,800	1,800	1,800	1,800
<u>Growth & Regeneration</u>					
Commercial Properties Income Adjustment	700	700	700	700	700
	700	700	700	700	700
<u>Corporate</u>					
Housing Benefit Subsidy Pressure	500	500	500	500	500
Insurance Re-tendering Pressure	300	500	500	500	500
	800	1,000	1,000	1,000	1,000
<u>Central Budgets</u>					
Cost of Living - Pay Award adjustment	2,300	2,300	2,300	2,300	2,300
Cost of Living - Energy adjustment	(4,900)	(4,900)	(4,900)	(4,900)	(4,900)
Review of Contingency Budget requirement	1,221	3,421	5,721	7,121	13,171
Review of Employers Superannuation rate	(1,800)	(1,800)	(1,800)	(1,800)	(1,800)
Reversal of assumed Joint Committees Levy Uplifts	(400)	(400)	(400)	(400)	(400)
West Yorkshire Combined Authority Gainshare Funding	(930)	(930)	(930)		
Flexible Capital Receipts Review	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
Further Review of Treasury Management Budget Requirement	2,656	5,426	7,540	7,795	8,492
	(3,853)	1,117	5,531	8,116	14,863
Total Funding Changes since MTFP Update	847	6,017	10,431	13,016	26,563
Total Net Changes since MTFP Update	1,978	(3,265)	94	1,551	2,133
UPDATED BUDGET GAP	43,250	55,308	64,442	70,796	71,378
Less:					
Directorate Savings	(15,121)	(23,131)	(28,865)	(31,069)	(31,069)
Capital Plan Savings	(3,481)	(7,000)	(10,740)	(11,778)	(9,555)
Reserves Drawdown	(24,648)				
Balanced Budget Position 23/24	-	25,177	24,837	27,949	30,754

APPENDIX Cii

GENERAL FUND RESERVES

	Reserves at 1st April 2022 £'000	MTFS Update Approved Transfers £'000	Estimated Drawdown in-year £'000	Transfer to Unallocated Reserves £'000	Reserves Forecast at 31st Mar 2023 £'000	Drawdowns to Support 2023/24 MTFP £'000	Reserves Forecast at 1st Apr 2023 £'000	Reserves Forecast at 1st Apr 2024 £'000	Reserves Forecast at 1st Apr 2025 £'000	Reserves Forecast at 1st Apr 2026 £'000	Reserves Forecast at 1st Apr 2027 £'000	Reserves Forecast at 1st Apr 2028 £'000
STATUTORY RING-FENCED												
Schools Balances	(15,503)	-	-	-	(15,503)	-	(15,503)	(15,503)	(15,503)	(15,503)	(15,503)	(15,503)
Public Health	(1,442)	-	-	-	(1,442)	-	(1,442)	(1,442)	(1,442)	(1,442)	(1,442)	(1,442)
	(16,945)	-	-	-	(16,945)	-	(16,945)	(16,945)	(16,945)	(16,945)	(16,945)	(16,945)
EARMARKED RESERVES												
Ward Based activity	(1,286)	-	(131)	-	(1,417)	-	(1,417)	(1,417)	(1,417)	(1,417)	(1,417)	(1,417)
Place Partnership	(2,000)	-	15	1,900	(85)	-	(85)	(85)	(85)	(85)	(85)	(85)
Mental Health	(639)	-	203	-	(436)	-	(436)	(436)	(436)	(436)	(436)	(436)
Place Standard	(1,000)	-	27	-	(973)	-	(973)	(973)	(973)	(973)	(973)	(973)
Sub-Total (member led)	(4,925)	-	114	1,900	(2,911)	-	(2,911)	(2,911)	(2,911)	(2,911)	(2,911)	(2,911)
Apprenticeship levy	(2,915)	-	-	-	(2,915)	-	(2,915)	(2,915)	(2,915)	(2,915)	(2,915)	(2,915)
Transformation	(4,166)	-	(809)	2,000	(2,975)	-	(2,975)	(2,975)	(2,975)	(2,975)	(2,975)	(2,975)
Demand Reserve	(17,352)	-	1,400	7,352	(8,600)	-	(8,600)	(6,450)	(4,300)	(2,150)	-	-
Development Funding	(7,545)	(1,500)	1,267	6,300	(1,478)	-	(1,478)	(739)	-	-	-	-

	Reserves at 1st April 2022 £'000	MTFS Update Approved Transfers £'000	Estimated Drawdown in-year £'000	Transfer to Unallocated Reserves £'000	Reserves Forecast at 31st Mar 2023 £'000	Drawdowns to Support 2023/24 MTFP £'000	Reserves Forecast at 1st Apr 2023 £'000	Reserves Forecast at 1st Apr 2024 £'000	Reserves Forecast at 1st Apr 2025 £'000	Reserves Forecast at 1st Apr 2026 £'000	Reserves Forecast at 1st Apr 2027 £'000	Reserves Forecast at 1st Apr 2028 £'000
Revenue Grants	(18,821)	-	6,410	7,914	(4,497)	-	(4,497)	(6,997)	(6,997)	(6,997)	(6,997)	(6,997)
Stronger Families Grant	(1,524)	-	-	-	(1,524)	-	(1,524)	(1,524)	(1,524)	(1,524)	(1,524)	(1,524)
Social Care Reserve	(1,285)	-	-	-	(1,285)	-	(1,285)	(1,285)	(1,285)	(1,285)	(1,285)	(1,285)
Specific Risk Reserves	(4,860)	-	-	1,860	(3,000)	-	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)
COVID Reserves	(8,029)	1,500	1,178	674	(4,677)	3,268	(1,409)	-	-	-	-	-
Other	(3,645)	-	465	2,000	(1,180)	-	(1,180)	(1,180)	(1,180)	(1,180)	(1,180)	(1,180)
Earmarked Reserves sub-total	(75,067)	-	10,025	30,000	(35,042)	3,268	(31,774)	(29,976)	(27,087)	(24,937)	(22,787)	(22,787)
Unallocated Reserves	(47,108)	-	30,317	(30,000)	(46,791)	24,648	(22,143)	(22,143)	(22,143)	(22,143)	(22,143)	(22,143)
Total Usable Reserves	(122,175)	-	40,342	-	(81,833)	27,916	(53,917)	(52,119)	(49,230)	(47,080)	(44,930)	(44,930)
Grand Total All Reserves	(139,120)	-	40,342	-	(98,778)	27,916	(70,862)	(69,064)	(66,175)	(64,025)	(61,875)	(61,875)

Glossary of Reserves

RESERVE	DESCRIPTION
School Balances	Statutory reserves relating to both individual schools balances/deficits carried forwards.
Public Health	Timing issues on Public Health grant spend commitments (Public health grant is statutorily ring-fenced)
Ward Based Activity	Set aside reflecting timing issues on ward-based activity spend commitments
Place Partnership	To encourage Place specific local initiatives
Mental Health (including Domestic abuse)	To support a number of local area based mental health initiatives.
Place Standard	Set aside to support the resourcing of emerging Place Standard action plans.
Apprenticeship Levy	Set aside to fund future payments into the Apprenticeship levy
Transformation	Set aside for strategic transformation developments over the next 12 to 24 months.
Demand Reserve	Set aside to mitigate the impact/volatility of a range of potential demand risks on statutorily provided service activity
Development Funding	To address the scale of development costs required to support targeted development and the upscaling of capital investment activity and major project activity over the MTFP.
Revenue Grants	Represents grants and contributions recognised in the Comprehensive Income and Expenditure Statement before expenditure has been incurred.
Stronger Families	Set aside reflecting timing issues on expenditure commitments supporting a range of Stronger Families activity, funded from external grant.
Social Care	Set aside to cover phased rollout of a range of social care expenditure commitments as agreed at Cabinet, August 2018.
Specific Risk Reserves	Set aside to manage specific risks, including the potential risk of future loan defaults and managing the volatility surrounding treasury management budgets with respect to both potential changes in interest rates and the level of delivery of the capital plan.
COVID Reserves	Specific reserve set aside to cover the costs of the Council's COVID response including specific COVID grants recognised in the Comprehensive Income and Expenditure Statement before expenditure was incurred.
Other	A range of smaller reserves earmarked for specific purposes.
Unallocated Reserves	General reserve to support Council working capital and cashflow requirements, and unbudgeted/financial resilience risks highlighted in the Council's corporate risk register.

GOVERNMENT FUNDING – 2023/24 BREAKDOWN

Funding Stream	2023/24 £m
Revenue Support Grant	(30.6)
Business Rates Top Up	(15.5)
Business Rates Cap Compensation	(13.6)
Business Rates s31 Grants – Other	(14.6)
New Homes Bonus	(0.3)
Housing Admin Grant	(1.1)
Services Grant	(3.3)
Total Government Funding	(79.0)

Collection Fund Forecast (Council Share)

	Council Tax £000	Business Rates £000	Total £000
(Surplus)/Deficit at 1st April 2022	744	13,398	14,142
Re-payments to/(from) General Fund	(1,026)	(15,135)	(16,161)
In year Financial Performance	-	-	-
(Surplus)/Deficit at 31st March 2023	(282)	(1,737)	(2,019)
Planned Repayments to/(from) general fund in 2023/24	282	1,737	2,019
Adjusted (Surplus)/Deficit	-	-	-

HRA Reserves Forecast

	23/24 £000	24/25 £000	25/26 £000	26/27 £000	27/28 £000
As at April 1	38,816	17,309	15,000	15,000	15,000
In-Year Reserve Funded	(5,548)	(1,328)	(551)	2,573	4,795
In-year capital funding	(15,959)	(18,010)	(18,360)	(16,856)	(15,072)
Borrowing		17,029	18,911	14,283	10,277
Earmarked - business risk/Working Balance					(15,000)
As at 31 March (capital sinking fund rolled forward)	17,309	15,000	15,000	15,000	0

SENSITIVITY ANALYSIS

OPTIMISTIC SCENARIO	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m
BASELINE BUDGET GAP	25.2	24.8	27.9	30.8
<u>FUNDING</u>				
2024/25 Government Funding: 1% increase in funding uplift	(0.8)	(0.8)	(0.8)	(0.8)
2024/25 Council Tax and NNDR Collection Rates: no change	-	-	-	-
TOTAL FUNDING	(0.8)	(0.8)	(0.8)	(0.8)
<u>SPEND</u>				
2023/24 Pay Award: 5%	(2.3)	(2.3)	(2.3)	(2.3)
2023/24 Energy Uplift: 10% reduction in assumed uplift	(1.6)	(1.6)	(1.6)	(1.6)
Treasury Management Interest Rates: Reduced by 1%	(1.1)	(1.8)	(2.3)	(2.7)
TOTAL SPEND	(5.0)	(5.7)	(6.2)	(6.6)
TOTAL CHANGES FROM BASELINE	(5.8)	(6.5)	(7.0)	(7.4)
OPTIMISTIC SCENARIO - BUDGET GAP	19.4	18.3	20.9	23.4

PESSIMISTIC SCENARIO	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m
BASELINE BUDGET GAP	25.2	24.8	27.9	30.8
<u>FUNDING</u>				
2024/25 Government Funding: 1% reduction in funding uplift	0.8	0.8	0.8	0.8
2024/25 Council Tax and NNDR Collection Rates: Reduced by 1.0%	2.9	2.9	2.9	2.9
TOTAL FUNDING	3.7	3.7	3.7	3.7
<u>SPEND</u>				
2023/24 Pay Award: 7%	2.3	2.3	2.3	2.3
2023/24 Energy Uplift: 10% further increase	1.6	1.6	1.6	1.6
Treasury Management Interest Rates: Increased by 1%	1.1	1.8	2.3	2.7
TOTAL SPEND	5.0	5.7	6.2	6.6
TOTAL CHANGES FROM BASELINE	8.7	9.4	9.9	10.3
PESSIMISTIC SCENARIO - BUDGET GAP	33.9	34.2	37.8	41.1

FLEXIBLE USE OF CAPITAL RECEIPTS STRATEGY

1. Government guidance allows the capitalisation of certain types of qualifying revenue expenditure in-year, funded from the flexible use of 'in-year' generated capital receipts. The original DCLG guidance covered the 2016-19 period, but this was subsequently extended by a further 3 years, to 2021/22, following the Autumn Statement announcement on November 17th, 2017. The Local Government Finance Settlement for 2021/22 extended these capital receipts flexibilities for a further three years, which will cover the period up to and including 2024/25.
2. Local authorities are given the power to use capital receipts from the sale of general fund land and buildings received in the years in which this flexibility is offered, to spend up to 100% of their fixed asset receipts (excluding Right to Buy receipts) on the revenue costs of qualifying projects.
3. Government has provided a definition of expenditure which qualifies to be funded from capital receipts. This is: "Qualifying expenditure is expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners. Within this definition, it is for individual local authorities to decide whether or not a project qualifies for the flexibility."
4. The extent to which capital receipts will actually be applied in-year will take into account the following factors: i) the amount of capital receipts actually generated in-year; ii) the amount of qualifying capitalisable revenue expenditure in-year; iii) the affordability of borrowing to fund the capital plan in-year, where current funding assumptions include use of in-year capital receipts to part fund the Councils annual general fund capital plan.
5. The Council will use the powers under the DCLG guidance on the flexible use of capital receipts to fund up to £3m qualifying transformation expenditure in 2022/23 and £4m in 2023/24 on the projects summarised in the table below. The proposals set out are 'in principle' and allow officers the flexibility to consider a range of funding options in-year that meet the intended objectives set out in the Council's budget strategy.
6. The capital receipts described above are not built into the Council's current/proposed capital programme and so the utilisation of these receipts for capital receipts flexibility will not have a detrimental impact on the Council's prudential indicators, as set out in the Council's Treasury Management Strategy. All schemes which are eventually deemed to qualify for capitalisation would have the required costs funded through capital receipts rather than revenue.
7. It is intended that officers will update members as part of the annual budget report to full Council each February, and finalised proposals for the flexible use of capital receipts to be incorporated into an annual early closedown review report for Cabinet consideration early April.

Table - Flexible Use of Capital Receipts Strategy

Project	Project Description	Service Transformation / Savings	Directorate	Actual Use of Receipts 2021/22 (£k)	Planned Use of Receipts 2022/23 (£k)	Planned Use of Receipts 2023/24 (£k)
Transformation Project Team	Delivery of Transformation Programme for Adult Social Care to achieve the medium term financial plan savings and bring about sustainable change in the way adult social care is delivered by the council.	Service transformation and efficiency savings	Adults	287	375	400
Demand & Capacity	Restructuring and reconfiguring of Adult Social Care services to meet current and forecast levels of demand.	Service transformation and cost reduction	Adults	220	100	150
Replacement of Adult Social Care case management system	Implementation of integrated customer-led social care case management system, delivering efficiency improvements and improved data, thereby achieving more positive results for service users.	Service transformation and efficiency savings	Adults	63	102	100
Occupational therapy & Moving and Handling staff	Funding for additional staff to reduce demand for more costly social care support over long term	Cost reduction	Adults	0	0	150
SEND Transformation - salary and consultancy costs	Implementation of SEND Transformation Plan. A comprehensive SEND Transformation Plan has been established and implementation of the multi-year programme is well underway. Work is founded on outcome / financial trajectories and the plans will continue to evolve over the lifetime of the 5 year programme.	Service transformation and cost reduction	Childrens	1,041	656	700
Resources and Waste Strategy - staff costs	Development of the council's Waste Strategy transformation agenda over the medium term.	Environmental improvements	Environment & Climate Change	129	140	200

Project	Project Description	Service Transformation / Savings	Directorate	Actual Use of Receipts 2021/22 (£k)	Planned Use of Receipts 2022/23 (£k)	Planned Use of Receipts 2023/24 (£k)
School Transport Transformation	Delivery of Transformation programme to achieve cost savings in delivery of School Transport	Efficiency savings	Environment & CC	0	0	150
Transformation Team Costs	Funding for Transformation and Culture Change team, providing council wide support in the delivery of service transformation and financial savings aligned to existing improvement programmes and the delivery of service reviews.	Transformational activity and efficiency savings	Corporate	1,090	1,570	1,700
Digital Transformation - staff costs, IT software & equipment	Identify opportunities to improve the efficiency of Information Government systems, including scanning of documents (procurement and training), development of new online resources to deliver thematic IG training, SAR digitalisation project, and other additional IG activity	Efficiency savings	Corporate	88	36	400
New Council Programme	Staff coaching in the delivery of Organisational Change	Transformational activity	Corporate	31	12	20
Business Transformation Partnership	Commissioning of consultants to support transformation projects, in particular the broader transformation and investment proposals in relation to SEND	Transformational activity	Corporate	143	0	0
The Knowledge Academy	Project Management training - transformation projects	Transformational activity	Corporate	34	0	0
NDC Capitalisation - pension costs		Cost reduction	Central	24	14	30
NDC Capitalisation - severance costs		Cost reduction	Corporate	11	0	0
				3,161	3,005	4,000

Introduction

This capital strategy report gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance members' understanding of these sometimes technical areas.

Decisions made on capital and treasury management can have financial consequences many years into the future. They are therefore subject to both a national regulatory framework and to local policy framework, summarised in this report.

Capital Expenditure and Financing

Capital expenditure is where the Council spends money on assets, such as property or vehicles that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets..

In 2023/24, the Council is planning capital expenditure of £237.0 million as summarised below:

Prudential Indicator: Estimates of Capital Expenditure across years

	2022/23 forecast £m	2023/24 budget £m	2024/25 budget £m	2025/26 budget £m	2026/27 budget £m	2027/28 budget £m
General Fund services	153.1	185.1	176.3	151.5	85.9	83.9
Council Housing (HRA)	29.1	46.2	56.5	54.1	48.0	48.6
Capital Investments	2.8	5.7	1.8	0.0	0.0	0.0
TOTAL	185.0	237.0	234.6	205.6	133.9	132.5

The Housing Revenue Account (HRA) is a ring-fenced account which ensures that Council housing does not subsidise, or is itself subsidised, by other local services paid for from the general fund. HRA capital expenditure is therefore recorded separately.

Capital investments include loans and shares made for service purposes in line with the definition in the CIPFA Treasury Management Code.

Governance: The Council's annual planning cycle fully integrates the timetabling and consideration of revenue and capital resource requirements over the Council's medium term financial plan. This includes provision for Strategic Directors to submit outline bids for inclusion in the Council's capital plan. Bids are collated by corporate finance, who advise Strategic Directors on both the financing costs (which can be nil if the project is fully externally financed) and service revenue implications.

The Capital Governance Board appraises business cases based on an assessment of Council priority outcomes, funding availability and affordability, and makes recommendations to Executive Team. There are a number of sub-officer groups with relevant specialist expertise that are also involved in shaping capital proposals for submission to the Capital Governance Board. These include the children's capital board, the adult's capital delivery and oversight

board, the major projects board, the town centre programme board and the economy and infrastructure board.

The final multi-year capital plan is then considered in the corporate member arena to Cabinet in January/February and to Council in February/March each year.

Council Financial Procedure Rules also set out the specific financial governance requirements for consideration with regards the Council's capital investment. This includes the requirement for any schemes approved by Council at Programme level, to be considered subsequently for Cabinet approval through submission of a more detailed business case as required. Full details of the Council's multi-year capital plan is set out in the Council's annual 2023-28 budget report.

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue contributions, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

Capital financing

	2022/23 forecast £m	2023/24 budget £m	2024/25 budget £m	2025/26 budget £m	2026/27 budget £m	2027/28 budget £m
External sources	61.5	103.0	96.3	75.6	43.6	34.8
Capital receipts	10.0	17.9	19.7	17.8	16.0	7.2
Revenue resources	23.7	30.4	37.6	38.1	39.5	40.1
Debt	89.8	85.7	81.0	74.1	34.8	50.4
TOTAL	185.0	237.0	234.6	205.6	133.9	132.5

Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP). The Council's minimum revenue provision (MRP) policy is set out in the Council's Treasury Management Strategy which is appended at Appendix I to the Council's 2023-28 Annual budget report.

Alternatively, proceeds from selling capital assets (known as capital receipts) or loan fund repayments may be used to replace debt finance. Planned MRP and use of capital receipts are as follows:

Replacement of prior years' debt finance

	2022/23 forecast £m	2023/24 budget £m	2024/25 budget £m	2025/26 budget £m
Minimum Revenue Provision (MRP) (underlying cost)	17.2	18.5	20.0	21.1
Minimum Revenue Provision (MRP) (unwind of over-provision)	(13.7)	(13.6)	(0.0)	(0.0)
Capital receipts - loan repayments	1.0	1.2	1.2	1.4
TOTAL	4.5	6.1	21.2	22.5

The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP, loan repayments and capital receipts used to replace debt. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

Prudential Indicator: Estimates of Capital Financing Requirement

	2022/23 forecast £m	2023/24 budget £m	2024/25 budget £m	2025/26 budget £m
General Fund CFR- Non PFI	618.0	678.8	725.2	762.3
General Fund CFR- PFI	35.5	33.6	31.3	28.8
HRA CFR- Non PFI	175.3	170.3	171.1	177.8
HRA CFR- PFI	42.7	40.6	38.0	35.3
TOTAL CFR	871.5	923.3	965.6	1,004.2
Less: PFI debt liabilities	78.2	74.2	69.3	64.1
Less: Other deferred liabilities	3.6	3.6	3.5	3.5
TOTAL Borrowing CFR	789.7	845.5	892.8	936.6

Asset management: To ensure that capital assets continue to be of long-term use, the Council utilises an electronic database, the 'Council Corporate Asset Management Plan (K2)' which contains detailed information about all of its assets. The Council also has in place a Disposals and Acquisition Policy, which sets out the principals, internal procedures and legal framework for asset disposals, please see the link below:

[Disposals & Acquisitions Policy](#)

Assets which are surplus to requirements are highlighted for potential disposal. These are reviewed at the Asset Governance Board to consider potential alternative corporate use prior to disposal.

Asset disposals: When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. Repayments of capital grants, loans and investments also generate capital receipts. The Council plans to receive up to £20 million each year over the period of the Capital Plan (2023-28) from the sale of assets. The Council is currently also permitted to spend capital receipts 'flexibly' on service transformation projects until 2024/25.

Treasury Management

Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.

Borrowing strategy: The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheaper short-term loans and long-term fixed rate loans where the future cost is known but higher.

The Council does not borrow to invest for the primary purpose of financial return and therefore retains full access to the Public Works Loan Board.

Projected levels of the Council's total outstanding debt (which comprises borrowing, PFI liabilities, leases and transferred debt) are shown below, compared with the capital financing requirement (see above).

Prudential Indicator: Gross Debt and the Capital Financing Requirement

	2022/23 forecast £m	2023/24 budget £m	2024/25 budget £m	2025/26 budget £m
Debt (incl. PFI & leases)	637.5	708.1	748.0	788.4
Capital Financing Requirement	871.5	923.3	965.6	1,004.2

Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from the table above, the Council expects to comply with this in the medium term.

Liability benchmark: To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances are kept to a minimum level of £30 million at each year-end. This benchmark is currently forecast at £585.7 million and is projected to rise to £750.8 million over the next three years.

Prudential Indicator: Borrowing and the Liability Benchmark

	2022/23 forecast £m	2023/24 budget £m	2024/25 budget £m	2025/26 budget £m
Outstanding borrowing	555.7	630.3	675.2	720.7
Liability benchmark	585.7	660.3	705.2	750.7

The table shows that the Council's current borrowing remains below its liability benchmark. The liability benchmark takes into account any reduction in reserves which is not offset with borrowing.

Affordable borrowing limit: The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit

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

Prudential Indicators: Authorised limit and operational boundary for external debt

	2022/23 limit	2023/24 limit	2024/25 limit	2025/26 limit
Authorised limit – borrowing	809.7	865.5	912.8	956.6
Authorised limit – PFI and leases	86.8	82.8	77.8	72.6
Authorised limit – total external debt	896.5	948.3	990.6	1,029.2
Operational boundary – borrowing	789.7	845.5	892.8	936.6
Operational boundary – PFI and leases	81.8	77.8	72.8	67.6
Operational boundary – Total	871.5	923.3	965.6	1,004.2

Further details on borrowing are highlighted in the Treasury Management Strategy appended at Appendix I to the Council's annual 2023-28 budget report.

Treasury investment strategy: Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

The Council's policy on treasury investments is to prioritise security and liquidity over yield that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.

Treasury management investments

	2022/23 forecast £m	2023/24 budget £m	2024/25 budget £m	2025/26 budget £m
Near-term investments	20.0	20.0	20.0	20.0
Longer-term investments	10.0	10.0	10.0	10.0
TOTAL	30.0	30.0	30.0	30.0

Further details on treasury investments are highlighted in the Treasury Management Strategy appended at Appendix I to the Council's annual 2023-28 budget report.

Risk management: The effective management and control of risk are prime objectives of the Council's treasury management activities. The treasury management strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses and details to which financial derivatives may be used to manage treasury risks.

Governance: Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Service Director Finance and staff, who must act in line with the treasury management strategy approved by Council/Corporate Governance and Audit

Committee. Reports on treasury management activity are presented every 6 months to Council/ Corporate Governance and Audit Committee. The Corporate Governance and Audit Committee is responsible for scrutinising treasury management decisions.

Investments for Service Purposes

The Council makes investments to assist local public services, including making loans to a variety of organisations, mainly local businesses, the local education college and local residents to support local public services and stimulate local economic growth.

Risk management: In light of the public service objective, the Council is willing to take more risk than with treasury investments, however it still plans for such investments to break even after all costs. The risk of incurring unexpected losses is managed by continued oversight and involvement in the strategic and operational aspects of the business and participation in decision making.

Governance: Decisions on service investments are made by the Strategic Director - Growth and Regeneration, in consultation with the Service Director Finance, and must meet the criteria and limits laid down in the Investment Strategy. Most loans and shares are capital expenditure and purchases will therefore also be approved as part of the capital programme. The Service Director – Growth and Regeneration is responsible for ensuring that adequate due diligence is carried out before investment is made.

Further details on service investments are shown in the Investment Strategy appended to the Treasury Management Strategy (Appendix I in the Council's annual 2023-28 budget report).

Commercial Activities

With central government financial support for local public services declining, the Council invests in commercial property mainly for financial gains. Total commercial property investments are valued at £19.3 million.

Risk management: With financial return being the main objective, the Council accepts higher risk on commercial investments than with treasury investments. The principal risk exposures include a fall in capital value and reduction in rentals. These risks are managed by monitoring and annual reviews as part of the Council's wider asset strategy including potential future appreciation and potential receipt value.

Governance: Decisions on commercial investments are made by The Service Director – Growth and Regeneration in line with the criteria and limits approved by Council in the Investment Strategy. Property and most other commercial investments are also capital expenditure and purchases will therefore be approved as part of the capital programme. It is not the Council's intention to invest in any new commercial portfolio investments at this time. If any new investments are identified a risk assessment would be performed. The Service Director – Growth and Regeneration is responsible for ensuring that adequate due diligence is carried out before the investment is made.

Further details on commercial investments are shown in the Investment Strategy appended to the Treasury Management Strategy (Appendix I in the Council's annual 2023-28 budget report).

Prudential Indicator: Net income from commercial and service investments to net revenue stream

	2022/23 forecast	2023/24 budget	2024/25 budget	2025/26 budget
Total net income from service and commercial investments	1.5	1.8	1.8	1.8
Proportion of net revenue stream	0.6%	0.6%	0.6%	0.6%

Revenue Budget Implications

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP repayments are charged to revenue. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

Prudential Indicator: Proportion of financing costs to net revenue stream

	2022/23 forecast	2023/24 budget	2024/25 budget	2025/26 budget	2026/27 budget	2027/28 budget
Financing costs (£m)	37.5	39.9	44.9	49.3	52.8	56.3
Proportion of net revenue stream	11.0%	11.2%	11.9%	12.7%	13.1%	13.6%
General Fund (excl PFI)	9.3%	10.2%	10.9%	11.7%	12.2%	12.6%
HRA	31.2%	29.7%	28.6%	28.5%	27.8%	27.0%
HRA (excl PFI)	30.3%	28.8%	27.9%	28.0%	27.4%	26.8%

Further details on the revenue implications of capital expenditure are detailed in the Council's annual 2023-28 budget report.

Sustainability: Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The Service Director Finance and Council s151 Officer has to be satisfied that the proposed multi-year capital plan and borrowing affordability remains prudent, affordable and sustainable. The Council capital plan continues to reflect the Administration's continuing key priorities to protect our most vulnerable, including sufficiency growth within District, and longer-term economic growth & regeneration ambition across the Districts places and major town centres. The borrowing proposals are significant over the longer term, and at the same time the financial challenges facing the Council are also significant over the short to medium term, and also in a current wider economic environment where Bank of England base rates, which impact on new borrowing costs, are currently 4.0% (from a historical low of 0.1% at the start of December 2021) and expected to peak at 4.25% by March 2024, before gradually falling over the following year to 3.25%. In this context, 'affordability' has become an increasingly significant risk as well from just 12 months ago. The overall capital plan has been reviewed and re-phased with enhanced future flexibility, and the expectation is that in order for the overall capital plan to remain affordable, the Council will deliver, year on year, on its

approved medium term financial strategies and plans including sustainable revenue savings requirements, within available means. The context for this current judgement is also reflected in the s151 Officer's statutory Positive Assurance statement as part of the annual 2023-28 budget report.

Liabilities

In addition to debt detailed above, the Council is committed to making future payments to cover its pension fund deficit (valued at £693.1 million) and its PFI finance lease obligation (total liability of all schemes £84.6 million, offset by a net book value of assets of £94.5 million). It has also set aside provisions of £13.2 million to cover risks associated with Business Rates Appeals and the Council's Insurance Fund. The Council is also at risk of having to pay for a number of contingent liabilities (which are separately disclosed each year in the Statement of Accounts) and is satisfied that any potential future liabilities are covered as part of its overall financial resilience reserves.

Governance: Decisions on incurring new discretionary liabilities are taken by Strategic Directors in consultation with the Service Director Finance and in conjunction with the Council's Financial Procedure Rules. The risk of liabilities crystallising and requiring payment is monitored by central finance and any new liabilities would be reported appropriately.

Knowledge and Skills

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Service Director – Finance is a qualified accountant with extensive local government experience, the Strategic Director – Growth and Regeneration has experience of major Council regeneration schemes and partnerships with major business and third party partners, as do key Service Directors. The Council pays for junior staff to study towards relevant professional qualifications including CIPFA, ACA and AAT.

Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers. This approach is more cost effective than employing such staff directly and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

KEY CORPORATE RISK MATRIX

FEBRUARY 2023

KCR 1	Financial Sustainability	Previous	Current
Risk Owner: CEO			➔
Risk Type: Financial			
Risk of failing to maintain a sustainable financial position due to the Council facing ongoing financial pressures with multiple causes; Government funding cuts, the impact and subsequent recovery from Covid-19, and the macroeconomic situation which is driving increases in both demand for services and costs to deliver services, as well as increasing borrowing costs across the financial plan period.			
Q4 update: Whilst the Local Government Finance Settlement was in line with expectations external economic factors remain challenging. Focus remains on reducing the in year budget gap and delivering balanced 2023-24 budget through robust oversight of all uncommitted spend including recruitment, premises and procurement activity. Corporate capital plan review is underway considering where revised phasing can support required outcomes. Consideration given to the risks associated with budget reductions and the wider impacts of external economic factors on citizens, suppliers and partner organisations.			
Sources of risk		Responsible Officer	Previous
Mitigating controls / actions			Current
1.1	Failure to maintain sufficient level of priority and focus that could lead to in year savings not being achieved, resulting in budget overspend and / or next years budget not being delivered to timetable	Director of Finance	4x5=20
1.1.1	Established governance arrangements are in place to achieve planned outcomes at Cabinet and officer level including quarterly reporting to Cabinet / ET and escalation processes as required		4x5 = 20
1.1.2	Forecasts reviewed and updated on a monthly basis with updated year end position		
1.1.3	Ongoing budget monitoring takes place in conjunction with budget holders, responsibility for budgetary control is aligned to Strategic and Service Directors there are dedicated finance managers for each service area and dedicated income management teams		
1.1.3	Regular meetings and ongoing engagement as required between Service Directors and Finance, there are regular links to performance meetings, monitoring KPIs and contract compliance		
1.1.5	Internal Finance business meetings to share knowledge and best practice take place fortnightly		
1.1.6	Virements are used where appropriate to ensure budgets and spend are aligned accurately		
1.1.7	Separate process for HRA business plan setting, monitoring and updating however subject to same robust controls		
1.1.8	Awareness and planning to mitigate changes in volume / demand / contribution levels, including changes in funding from NHS		
1.2	Risk of medium-long term financial instability caused by failure to develop or adhere to robust financial planning processes and procedures leading to reductions in service provision, possible government intervention and reputational damage	Director of Finance	4x5 = 20
1.2.1	Agreed 5 year plan including both capital and revenue spend	Agreed Q1 2022	4x5 = 20

1.2.2	Documented governance process for determining adequacy of reserves and the utilisation of reserves, if required, to balance the budget			
1.2.3	Corporate capital plan review	In progress		
1.3	Inflationary pressures are resulting in cost increases, which impact on the council directly, and on the ability of contractors to deliver activities of the specified quality at the agreed price	Head of Finance / Procurement / Contract Managers	5x4=20	5x4 = 20
1.3.1	Ongoing and effective communication with service providers and suppliers about likely impact on prices (e.g., 5-year expectation of cost increases by one quarter on construction projects)			
1.3.2	Contract procedure rules followed, investigate where opportunity exists to renegotiate or retender contracts			
1.3.3	Ensure that budgets anticipate likely cost impacts with allowances built into budget to cover inflation risk. Recognise that even where inflation linked cost impact are permitted contractually, they may not be acceptable politically / reputationally			
1.3.4	Regular review of priorities and available resources, informed by ongoing monitoring of expenditure and updated forecast position			
1.3.5	Ongoing review of project business cases to consider how changes to assumed costs (borrowing / raw materials / contractor) impact overall viability. Similarly, to revisit benefits case where project outcomes deliver reduced energy consumption.	Head of Commercial Services		
1.4	The risk of a reduction in expected income as tenants, residents and businesses are unable to meet financial commitments resulting in a failure to meet budgeted income targets for Council Tax, Business Rates and other payments.	Head of Welfare and Exchequer	4x4=16	4x4 = 16
1.4.1	Continue to migrate customers to cheaper, more effective methods of payment (e.g. Direct Debit).			
1.4.2	Process work in timely manner ensuring that correct bills are issued to customers as soon as possible and benefits are paid in line with expectations			
1.4.3	Adhere to the recovery timetable for issuing reminders and summonses.			
1.4.4	Continue to drive 'digital by design' improvement of business processes to reduce waste and deliver improved processing times			
1.5	Making inappropriate choices in relation to lending or and borrowing decisions, leads to financial losses.	Head of Accountancy	2x4= 8	2x4 = 8
1.5.1	Treasury management (TM) policy which sets out the policies and objectives of its TM activities and treasury management practices, how those policies and objectives will be achieved and how TM will be managed and controlled.			
1.5.2	TM strategy and plan recommended to and approved by the Corporate Governance & Audit Committee and Cabinet			
1.5.3	Report to Council (via the Corporate Governance & Audit Committee and Cabinet) at least once in relation to treasury management activity during the year			
1.5.4	Keeping updated in relation to rate changes			
1.6	Exposure to uninsured losses or significant unforeseen costs, leads to the necessity for unintended savings to balance the councils finances.	Head of Accountancy / Insurance Manager	2x4=8	2x4 = 8
1.6.1	Ensure adequacy of financial revenue reserves to protect the council's financial exposure and maintain effective management to minimise impact on the council essential services.			

1.6.2	Actively consider the appropriate treatment for known risks, accepting that insurance provided by 3 rd party may not always be the optimum solution.	Note that we are experiencing increases to insurance premiums in line with inflation
1.6.3	Maintain awareness of risk activity that the insurance market is unwilling to cover and developments of offerings in this area. Eg: Combustible composite panelling (cladding), Cyber attacks	

KCR 2		Effective Governance	Previous	Current	
Risk Owner: SD Corporate Strategy, Commissioning & Public Health		Risk Type: Compliance / Legal / Reputational		➔	
<p>Failure to effectively design, implement and maintain fit for purpose governance frameworks could lead to statutory breaches, poor allocation of resources and reputational damage for the Council. Given the breadth of activity and speed of delivery it is crucial that decision making and service delivery activity is well controlled to demonstrate value for money and be sufficiently agile to respond to resetting of priorities at a strategic or operational level.</p> <p>Q4 Update: Focus remains on governance of decision making across the budget setting process, ensuring effective stakeholder management and member engagement, and transparent assessment of the expected and potential impacts of decisions on council services and more broadly on residents, communities and businesses. Implementation of previous actions require time to embed and demonstrate effectiveness. Opportunity for further improvements to be explored.</p>					
Sources of risk and Mitigating controls / actions			Responsible Officer	Previous	Current
2.1	Failure to ensure that effective processes, frameworks and training are in place and adhered to, by officers and members, in order to facilitate ethical, compliant and legally sound decision making, to avoid subsequent challenge and reputational damage.		Head of Governance	2x4 = 8	2x4 = 8
2.1.1	Agenda planning process is embedded with regular reminders issued				
2.1.2	Scheme of delegations has been approved		ET to comment on extent to which they can provide assurance that agreed processes are adhered to.		
2.1.3	General online and bespoke training available on CPRs, FPRs, Working in a Political Environment and Decision Making				
2.1.4	Effective stakeholder engagement and appropriate challenge (between officers, officers and members, and between member), with sufficient time for adequate consideration and scrutiny (e.g. timely publication of Key Decision Notices) is required				
2.1.5	Carefully following all rules and requirements, particularly those related to Financial Procedures Rules and Contract Procedure Rules				
2.1.6	Clear processes for recording officer decisions are in place, with an increase in the number of decisions that are being recorded				
2.1.7	Series of SLT briefings have taken place to ensure requirements are understood		Complete		
2.1.8	Review of decision-making templates to ensure the requirement to identify and document the associated risks is included. This could be existing risks that will be mitigated, the introduction of new risks, or a combination of both.		NEW ACTION		
2.2	Management of information from loss or inappropriate destruction or retention and the risk of failure to comply with the Council's obligations in relation to Data Protection, Freedom of Information legislation and the General Data Protection Regulations (GDPR) leading to reputational damage, rectification costs and fines.		Head of Governance	3x4 = 12	3x4 = 12
2.2.1	Thorough, understandable information governance policy and supporting procedures that are clearly communicated to workforce and councillors				
2.2.2	IG Guides have been developed and are published on the Intranet. These cover topics such as DPIAs, privacy notices and information security				

2.2.3	Sharepoint site developed to host templates and provide additional guidance			
2.2.4	Development and maintenance of data retention schedules within operational areas			
2.2.5	Established process for recording and assessing potential data breaches, including process for reporting to ICO if required			
2.2.6	Council has a Senior Information Risk Owner (SIRO) officer and a Data Protection Officer (DPO) supported by an Information Governance Board			
2.2.7	GDPR training is included as part of induction training for all relevant roles			
2.2.8	Ongoing development and implementation of training programme(s) to meet the needs of officers and members to continue to embed processes and maintain awareness			
2.3	Failure to administer elections (parish / local / parliamentary) in line with required legislation / guidance (eg. Elections Act 2022).	Head of Governance	3x4=12	3x4 =12
2.3.1	Established elections team in place to assess requirements and implement necessary changes			
2.3.2	Working collaboratively with other LAs to understand likely implications and to share approach			
2.3.2	Attending weekly Cabinet Office briefings			
2.3.4	Awaiting final legislation detailing changes that must be enacted prior to May 2023 election period. Draft legislation reviewed and planning underway. Will require communications strategy, changes to operational processes and has financial implications.			
2.3.5	Initiating working groups to address specific strands of changes (eg IT working group for development of voter registration portal)			
2.4	Failure to implement effective controls to prevent and identify fraudulent activity resulting in potential misuse of council resources leading to unfair outcomes for service users, poor value for money and reputational damage	Head of IA and Risk	3x4 = 12	3x4 = 12
2.4.1	Development and approval of revised Fraud Strategy			Approved Dec 2022
2.4.2	Relaunch Fraud Risk Panel to provide cross service oversight of fraud risks and mitigants			First meeting Q1 2023
2.5	Insufficient visibility of the council-wide change delivery programme incorporating both transformation and project activity, concerns that the organisational capacity to deliver is insufficient to cope with the ambitious change agenda, coupled with challenging 'steady state' conditions.	SD Strategy & Innovation	3x3 = 9	3x3 = 9
2.5.1	Corporate Transformation priorities are required to follow agreed project methodology			
2.5.2.	Clear and effective governance models and reporting routes in place, for Corporate Transformation Priorities, to include <ul style="list-style-type: none"> • Individual Programme Board meetings, as appropriate • Corporate Transformation Priorities are considered at Monthly Modern Organisation Board and/or Bi-Monthly TPB meetings. Programme risks reviewed with opportunity to escalate specific high risks for consideration and discussion • Programme Assurance Sessions for corporate transformation led priorities, enabling opportunity for challenge and support on risk management • Corporate PMO to have oversight of Corporate Transformation Priorities performance and progress tracking 			
2.5.3	Implementation of robust benefits realisation planning to ensure that both financial and non-financial outcomes are delivered in line with expectations, across all in-view programmes			

KCR 3		Statutory Obligations	Previous	Current	
Risk Owner: Chief Executive		Risk Type: Legal / Compliance		↑	
<p>The risk that the Council, or their delivery partners, are unable to meet statutory obligations due to changes in funding models and / or changes external market conditions (difficulty in recruiting, increasing costs inc NMW) or the emergence of new, unfunded government burdens. Where statutory obligations are delivered by external bodies (eg. West Yorkshire Joint Services) the process for obtaining ongoing assurance must be agreed and monitored through robust governance frameworks.</p> <p>Q4 update: The sustainability of the social care market is documented here as a standalone risk, having previously been highlighted as an Emerging Risk. Demand across the health and social care sector with capacity constraints, resourcing challenges and funding uncertainty is increasing the risk profile. Additionally, the failure to maintain policies where there is a statutory requirement is documented as a risk. Continued uncertainty on the legislative agenda across the short to medium term (Elections Act, Social Care, Protect Duty).</p>					
Sources of risk and Mitigating controls / actions			Responsible Officer	Previous	Current
3.1	Risk that new statutory obligations create additional resource requirements that are not covered by existing government / other funding allocations and impact on the councils current policies and strategies.		CEO / ET	4x3=12	4x3 = 12
3.1.1	Horizon scanning and work to ensure that the local impacts of national legislation, or other changes are fully understood as soon as practical				
3.1.2	Strategic Leaders participate in regional and national forums. Joint responses to emerging issues are coordinated through these forums				
3.1.3	Continue to lobby, through appropriate mechanisms, for additional resources e.g., Local Government Association (LGA)				
3.1.4	Be aware of underlying issues through effective communication with citizens, partners, service providers and suppliers about likely impact on resources				
3.1.5	Understand, scenario plan and monitor financial implications so that budgets can anticipate likely impacts				
3.1.6	Lobby for appropriate shares of NI levies for local authorities- or similar funding.				
3.2	Failure to complete adequate assurance where responsibility to deliver statutory obligation has been [transferred] to external organisations		CEO / ET	3x3=9	3x3 = 9
3.2.1	Robust governance framework in place to monitor adherence to obligations that have been transferred eg. WYJS				
3.3	Sustainability of the Social Care Market: Service provider failures and \ or market exits resulting from increasingly difficult operating circumstances including, increasing costs, challenges with recruitment and retention and maintaining service quality		SD Adults & Health	NEW	4x5 = 20
3.3.1	Continue to engage with Kirklees Care Association ensuring issues for the sector are picked up and jointly owned.				

3.3.2	Where quality issues exist/emerge with the sector, steps are taken with system partners and CQC to ensure safety of residents.			
3.3.3	Escalation of issues where necessary to senior leaders and portfolio holder where provider failure is an issue.			
3.3.4	Sharing intelligence across the system through ourselves partner agencies allowing us to look for early signs of possible failure so we can intervene early and address issues at the earliest opportunity			
3.3.5	Continue to develop understanding and focus on performance measures to maximise grant income (where practical)			
3.4	The Council does not have in place adequate and up to date statutory or other policies, creating a risk of statutory intervention, or the use of the absence of such policies to challenge decisions or actions (through the courts)	Director of Strategy & Innovation	NEW	3x3 = 9
3.4.1	Ensure all statutory policies are in place, have been reviewed within required timescales, and align with current practices, budget etc			
3.4.2	Ensure where appropriate, non-statutory policies are in place and regularly reviewed to inform and support consistent development of service provision and can be relied upon in instances of challenge (eg. complaints)			

KCR 4	Third Party Relationship Management	Previous	Current
Risk Owner: Chief Executive		Risk Type: Operational / Reputational / Financial	
<p>Failure to develop and manage relationships with third parties (including grant awarding bodies and government agencies) to ensure council priorities are considered and outcomes delivered. Provision of services to residents and communities is no longer the sole preserve of 'the council', from the allocation of funding to end user delivery it is to be expected that there will be a multitude of third parties involved. These range from other public sector bodies, private suppliers / contractors, commercial partners to voluntary organisations. It is imperative that the Council nurture and maintain effective and influential working relationships with these third parties demonstrating robust governance and oversight.</p> <p>Q4 Update: To support the organisation wide focus on financial controls a Contract Assurance & Resilience Board has been established to provide scrutiny of all new expenditure, beyond existing commitments and services. It is anticipated that we will continue to experience increased competition for available funding and it is important that we remain agile to respond to differing requirements. We remain aware of the operational challenges that third party organisations are facing. The risks (inc financial, reputational) associated with the failure of associated parties is noted.</p>			
Sources of risk and Mitigating controls / actions		Responsible Officer	Previous
4.1	Risk of low levels of interest from suppliers in renewing contracts / tendering for contracts resulting in reduced competition and potentially poor-quality service. Risk of contractor failure resulting in impacts on service	Head of Procurement	5x4=20
4.1.1	Proactively encourage and stimulate interest in tendering for council contracts by developing and publishing market position statements and procurement pipeline opportunities, undertake regular dialogue with market.		
4.1.3	Ensure sufficient time is allocated to procurement activities to allow for pre-market engagement (where appropriate) and to allow time for potential suppliers to submit bids within timescales		
4.1.4	Recognise and mitigate for differing sources of risk such as reliance on single suppliers and contracting with firms that derive large proportions of their business from the public sector		
4.1.5	Commission effectively; ensuring specifications are fit for purpose		
4.1.6	Instigate early consultation with existing suppliers about arrangements to be followed at the end of existing contractual arrangements		
4.1.7	Undertake robust contract management - ensuring suppliers are performing and delivering against any key performance indicators and plans in place to manage external pressures such as changes to NMW, recruitment / retention challenges, supply chain disruption		
4.1.8	Adhere to payment terms to maintain adequate cash flow for smaller contractors		
4.1.9	The new Kirklees Procurement Strategy 2022-2026 and Action Plan details how KC will become an attractive partner to do business with, whilst maximising the economic, social and environmental benefits through our approach to social value	In progress	
4.1.10	Adherence to procurement processes, including the agreed governance framework, to ensure the risks associated with approvals are documented and escalated appropriately	Contract Assurance Board now forms part of the agreed governance framework	

4.2	<p>Risk that external agencies become increasingly influential and impose additional governance arrangements / policy and processes on to KC leading to protracted decision / delivery timelines, conflicting priorities, extra costs and political pressure, including but not limited to:</p> <ul style="list-style-type: none"> • West Yorkshire Combined Authority (WYCA)/Leeds City Region Local Enterprise Partnership (LEP) • West Yorkshire Police and Crime Commissioner • WYJS • Government departments e.g. DLUHC, BEIS • NHS West Yorkshire Integrated Care Board / Kirklees Integrated Care Board 	CEO / ET	4x3=12	4x3 = 12
4.2.1	Maintain senior officer engagement eg, Strategic Director currently Chair of 'Directors of Development' group,			
4.2.2	Ensure that Kirklees are represented on all relevant boards and relevant officer groups with appropriate briefing			
4.2.3	Ensure effective use of WY Chief Executives and WY Leaders groups to escalate issues / concerns			
4.2.4	Work with partners to co-design governance processes / funding agreements etc.. to reduce the risk of additional and unnecessary provisions which add cost or delays			
4.2.5	WY ICB Monthly meeting attended by senior officers (CEO, SD Adults & Health and Director of PH)			
4.3	A failure by an associated party creates financial or reputational issues for the council	CEO / SD Governance & Commissioning	NEW	3x3 = 9
4.3.1	Adequate monitoring of activities of associated parties			
4.3.2	Robust and task-based approach to selection of appropriate persons to act in governance roles within those organisations			
4.3.3	Proactive negotiation of risk and reward relationship			

KCR 5		Workforce Development	Previous	Current	
Risk Owner: SD Corporate Strategy, Commissioning and Public Health		Risk Type: Colleague / Operational		➔	
<p>Risk that delivery of services is negatively impacted through a reduction in number and / or capability of council workforce. We are reliant on maintaining a suitably qualified, capable and motivated workforce in order to meet the expectations of our partners and communities.</p> <p>Q4 update: We continue to experience challenging operating conditions in line with other public and private sector organisations. Whilst recruitment is limited to essential roles only, these remain subject to significant market pressures. The impact of operating with high levels of vacancies / temporary staff continues to negatively impact on existing employees. Sickness levels have peaked in line with seasonal flu and a new strain of Covid which places an additional strain on resources. The risk of industrial action remains elevated, as the Council enter another round of pay negotiations with trade unions where expectations on salary increase will be high.</p>					
Sources of risk and Mitigating controls / actions			Responsible Officer	Previous	Current
5.1	Failure to deliver the recruitment requirements to resource council roles, primarily due to market conditions including salary expectations or role specifications, leading to increasing numbers of agency / contracted staff with resulting financial and operational implications.		Head of People Services	5x4 = 20	5x4 = 20
5.1.1	Recruitment strategy to promote the range of employee benefits and emphasise the job satisfaction factors, specifically from service employment		Refocussed to target essential roles only		
5.1.2	Recruitment initiatives include working with the job centre, launch of careers site, working with employment and skills and social media campaigns. Marketing / Comms activity focussing on essential roles only		Successful recruitment events held in Q3		
5.1.3	Embedding flexibility into the recruitment process where possible and responding to changing candidate expectations. Eg. Application form has been further simplified.				
5.1.4	Engage and encourage younger people through targeted apprenticeships, training and career development opportunities as well as support into employment programmes (Project Search, Kickstart and work experience)				
5.2	The risk of failing to retain a motivated, sustainable and diverse workforce, appropriately skilled to meet the demands of the council / government agenda.		Head of People Services	5x4 = 20	5x4 = 20
5.2.1	Refreshed People Strategy now in place, with regular monitoring of workforce data at ET and SLTs		Ongoing – monthly reporting in place		
5.2.2	Appropriate oversight and scrutiny in place through updates provided to Personnel Committee and Corporate Scrutiny Panel, specifically on recruitment and retention challenges		Ad hoc		
5.2.3	Dedicated resource is in place to support services with the most acute need, utilising more creative approaches such as talent banks, alternative advertising approaches and bespoke events.				
5.2.4	Workforce planning is developing and work being undertaken across more council services, initial focus is on succession planning				
5.2.5	My Learning (MiPod Xtra replacement) has now launched making learning easier to access for everyone. My Space, new employee portal launched, making accessing employee content easier from personal devices		Monitoring of completion rates for mandatory / role specific training to be reviewed		

5.2.6	Development of a workforce planning approach to consider long term plans as well as short term solutions; fully utilise the Timewise accreditation in promoting the council as a Flexible Employer.	
5.2.7	Focus on Mental Health Awareness, including stress, with promotion of Wellbeing surveys, Wellbeing network and dedicated support service	
5.2.8	Revitalising exit interviews and developing 'stay' interviews to drive understanding	Pilot activity underway

KCR 6		Safeguarding	Previous	Current	
Risk Owner: SD Children & Families and SD Adults & Health		Risk Type: Reputational		➔	
<p>Failure to keep vulnerable people in our communities safe from harm is a key priority for the Council. The consequence of a safeguarding failure are serious and long-lasting at both an individual and organisational level.</p> <p>Q4 update: Although robust processes and procedures and effective working with strategic partners ensures appropriate escalation and intervention as required, it should be recognised that nationwide issues relating to sustained funding / staffing issues across the social care sector may increase the likelihood of a safeguarding incident occurring, either within local authority settings or through commissioned services.</p>					
Sources of risk and Mitigating controls / actions			Responsible Officer Target Date	Previous	Current
6.1	The council does not adequately safeguard children because of increased complexity, referral volumes and a lack of service capacity to respond to the assessed need.		SD Children & Families	2x4 = 8	2x4 = 8
6.1.1	Disclosure & Barring Service (DBS) checking, staff training, supervision, protection policies kept up to date and communicated				
6.1.2	Robust Safeguarding board partnership is in place, shared accountability across key strategic partners ensures oversight and management of safeguarding risks				
6.1.3	Effective management of social work (and related services); rapid response to any issues identified and from any Safeguarding Practice Reviews (Children), Ofsted focus visits have evidenced practice is improved with no children considered at risk of significant harm. LADO procedures, process and training issues have been addressed as a result of the 2019 Ofsted inspection.				
6.1.4	16+ Unregistered/unregulated provision procedure in place and communicated to staff mitigates against inappropriate use of the above provision.				
6.1.5	Continued focus on strengthening practice - Recording Assessment and Planning with regular, high quality supervisions in place.				
6.1.6	Recruitment practices and a focus on developing staff has stabilised the social care workforce and addressed capacity issues.				
6.1.7	Monthly directorate wide QA meetings focusing on key areas, giving assurance of grip, management oversight, quality of practice and performance.				
6.1.8	Service Practice learning days and auditing in place contributing to children's services objective of being a learning organisation				
6.1.9	Caseloads are monitored as part of the embedded performance culture; action is taken promptly to allocate and balance workloads.				
6.2	The council does not adequately safeguard vulnerable adults, and those subject to elder abuse, because of increased complexity, referral volumes and a lack of service capacity to respond to the assessed need.		SD Adults & Health	4x4 = 16	3x4 = 12
6.2.1	Staff training, supervision, safeguarding and Self Neglect Policies kept up to date and communicated.				
6.2.2	Active management of cases with media interest, Adults have an Escalation pathway monitored by Safeguarding Service manager.				

6.2.3	Completion of the development of the Corporate Safeguarding Policy (approved by Cabinet March 2022)			
6.2.4	Self-neglect policy and pathway			
6.2.5	Ongoing awareness raising through functions such as Safeguarding Week, training and briefings			
6.2.6	Adults Survivors team in place to work with adult survivors of CSE.			
6.2.7	Adults continue to review and prioritise risk and actively work with staff in monitoring workloads during workload management conversations.			
6.2.8	Continue to explore recruitment and retention issues through recruitment drives, rolling adverts, jobs fairs and offering certain roles a retention payment			
6.2.9	Ensure competence of the Safeguarding Boards and that they are adequately resourced to challenge and improve outcomes			
6.2.10	Adults Safeguarding Board has its own risk register.			
6.2.11	Risk Escalation Conference for Self-Neglect cases which is multi-agency focused.			
6.2.12	Additional work to ensure that corporate safeguarding activities include appropriate control arrangements. Comprehensive audit programmes ensure quality oversight (such as effective record keeping, risk management and decision making)			
6.2.13	Adult's representation on all strategic and operational groups related to safeguarding (such as Prevent, Domestic Abuse and Modern Day Slavery)			
6.2.14	Person in Position of Trust (PIPOT) Process in Place			
6.3	Legacy issues of historical childcare management practices, and particularly, the heightened national attention to Child Sexual Exploitation and historical abuse cases leads to reputational issues, and resource demands to address consequential matters.	SD Children & Families	2x4 = 8	2x4 = 8
6.3.1	Additional resources and expertise allocated to new and historical Child Sex Exploitation (CSE) and other legacy work, as required.			
6.3.2	Two exploitation subgroups that focus on strategic and operational matters relating to the exploitation of children are in place which has mitigated resource demands to address consequential matters.			
6.3.3	Risk matrix and risk management approach implemented with the police and partners			
6.3.4	Provision of support pathways to assist victims			
6.3.5	Understand relationship with the Prevent strategy, and issues linked to counter terrorism			
6.3.6	Continue to monitor external developments and engage with other LA's / relevant bodies			
6.3.7	Develop and embed an approved multi-agency model to address CSE			Target date of January 2023 was not met. Programme Board overseeing revised delivery plan.

KCR 7	Resilient Operational Processes	Previous	Current	
Risk Owner: SD Corporate Strategy, Commissioning & Public Health		Risk Type: Operational		
Failure to develop and maintain resilient operational processes and controls resulting in an inability to keep our communities and colleagues safe. Statutory obligations include, but are not limited to, the Civil Contingencies Act and Health & Safety at Work Act.				
Q4 update: Existing governance arrangements (eg. Health & Safety Oversight Board and Kirklees Health Protection Board) continue to ensure risks are identified, assessed and appropriate actions progressed. Activity underway to assess the challenges that enduring hybrid working could present to established operational compliance procedures (eg. first aid cover, building evacuation procedures). In the face of a constantly evolving cyber threat environment, we continue to operate an ongoing review cycle to update existing controls / introduce new controls to ensure they remain appropriately focussed on both established and emerging risk areas.				
Sources of risk and Mitigating controls / actions		Responsible Officer Target Date	Previous	Current
7.1	The risk of a data breach and / or impaired system functionality caused by a malicious cyber-attack leading to inability to deliver council services, costs to recover / compensate and associated reputational damage	Head of Technology	5x5=25	5x5 = 25
7.1.1	Cyber Strategy approved by ET and IG Board being implemented by IT Service			
7.1.2	Comprehensive training plan in place to cover new starters and refresher training on an annual basis			
7.1.3	Business continuity procedures (in various scenarios) including recognising that some solutions may involve a return to paper-based solutions and records			
7.1.4	Proactive management of cyber issues, including additional web controls			
7.1.5	Adherence to NCSC guidance			
7.1.6	Undertake a review of current process for completing due diligence of third parties cyber security controls when entering into data sharing agreements (eg. commissioned services)	NEW ACTION		
7.2	The risk that the Council's incident management / emergency planning is insufficient to manage a serious incident or series of related incidents leading to short term or prolonged impacts on the Kirklees community and Council employees and operations. Potential risk causes include, but are not limited to: Weather related events; Industrial accident; Infectious disease outbreak; Terrorist attack	Head of Health Protection	4x4=16	4x4 = 16
7.2.1	The Council has an embedded emergency management system that aligns to the NHS Emergency Preparedness, Resilience and Response. Readiness and competencies are monitored through completion annually of a self assessment audit	2022 self assessment outcome: 'Substantial assurance'		
7.2.2	All our plans are subject to regular review as per work programme. We also regularly train people in their roles and test these via exercises			
7.2.3	Governance is provided via Kirklees Health Protection Board			
7.2.4	Debriefing following incidents so that lessons can be identified, and plans modified where necessary			
7.3	Health and safety measures are inadequate leading to harm to employees or customers and possible litigious action from them personally and/or the Health and Safety Executive with the potential for prosecution and reputational damage.	Head of Public Health	2x4=8	2x4 = 8
7.3.1	Regular monitoring through Health and Safety Oversight Board	Board met Nov 22		

7.3.2	Completion of Bi-annual corporate performance reports	
7.3.3	Audit of the health and safety management systems of Services within the Council, carried out in accordance with HSE guidance Successful Health and Safety Management (HSG (65))	
7.3.4	Management review and inspection of high risk premises at 3 yearly intervals and medium risk premises at 5 year intervals.	
7.3.5	Online accident and incident reporting system (Claim Control) has recently been launched to provide statistical information to managers at agreed intervals. Accident reports monitored and followed up and or investigated as necessary.	
7.3.6	Mandatory health and safety training matrix developed to specify the minimum level of training dependent on role within the Council. A well-managed training programme will help to develop a positive health and safety culture as well as helping to ensure that the Council meets its legal duty to protect its employees	

KCR 8	Climate Change	Previous	Current
Risk Owner: SD Environment Strategy & Climate Change		Risk Type: Operational / Reputational	
<p>Failure to consider and adequately respond to Climate Change both at an immediate operational level and as longer-term strategic risk resulting in insufficient resilience to the climate change risks outlined within Kirklees' district-wide Climate Change Risk and Vulnerability Assessment (CCRVA), which portrays consequential local, physical environmental / social impacts (eg. Flood risk, overheating) financial impacts (predominantly restrictions on funding and cost of recovery) and reputational damage.</p> <p>Q4 Update: The Climate Change Action Plan has been approved by Cabinet and Council, outlining the next steps the Council need to take. Initial engagement on the Environmental Sustainability Strategy has been completed (December 2022) with further engagement planned. Active participation at a national / regional level including the kick-off of the Yorkshire & Humber Climate Commission Climate Adaptation Programme and the continued involvement in the West Yorkshire Flood Innovation Programme. It should be recognised that budget reductions and current capacity limitations will impact on our ability to implement adaptation measures across operational services.</p>			
Sources of risk and Mitigating controls / actions		Responsible Officer Target Date	Previous
8.1	Failure to identify, prioritise and implement adaptation measures resulting in low levels of climate change resilience	SD Environment Strategy & CC	4x5=20
8.1.1	Operational and response plans designed to minimise impacts (e.g. gully cleansing for those areas which are prone to flooding, winter maintenance budgets are supported by bad weather contingency, gritting deployment plans etc..)		4x5 = 20
8.1.2	Awareness of local consequences such as ensuring appropriate levels of energy efficiency in residential and commercial property, and the financial consequences		
8.1.3	Consultant-led work, due to be completed by August 22, to understand Kirklees' climate change risks and vulnerabilities and identifying possible adaptation measures.	Complete	
8.1.4	Development of the Council wide Environmental Sustainability Strategy		
8.2	Risk that net zero net zero climate commitments are not achieved due to scope and scale of programme exceeding the funding and delivery capability that is currently allocated. Grants increasingly require demonstration of climate commitments, impacting on funding and statutory obligations relating to climate change are becoming more stringent.	SD Environment Strategy & CC	3x4=12
8.2.1	PCAN (Placed-Based Climate Action Network) and UoL led work, completed in Jan 22, outlining the pathways to Net Zero for Kirklees, in-line with the districts 2038 net zero target and UK's 2050 net zero target.	Complete	3x4 = 12
8.2.2	Climate Change engagement underway to inform the Action Plan, including a resident survey alongside workshops with Council and non-Council stakeholders. The results for which will be published as part of the Autumn 22 Action Plan.	Complete	
8.2.3	Phase 2 Climate Change Action Plan published in December 2022, detailing how we will become carbon neutral and climate ready by 2038	Complete – approved by Council December 22	
8.2.4	Establish Climate Change Board to track progress against the CCAP	Established in 2022	

8.2.5	Council participating in Yorkshire and Humber Climate Commission Adaptation Framework, which has the objective of developing a framework for consistently integrating the climate change risks outlined in Kirklees' CCRVA into Corporate and Service Area risk assessments with associated mitigations.	January to December 2023
8.2.6	Place based prioritisation of actions outlined in the climate change action plan through stakeholder engagement	Summer 2023
8.2.7	Development of business cases for the priority actions identified by the place-based prioritisation process	End of 2023
8.2.8	Delivery and implementation of the businesses cases that require Council ownership	Early 2024
8.2.9	Ongoing Monitoring & Evaluation, with formal reporting on a 3 yearly basis	

KCR 9	Community Wellbeing & Resilience	Previous	Current	
Risk Owner: SD Adults & Health		Risk Type: Operational / Reputational		
Risk of declining community wellbeing and resilience caused by lack of engagement with communities directly and partner organisations, insufficient understanding of community needs and wants, poorly targeted interventions / service developments, persistent reduction in funding.				
Q4 update: The cost of living (CoL) crisis continues to impact our communities, with the poorest communities disproportionately affected. Robust governance arrangements have been put in place to support the CoL work internally and ensure resources are allocated to individuals and families who need it the most. However, despite local efforts to pull together and co-ordinate support, the impact of CoL on communities continues to be significant and is expected to continue. Confirmation of the Household Support Fund for 2023-24 provides certainty on funding available to support required interventions.				
Sources of risk and Mitigating controls / actions		Responsible Officer Target Date	Previous	Current
9.1	Failure to address matters of violent extremism and related safer stronger community factors, including criminal exploitation, or national or international incidents (e.g., terrorism), create significant community tension, with the risk of public disorder, and threats to councillors going about their duties.	Service Director Communities & Access Services	3x5=15	3x5 = 15
9.1.1	Dedicated community tensions monitoring process and a clear procedure to process intelligence related to protests and tensions. Procedure includes Police and Emergency planning colleagues.			
9.1.2	Weekly tensions monitoring meetings are held with all relevant partners, would move to daily if required			
9.1.3	Prevent Action Plan addresses community engagement, critical thinking and ideological issues and seeks to mitigate risk			
9.1.4	The implementation of the Inclusive Communities Framework to build resilience to extremist narratives			
9.1.5	The Cohesion Team engage with communities and enable opportunities for communities to build relationships and mix to counter extremist narratives			
9.1.6	Protect and Prepare obligations to mitigate terrorism risk on publicly accessible locations (PAL). The Protect Duty will introduce additional responsibilities with a short implementation date anticipated.	Protect & Prepare group have been established to oversee implementation		
9.1.7	Assurance processes re ensuring appropriate understanding associated with the use of public and client access to the internet (terrorism and extremism related)			
9.1.8	Channel Panel process is subject to ongoing self-assessment, internal audit review and external assurance by the Home Office			
9.2	The impact of the “cost of living crisis” (specifically inflationary pressure leading to increased prices for food and fuel) on individuals, the community, partners and the business sector, and on their priorities, and their consequent demands for council service. Impact on the voluntary sectors may reduce their ability to support communities, with a consequent impact on the council.	Head of Policy, Partnerships & Corporate Planning, Head of Improving Population Health	4x4=16	4x4 = 16
9.2.1	Interventions and support put in place to mitigate some of the effects of the Cost of Living crisis are being coordinated and monitored through the Cost of Living Programme Board. Recognising the urgency of the need, the action plan is primarily	Programme Board meets fortnightly, currently 7/9 workstreams are reporting ‘green’		

	focussed on accelerating and scaling up existing work rather than establishing completely new projects. There is Representation from all relevant services with weekly reporting to Cllr Davies (as portfolio lead).	
9.2.2	<p>Priority 1: Emergency response with focus on direct support for people already in crisis</p> <ul style="list-style-type: none"> - Warm Spaces - Communications - Funding for the VSCE sector - Access to Support for residents - Support for businesses - Working with the third sector to understand place based and community impact of COL. 	<p>All 24 libraries operating as Warm Spaces within normal working hours</p> <p>1st round of funding has now closed. 56 applications were received.</p> <p>UK Shared Prosperity Fund commissioning commenced Decemeber 2022</p>
9.2.3	<p>Priority 2: Building resilience within and across our communities</p> <ul style="list-style-type: none"> - Community Response - Community Power 	
9.2.4	<p>Priority 3: Preventative action to address medium-long term challenges</p> <ul style="list-style-type: none"> - Working, Volunteering, Participating, Aspiring - National & Regional Lobbying 	

KCR 10	Physical Assets and Infrastructure	Previous	Current	
Risk Owner: SD Growth & Regeneration		Risk Type: Compliance / Reputational		
The exposure to increased liabilities arising from property ownership and management, including both the councils residential portfolio and corporate portfolio (inc schools, community buildings) with reputational and financial implications.				
Q4 Update: Progress continues to be made to validate the condition of our housing stock to ensure it meets the Decent Home Standard. Budget reductions will have an impact on the extent to which asset maintenance and replacement schedules can be delivered. A new Emerging Risk has been raised addressing the development of the Damp & Mould Strategy				
Sources of risk and Mitigating controls / actions		Responsible Officer Target Date	Previous	Current
10.1	Exposure to increased liabilities arising from the Council's ownership and management of corporate assets, including dangerous structures and asbestos, cladding and fire controls with reputational and financial implications	Head of Property	3x4 = 12	3x4 = 12
10.1.1	Building Safety Assurance Board - Corporate established, with escalation to the Health & Safety Oversight Board			
10.1.2	Compliance testing matrix in place identifying sources of risk, test requirement as detailed in legislation and test frequency	Dependency with 10.1.6		
10.1.3	Asbestos and Legionella currently reported as AMBER within H&S Risk Report			
10.1.4	Embedded programme of fire risk assessments, inspections and audits in place, as documented in Corporate Fire Safety Policy. New fire log has been produced for site trial before full roll out.			
10.1.5	Procurement and integration of new asset management database to monitor and report our asset management activity	Ongoing into 2023		
10.1.6	Development and implementation of processes and procedures to support delivery of prioritised actions based on condition surveys and defects reported during servicing & maintenance	In progress		
10.2	Exposure to increased liabilities arising from residential property ownership and management, including dangerous structures and asbestos, cladding and fire controls with reputational and financial implications.	Head of Assurance	3x5 = 15	3x4 = 12
10.2.1	Building Safety Assurance Board (Housing) established to provide oversight of controls and governance in place, reporting into the Housing Advisory Board and the Health & Safety Oversight Board			
10.2.2	Regular onsite audits, detailed training programme and dedicated HSE team ensure robust H&S culture with officers clear on duties related to H&S compliance			
10.2.3	For Fire Risk Assessment (FRAs) remedial actions, we track the completion of every high priority action and those to high rise blocks notified to the Regulator. Of the outstanding 1164 high risk remediation actions at the time of the review, 1127 have been completed with the balance in procurement or in contract. The low and medium rise FRA actions are currently at the early stages of contract negotiation. The outcome of these will determine the programme.	March 2024 overall completion date		
10.2.4	Programme of activity to ensure housing stock meets the Decent Homes Standard. Stock condition validation and data cleansing activity is underway, focus now on development of a long term asset management strategy, including benchmarking of cost data	In progress, supported by external consultants		

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

KIRKLEES METROPOLITAN COUNCIL

COUNCIL MEETING - 8 MARCH 2023

COUNCIL TAX

1. That the Revenue Budget for the year 2023-2024, as submitted, be approved.
2. That it be noted that Cabinet at its meeting on 17 January 2023 (and recommended for Council approval on 22 February 2023), calculated the following amounts for the year 2023-2024 in accordance with regulations made under Section 31B of the Local Government Finance Act 1992, as amended (the "Act") and subject to the calculation of any consequential changes to the Council Tax Base delegated to the Service Director - Finance:-

(a) 123,215.79 being the amount calculated by the Council, in accordance' with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as its council tax base for the year

(b) Part of the Council's area

Parish of Denby Dale	6,093.41
Parish of Holme Valley	10,482.86
Parish of Kirkburton	9,229.12
Parish of Meltham	2,997.86
Parish of Mirfield	6,904.95

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

3. Calculate that the Council Tax Requirement for the Council's own purposes for 2023-24 (excluding parish precepts) is £219,584,000
4. That the following amounts be now calculated by the Council for the year 2023-2024 in accordance with Sections 31 to 36 of the Act:-
 - (a) £ 949,007,665 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
 - (b) £ 728,555,052 being the aggregate of the amounts which

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

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

- (c) £ 220,452,613 being the amount by which the aggregate at 4(a) exceeds the aggregate at 4(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act)
- (d) £ 1,789.16 being the amount at 4(c) above (Item R), all divided by Item T (2(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
- (e) £ 868,613 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.
- (f) £ 1,782.11 being the amount at 4(d) above, less the result given by dividing the amount at 4(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its council tax for the year for dwellings in those parts of its area to which no Parish precept relates.

g)

<u>Part of the Council's area</u>	Base Council Tax £	Parish Precept £	Resultant Council Tax £
Parish of Denby Dale	1782.11	26.09	1808.20
Parish of Holme Valley	1782.11	27.18	1809.29
Parish of Kirkburton	1782.11	16.47	1798.58
Parish of Meltham	1782.11	48.26	1830.37
Parish of Mirfield	1782.11	18.54	1800.65
Other Kirklees areas	1782.11	0.00	1782.11

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

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

(h) Kirklees Valuation Bands

Part of the Council's area	<u>A</u> £	<u>B</u> £	<u>C</u> £	<u>D</u> £	<u>E</u> £	<u>F</u> £	<u>G</u> £	<u>H</u> £
Denby Dale	1,205.46	1,406.38	1,607.29	1,808.20	2,210.02	2,611.85	3,013.66	3,616.40
Holme Valley	1,206.19	1,407.23	1,608.26	1,809.29	2,211.35	2,613.42	3,015.48	3,618.58
Kirkburton	1,199.05	1,398.90	1,598.74	1,798.58	2,198.26	2,597.95	2,997.63	3,597.16
Meltham	1,220.24	1,423.63	1,627.00	1,830.37	2,237.11	2,643.87	3,050.61	3,660.74
Mirfield	1,200.43	1,400.51	1,600.58	1,800.65	2,200.79	2,600.94	3,001.08	3,601.30
All other parts	1,188.07	1,386.09	1,584.10	1,782.11	2,178.13	2,574.16	2,970.18	3,564.22

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

5. That it be noted that for the year 2023-2024 the major precepting authorities have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings in the Council's area as shown below:-

Precepting Authority	<u>A</u> £	<u>B</u> £	<u>C</u> £	<u>D</u> £	<u>E</u> £	<u>F</u> £	<u>G</u> £	<u>H</u> £
West Yorkshire Fire & Civil Defence Authority	51.45	60.03	68.60	77.18	94.33	111.48	128.63	154.36
West Yorkshire Police Authority	157.52	183.77	210.02	236.28	288.78	341.29	393.80	472.56

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

6. That, having calculated the aggregate in each case of the amounts at 4(g) and 5, the Council, in accordance with Sections 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of council tax for the year 2023-2024 for each of the categories of dwelling shown below:-

Part of the Council's area	<u>Valuation Bands</u>							
	<u>A</u> £	<u>B</u> £	<u>C</u> £	<u>D</u> £	<u>E</u> £	<u>F</u> £	<u>G</u> £	<u>H</u> £
Denby Dale	1,414.43	1,650.18	1,885.91	2,121.66	2,593.13	3,064.62	3,536.09	4,243.32
Holme Valley	1,415.16	1,651.03	1,886.88	2,122.75	2,594.46	3,066.19	3,537.91	4,245.50
Kirkburton	1,408.02	1,642.70	1,877.36	2,112.04	2,581.37	3,050.72	3,520.06	4,224.08
Meltham	1,429.21	1,667.43	1,905.62	2,143.83	2,620.22	3,096.64	3,573.04	4,287.66
Mirfield	1,409.40	1,644.31	1,879.20	2,114.11	2,583.90	3,053.71	3,523.51	4,228.22
All other parts	1,397.04	1,629.89	1,862.72	2,095.57	2,561.24	3,026.93	3,492.61	4,191.14

7. The Council has determined that its relevant basic amount of Council Tax for 2023-2024 is **not** excessive in accordance with principles approved under section 52ZB Local Government Finance Act 1992.

As the billing authority, the Council has **not** been notified by a major precepting authority that its relevant basic amount of Council Tax for 2023-2024 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK Local Government Finance Act 1992.

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

Motion to be presented by Cllr Shabir Pandor (Leader) and Cllr Cathy Scott (Deputy Leader)



Cllr Shabir Pandor



Cllr Cathy Scott



**Name and date of meeting: Corporate Governance and Audit Committee
10 February 2023**

**Cabinet
21 February 2023**

**Council
8 March 2023**

Title of report: Treasury Management Strategy and Investment Strategy 2023/24

Purpose of report

Under the CIPFA Code of Practice on Treasury Management (2021) and accompanying Prudential Code 2021 the Council must present a Treasury Management Strategy at the start of each financial year. Alongside the Treasury Management Strategy, the Annual Investment Strategy must also be approved by Council.

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 (for Cabinet)
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 Is it also signed off by Service Director - Finance Is it also signed off by the Service Director Legal, Governance and Commissioning	N/A Eamonn Croston – 30 January 2023 Julie Muscroft – 30 January 2023
Cabinet member portfolio	Corporate Cllr Paul Davies

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

GDPR: This report contains no information that falls within the scope of General Data Protection Regulations.

1 **Summary**

- 1.1 Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2021 Edition (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code. Investments held for service purposes or for commercial profit are considered in a different report, the Investment Strategy. This is attached at Appendix E.
- 1.2 Cabinet is responsible for the implementation and monitoring of the treasury management policies. The Corporate Governance and Audit Committee undertake a scrutiny role with regard to treasury management. The last training for members of this Committee was provided in January 2023 by the Council's treasury management advisors/consultants, Arlingclose.
- 1.3 This report will:
- (i) outline the outlook for interest rates and credit risk, and in light of this, recommend an investment strategy (Treasury Management Investments) for the Council to follow in 2023/24;
 - (ii) outline the current and estimated future levels of Council borrowing and recommend a borrowing strategy for 2023/24;
 - (iii) review the methodologies adopted for providing for the repayment of debt and recommend a policy for calculating the Minimum Revenue Provision (MRP);
 - (iv) review other treasury management matters including the policy on the use of financial derivatives, prudential indicators, the use of consultants, and the policy on charging interest to the Housing Revenue Account;
 - (v) recommend an annual Investment Strategy (Non-Treasury Investments) for the Council in 2023/24

2 **Information required to take a decision**

The following paragraphs 2.1 to 2.5 have been provided by our Treasury Management external advisors, Arlingclose:

Economic Background

- 2.1 The ongoing impact on the UK from the war in Ukraine, together with higher inflation, higher interest rates, uncertain government policy, and a deteriorating economic outlook, will be major influences on the Council's treasury management strategy for 2023/24.
- 2.2 The Bank of England (BoE) increased Bank Rate by 0.5% to 3.5% in December 2022. This followed a 0.75% rise in November which was the largest single rate

hike since 1989 and the ninth successive rise since December 2021. The December decision was voted for by a 6-3 majority of the Monetary Policy Committee (MPC), with two dissenters voting for a no-change at 3.0% and one for a larger rise of 0.75%. The November quarterly Monetary Policy Report (MPR) forecast a prolonged but shallow recession in the UK with CPI inflation remaining elevated at over 10.0% in the near-term. While the projected peak of inflation is lower than in the August report, due in part to the government's support package for household energy costs, inflation is expected remain higher for longer over the forecast horizon and the economic outlook remains weak, with unemployment projected to start rising.

- 2.3 CPI inflation is expected to have peaked at around 11.0% in the last calendar quarter of 2022 and then fall sharply to 1.4%, below the 2.0% target, in two years' time and to 0.0% in three years' time if Bank Rate follows the path implied by financial markets at the time of the November MPR (a peak of 5.25%). However, the BoE stated it considered this path to be too high, suggesting that the peak in interest rates will be lower, reducing the risk of inflation falling too far below target. Market rates have fallen since the time of the November MPR. The labour market remains tight for now, with the most recent statistics showing the unemployment rate was 3.7%. Earnings were up strongly in nominal terms by 6.1% for both total pay and for regular pay but factoring in inflation means real pay for both measures was -2.7%. Looking forward, the November MPR shows the labour market weakening in response to the deteriorating outlook for growth, leading to the unemployment rate rising to around 6.5% in 2025.
- 2.4 The UK economy contracted by 0.3% between July and September 2022 according to the Office for National Statistics, and the BoE forecasts Gross Domestic Product (GDP) will decline 0.75% in the second half of the calendar year due to the squeeze on household income from higher energy costs and goods prices. Growth is then expected to continue to fall throughout 2023 and the first half of 2024.

Interest Rate Forecast

- 2.5 The Council's treasury management adviser Arlingclose forecasts that Bank Rate will continue to rise in 2023 as the Bank of England attempts to subdue inflation which is significantly above its 2.0% target. While interest rate expectations reduced during October and November 2022, multiple interest rate rises are still expected over the forecast horizon despite looming recession. Arlingclose expects Bank Rate to rise to 4.25% by June 2023 under its central case, with the risks in the near and medium-term to the upside should inflation not evolve as the Bank forecasts and remains persistently higher. Yields are expected to remain broadly at current levels over the medium-term, with 5, 10 and 20 year gilt yields expected to average around 3.5%, 3.5%, and 3.85% respectively over the 3 year period to December 2025. The risks for short, medium and longer-term yields are judged to be broadly balanced over the forecast horizon. As ever, there will undoubtedly be short-term volatility due to economic and political uncertainty and events.

Borrowing and Investment – General Strategy for 2023/24

2.6 The Capital Financing Requirement (CFR) represents the Council's underlying need to finance capital expenditure by borrowing or other long-term liability arrangements. A Council can choose to borrow externally to fund its CFR. If it does this, it is likely that it would be investing externally an amount equivalent to its total reserves, balances, and net creditors. Alternatively, a Council can choose not to invest externally but instead use these balances to effectively "borrow internally" and minimise external borrowing. In between these two extremes, a Council may have a mixture of external and internal investments, and external and internal borrowing.

Table 1 below sets out the forecast CFR position for the Council as at 31 March 2023 and estimated CFR and borrowing requirements over the following 5 years. CIPFA's Prudential Code recommends that the Council's total debt should be lower than its highest forecast CFR. Table 1 shows that the Council expects to comply with this recommendation.

Table 1: Balance Sheet Summary and Forecast

	31.03.22 Actual £m	31.03.23 Forecast £m	31.03.24 Estimate £m	31.03.25 Estimate £m	31.03.26 Estimate £m	31.03.27 Estimate £m	31.03.28 Estimate £m
Capital Financing Requirement	806.7	871.5	923.3	965.6	1,004.2	1,012.8	1,036.3
Less: PFI liabilities*	84.6	78.2	74.2	69.3	64.1	58.8	52.3
Less: Other deferred liabilities*	3.6	3.6	3.6	3.5	3.5	3.5	3.5
Loans CFR	718.5	789.7	845.5	892.8	936.6	950.5	980.5
Less: External borrowing**	468.9	542.5	476.4	445.3	414.5	409.0	403.5
Internal (over) borrowing	249.6	247.2	369.1	447.5	522.1	541.5	577.0
Less: Balance sheet resources	328.5	234.0	215.2	217.6	215.9	209.9	209.9
New borrowing (Treasury investments)	-78.9	13.2	153.9	229.9	306.2	331.6	367.1

* Leases and PFI debt liabilities that form part of the Council's total debt.

** Shows only loans to which the Council is committed and excludes optional refinancing.

2.7 There is a marked increase in the CFR due to increases in the capital programme, in particular the proposed Cultural Heart and town centre regeneration programme as part of the Huddersfield Blueprint. The Council will be required to borrow up to £190.8 million to fund the increase in the CFR over the 5 year period. The external borrowing necessary will be a mixture of long and short-term borrowing.

2.8 As Council usable reserves are forecast to reduce over the 5 years in line with planned commitments, the internal borrowing will also reduce resulting in further external borrowing. The Council is estimated to borrow a total of £367.1 million to fund the CFR along with reduction in reserves, as shown in the table above.

- 2.9 The relative mix of future internal and external borrowing will be considered in conjunction with advice from the Council's external treasury management advisor, noting that provision has been made in the updated Council budget plan revenue resource assumptions to accommodate a continued future mix of internal and external borrowing.
- 2.10 The Service Director - Finance, supports the approach that the borrowing and investment strategy for 2023/24 continues to place emphasis on the security of the Council's balances. The credit ratings for many UK institutions were downgraded on the back of downgrades to the sovereign rating. Although credit conditions generally on banks and building societies have tended to be relatively benign despite the impact of the pandemic, the global economy is fragile. Looking forward credit will remain a risk suggesting the Council needs to take a cautious approach to bank deposits in 2023/24.
- 2.11 It is recommended that balances should continue to be invested to a level which is perceived to be reasonably secure and which is needed to meet the day-to-day cash flow requirements of the Council (around £20.0 million).
- 2.12 In order to increase investment returns, the Council has invested £10.0 million in the Local Authorities Pooled Investment Fund (LAPF) as per the approved Council 2019/20 Treasury Management Strategy. The Council will not make any further investment in the property fund or similar investments.
- 2.13 Average current Council cashflow balances remain consistent at about £30.0 million (including the LAPF), with the investment in the LAPF leaving about £20.0 million for day-to-day cashflow requirement as noted above.

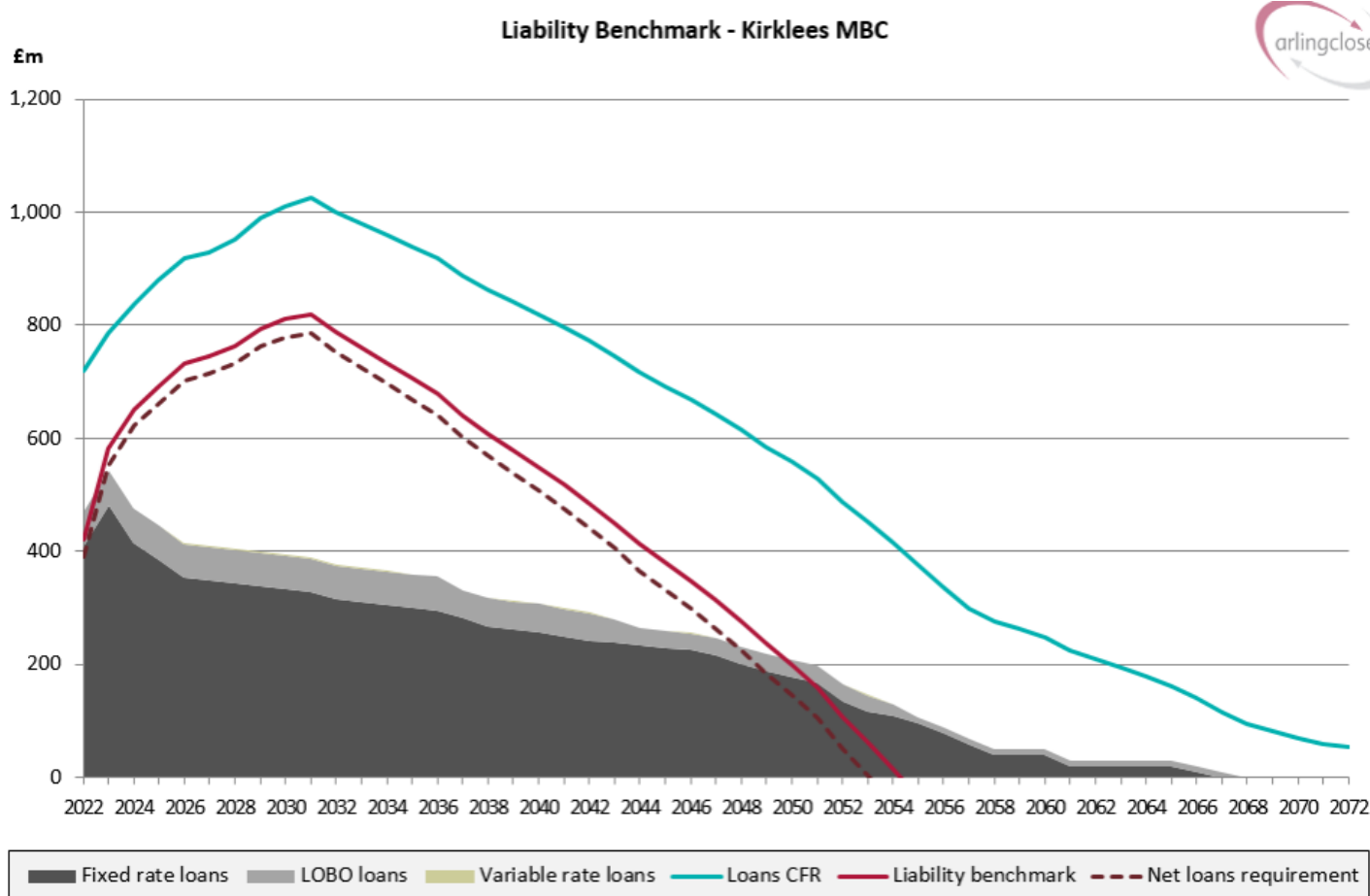
Liability Benchmark

- 2.14 To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as Table 1 above, but that cash and investment balances are kept to a minimum level of £30.0 million at each year-end to maintain sufficient liquidity but minimise credit risk.
- 2.15 The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

Table 2: Prudential Indicator: Liability Benchmark

	31.03.22 Actual £m	31.03.23 Estimate £m	31.03.24 Forecast £m	31.03.25 Forecast £m	31.03.26 Forecast £m	31.03.27 Forecast £m	31.03.28 Forecast £m
Loans CFR	718.5	789.7	845.5	892.8	936.6	950.5	980.5
Less: Balance sheet resources	328.5	234.0	215.2	217.6	215.9	209.9	209.9
Net loans requirement	390.0	555.7	630.3	675.2	720.7	740.6	770.6
Plus: Liquidity allowance	30.0	30.0	30.0	30.0	30.0	30.0	30.0
Liability benchmark	420.0	585.7	660.3	705.2	750.7	770.6	800.6

2.16 The total liability benchmark is shown in the chart below together with the maturity profile of the Council’s existing borrowing. The red line is the liability benchmark reaching a peak in 2032 highlighting the gap between current borrowing identified in grey, which is reducing over time with repayments, and the additional borrowing required to fund the capital plan.



Borrowing Strategy

2.17 The Council is forecast to hold around £633.9 million of external borrowing and other long-term liabilities as at 31 March 2023, an increase of £76.8 million on the previous year, as part of its strategy for funding previous years' capital programmes. This is analysed at Table 3 below:

Table 3 – year end estimate – 31 March 2023

	£m	%
HM Treasury's PWLB lending facility loans (fixed rate)	329.0	52
LOBOs	61.4	10
Loan stock (fixed rate)	7.0	1
Other long term loans (fixed rate)	44.3	7
Medium term loans (fixed rate)	40.0	6
Temporary borrowing	74.0	12
Total external borrowing	555.7	
Other Long Term Liabilities (mainly PFI)	78.2	12
Total external debt liabilities	633.9	

2.18 The approved sources of borrowing are:

- HM Treasury's PWLB lending facility
- Any bank or building society authorised to operate in the UK
- Any other UK public sector body
- Capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues
- UK public and private sector pension funds

2.19 The Council has previously raised the majority of its long-term borrowing from the PWLB but will consider long-term loans from other sources including banks, pensions and local authorities, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield. The Council intends to avoid this activity in order to retain its access to PWLB loans.

2.20 The Council currently holds LOBO (Lender's Option, Borrower's Option) loans, where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. With interest rates having risen recently, there is now a reasonable chance that lenders will exercise their options. If they do, the Council will take the option to repay loans to reduce refinancing risk in later years. Total borrowing via LOBO loans is currently 10% of debt.

2.21 The Council's strategic approach over the last few years has been to gradually replace some of the short-term borrowing with long-term borrowing to ensure a more balanced risk approach. Over the past year, the Council has taken on £20.0 million long term PWLB borrowing. However, with short term interest rates

currently much lower than long term rates, it is likely to be more cost effective in the short term to use internal borrowing and borrow short term loans instead.

- 2.22 The benefits of short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2023/24 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.
- 2.23 One alternative source of funding to the PWLB is the Municipal Bonds Agency established in 2014 by the Local Government Association. It issues bonds on the capital markets and lends the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for two reasons: borrowing authorities may be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable.
- 2.24 The Council may arrange forward starting loans, with alternative lenders as these are not available through the PWLB, where the interest rate is fixed in advance but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.
- 2.25 The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk. The recent rise in interest rates means that more favourable debt rescheduling opportunities should arise than in previous years.
- 2.26 Borrowing policy and performance are monitored throughout the year and are reported to Members via a Half Yearly Report and also an Outturn Report in line with approved guidance.

Treasury Investment Strategy

- 2.27 The CIPFA Code requires the Council to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking a higher rate of return. The Council's objective when investing money is to strike an appropriate balance between risk and return. The Council aims to be a responsible investor and will consider environmental, social and governance (ESG) when investing.
- 2.28 As demonstrated by the liability benchmark above, the Council expects to be a long-term borrower and new treasury investments will therefore be made primarily to manage day to day cashflows using short-term low risk instruments. The existing portfolio of strategic pooled funds will be maintained to diversify risk into different sectors and boost investment income.

- 2.29 Environmental, social and governance (ESG) considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing and therefore the Council's ESG policy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. When investing in banks and funds, the Council will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.
- 2.30 Regarding Markets in Financial Instruments Directive (MiFID II), the Council has opted up to professional client status with its providers of financial services, allowing it access to a greater range of services but with the greater regulatory protections afforded to individuals and companies. Given the size and range of the Council's treasury management activities, the Service Director - Finance believes this to continue to be the most appropriate status.
- 2.31 The Council's investment criteria are detailed in Appendix A, maintaining a low risk strategy giving priority to security and liquidity, and as such invest an average of around £20.0 million externally in short-term liquid investments through the money markets. Any remaining balances, net of investment in the local authority property fund, will be used internally, offsetting borrowing requirements.
- 2.32 The Council uses credit ratings from the three main rating agencies - Fitch, Moody's and Standard & Poor's to assess the risk of investment defaults (Appendix B). The lowest credit rating of an organisation will be used to help determine credit quality. Long term ratings are expressed on a scale from AAA (the highest quality) through to D (indicating default). Ratings of BBB- and above are described as investment grade, while ratings of BB+ and below are described as speculative grade.
- 2.33 Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:
- No new investments will be made,
 - Any existing investments that can be recalled or sold at no cost will be, and
 - Full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.
- Where a credit rating agency announces that a rating is on review for possible downgrade ("negative watch") so that it is likely to fall below the required criteria, then only investments that can be withdrawn (on the next working day) will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.
- 2.34 Full regard will be given to other available information on the credit quality of banks and building societies, including credit default swap prices, financial statements and rating agency reports. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the approved criteria.

2.35 Annual cash flow forecasts are prepared which are continuously updated. Investment policy and performance will be monitored continuously and will be reported to Members during the year and as part of the annual report on Treasury Management.

Statement of Policy on the Minimum Revenue Provision (MRP)

2.36 MRP is the statutory requirement for local authorities to set aside some of their revenue resources as provision for reducing the underlying need to borrow (Capital Financing Requirement – CFR), i.e the borrowing taken out in order to finance capital expenditure.

2.37 Prior to the Local Authorities (Capital Finance and Accounting) (England) Regulations 2008, which came into force on 31 March 2008, the set aside was specified as a percentage of a Council's CFR (2% for HRA debt, 4% for General Fund). The current Regulations are less prescriptive with a requirement to ensure the amount set aside is deemed to be **prudent**, although there is accompanying current DLUHC guidance which sets out possible methods a Council might wish to follow.

2.38 Current DLUHC guidance recommends that Council's prepare a statement of policy on making MRP in respect of the forthcoming year, with approval by full Council before the start of the financial year. If these proposals subsequently need to be varied, a revised statement should be put to full Council. Appendix C details the Council's policy for the provision of MRP.

2.39 Existing budget plans approved the MRP unwind in later years be brought forward and increased to the maximum allowable level of £13.6 million in 2023/24 at which point the unwind will be fully utilised.

Policy on the Use of Financial Derivatives

2.40 Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over Local Authorities' use of standalone financial derivatives.

2.41 The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of financial risks that the Council is exposed.

2.42 Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

2.43 In line with the CIPFA Code, the Council will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

Treasury Management Prudential Indicators

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

Other Matters

2.45 Full implementation of the updated CIPFA Prudential Code 2021 is to be adopted for strategies from 2023/24.

2.46 The new Code stipulates restrictions on borrowing primarily for financial return, including commercial property. The Council's current and proposed capital plans do not include any capital investment funded by borrowing primarily for commercial return, that may otherwise have restricted access to PWLB borrowing going forward. The new Code does not introduce restrictions on Council's borrowing for purposes essential to their core aims, such as for housing and regeneration projects, or for treasury management purposes.

2.47 The CIPFA Code also requires the Council to note the following matters each year as part of the treasury management strategy:

(i) Investment Consultants

The Council's adviser is Arlingclose Limited. The services received include:

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

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

(ii) Investment Training

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

(iii) Investment of money borrowed in advance of need

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

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

Following the reform of housing finance, the Council is free to adopt its own policy on sharing interest costs and income between General Fund and the HRA. The CIPFA code recommends that authorities state their policy each year in the strategy report.

On 1 April 2012, the Council notionally split each of its existing long-term loans into General Fund and HRA pools. New long-term loans borrowed will be assigned in their entirety to one pool or the other. Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance which may be positive or negative. Interest will be applied to this balance using the Council's average investment rate.

3 Implications for the Council

3.1 Working with People

N/A

3.2 Working with Partners

N/A

3.3 Placed based working

N/A

3.4 Climate Change and Air Quality

N/A

3.5 Improving Outcomes for Children

N/A

3.6 Financial Implications for people living or working in Kirklees

N/A

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

The revenue implications of the strategies outlined have been reflected in the Council's annual budget report 2023-28.

The Council must have regard to the CIPFA Code of Practice on Treasury Management; the Prudential Code for Capital Finance in Local Authorities (the Prudential Code) 2021 the Local Government Act 2003 and the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (as amended).

The Council has the power to borrow under section 1 of the Local Government Act 2003 and the Council has powers to invest under section 12 of the Local Government Act 2003.

4 Consultees and their opinions

Arlingclose, the treasury management advisors to the Council, have provided the economic context commentary contained in this report.

5 Next steps

Treasury management performance will be monitored and reported to members during the year.

Following consideration at Corporate Governance & Audit Committee, this report will be presented to Cabinet on 21 February 2023 and then full Council on 8 March 2023 for approval.

6 Officer recommendations and reasons

That Corporate Governance & Audit Committee recommend the following for consideration by Cabinet and then approval by full Council:

- (i) the treasury management strategy incorporating: the borrowing strategy outlined in paragraphs 2.17 to 2.26;
- (ii) the investment strategy (treasury management investments) outlined in paragraphs 2.27 to 2.35 and Appendices A and B;
- (iii) the policy for provision of repayment of debt (Minimum Revenue Provision) outlined in paragraphs 2.36 to 2.39 and at Appendix C;
- 4 the treasury management prudential indicators in Appendix D and
- 5 the investment strategy (non-treasury investments) at Appendix E.

Reasons:

1. Section 151 of the Local Government Act 1972 requires the Council to make arrangements for the proper administration of its financial affairs.
2. The Council must have regard to the CIPFA Treasury Management Code of Practice on Treasury Management and the Prudential Code for Capital Finance in Local Authorities (the Prudential Code) 2021 and the Statutory guidance on Local government Investments (2018) when performing its duties under Part 1 of the Local Government Act 2003 and the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (as amended).

7 Cabinet Portfolio Holder recommendation

The report and recommendations be submitted to Cabinet on 21 February 2023 and Council on 8 March 2023.

8 Contact officers

James Anderson	Head of Accountancy	01484 221000
Rachel Firth	Finance Manager	01484 221000

9 Background Papers and History of Decisions

CIPFA's Code of Practice on Treasury Management in the Public Services; CIPFA's Prudential Code for Capital Finance in Local Authorities; Guidance on Local Government Investments (MHCLG 2018); The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (Amended 2008); Localism Act 2011.

10 Service Director responsible

Eamonn Croston 01484 221000

Investment Policy for 2023/24***Investment Limits:***

- The Council is able to invest an unlimited amount with the UK Government for up to 6 months.
- The Council is able to invest up to £10.0 million and up to three months with UK banks and building societies with a “high to upper medium grade” credit rating.
- The Council is able to invest up to £10.0 million and up to two months with foreign banks with a “high to upper medium grade” credit rating.
- The Council is able to invest up to £10.0 million and up to three months with individual local authorities.
- The Council is able to invest up to £10.0 million in individual MMFs (instant access or up to 2 day notice). There will be an overall limit of £40.0 million for MMFs (non-government funds), plus up to £10.0 million invested in a fund backed by government securities.
- The Council is able to invest up to £10.0 million in Local Authority Pooled Investment Funds.

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

Note:

The limits set out above exclude any amounts held on the Council’s behalf by the Yorkshire Purchasing Organisation (YPO). The YPO (a consortium in which the Council has an interest) invest funds as part of their treasury management processes. For the avoidance of doubt, this element does not form part of the limits set above. For context, the Council’s proportion of YPO’s maximum investment with any given counterparty is approximately £155k.

Liquidity management:

The Council uses purpose-built cash flow forecasting models to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council’s medium-term financial plan and cash flow forecast.

	Short-term Credit Ratings / Long-term Credit Ratings			Investment Limits per Counterparty		Counterparties falling into category as at Nov 2022	
	Fitch	Moody's	S & P	£m	Period (2)		
UK Banks / Building Societies (Deposit accounts, fixed term deposits and REPOs)	F1	P-1	A-1	10.0	<3mth	HSBC Lloyds Group Santander UK Barclays	Bank of Scotland Handelsbanken Nationwide BS
	AAA,AA+,AA,AA-,A+,A,A-	Aaa,Aa1,Aa2,Aa3,A1,A2,A3	AAA,AA+,AA,AA-,A+,A,A-				
Foreign Banks (Deposit accounts, fixed term deposits and REPOs)	F1	P-1	A-1	10.0	<2mth	Various	
	AAA,AA+,AA,AA-,A+,A,A-	Aaa,Aa1,Aa2,Aa3,A1,A2,A3	AAA,AA+,AA,AA-,A+,A,A-				
MMF (1)	-	-	-	10.0	Instant access/ up to 2 day notice	Aberdeen Deutsche Bank	Aviva Goldman Sachs
UK Government (Fixed term deposits)	-	-	-	Unlimited	<6mth		
UK local authorities (Fixed term deposits) (2)	-	-	-	10.0	<3mth		
Local Authority Pooled Investment Funds	-	-	-	10.0	>6mth		

(1) Overall limit for investments in MMFs of £50.0 million – the assets the funds invest in are securities and structures secured on government securities

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

Credit ratings

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

CURRENT MINIMUM REVENUE PROVISION POLICY

1. Background

- 1.1 The Local Authorities (Capital Finance and Accounting) (England) Regulations 2008 requires authorities to make an amount of MRP which the authority considers “prudent”.
- 1.2 The regulation does not itself define “prudent provision”. However, guidance issued alongside the regulations makes recommendations on the interpretation of that term.

2 Policy for 2023/24 onwards

- 2.1 The Service Director - Finance recommends the following policy for making prudent provision for MRP:
 - (i) General Fund Borrowing (pre 1st April 2008) - Provision to be made over the estimated average life of the asset (as at 1 April 2008) for which borrowing was taken - deemed to be 50 years (annuity calculation).
 - (ii) Calculations to compare this to the previous MRP charge indicated that between 2007/08 and 2015/16 the Council provided an additional £91.2 million with which it will “un-wind” over 7 years from 2017/18.
 - (iii) General Fund Prudential Borrowing – Provision to be made over the estimated life of the asset for which borrowing is undertaken. Provision to commence in the year following when the asset is operational. Where large loans are made to other bodies for their capital expenditure, no MRP will be charged. However, the capital receipts generated by the annual repayments on those loans will be put aside to repay debt instead.
 - (iv) HRA Borrowing - Provision to be made for debt repayments equal to its share of any scheduled external debt repayments.
 - (v) PFI schemes - Provision to equal the part of the unitary payment that writes down the balance sheet liability, together with amounts relating to lifecycle costs incurred in the year.

TREASURY MANAGEMENT PRUDENTIAL INDICATORS

Gross Debt and the Capital Financing Requirement (CFR)

The Code requires that where gross debt is greater than the CFR, the reasons for this should be clearly stated in the annual strategy. This does not apply to this Council as its gross debt will not exceed the CFR over the forecast period (see the ‘Gross Debt and the Capital Financing Requirement table within the Capital Strategy).

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.

It is recommended that the Council sets an upper limit on its fixed interest rate exposures for 2023/24, 2024/25 and 2025/26 of £948.3 million, £990.6 million, £1,029.2 million of its net principal. It is further recommended that the Council sets an upper limit on its variable interest rate exposures for 2023/24, 2024/25 and 2025/26 of £200 million of its net principal.

Maturity Structure of Borrowing

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

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

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

Long-Term Treasury Management Investments

The purpose of this indicator is to control the Council’s exposure to the risk of incurring losses by seeking early repayment of its investments. The prudential limits on the long-term treasury management investments will be:

Price risk indicator	2023/24	2024/25	2025/26	No Fixed Date
	£m	£m	£m	£m
Limit on principal invested beyond year end	0	0	0	10.0

Long-term investments with no fixed maturity date is the LAPF.

Investment Strategy 2023/24

Introduction

The Council invests its money for three broad purposes:

- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
- to support local public services by lending to or buying shares in other organisations (**service investments**), and
- to earn investment income (known as **commercial investments** where this is the main purpose).

This investment strategy meets the requirements of statutory guidance issued by the government in January 2018 and focuses on the second and third of these categories.

Treasury Management Investments

The Council typically receives its income in cash (eg. from taxes and grants) before it pays for its expenditure in cash (eg. through payroll and invoices). It also holds reserves for future expenditure. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments is expected to average £30.0 million with fluctuations between £20.0 million and £50.0 million during the 2023/24 financial year.

Contribution: The contribution that these investments make to the objectives of the Council is to support effective treasury management activities.

Further details: Full details of the Council's policies and its plan for 2023/24 for treasury management investments are covered in the treasury management strategy report 2023/24 to which this Investment Strategy is appended.

Service Investments: Loans

Contribution: The Council makes investments to assist local public services, including making loans to a variety of organisations, mainly local businesses, the local education college and local residents to support local public services and stimulate local economic growth.

The Council provided a significant loan to Kirklees College to help facilitate a new campus in Huddersfield and the delivery of a successful further education provision for post 16 students and adults across the district.

The Council has recently provided a loan to HD1 Living to renovate the building at 103 New Street to become modern student accommodation in the town centre as part of the Huddersfield regeneration plan.

Smaller loans have also been provided to local residents to be able to provide energy efficient heating within their own homes. The Council is part of the Leeds City Region Investment Fund where all local authorities contribute to the fund which provides individual loans to support infrastructure and construction projects which help deliver economic growth and job creation.

Existing capital plans provide for further development finance loans to support major town centre regeneration and economic growth, up to a Council approved £10.3 million (per the 5 year Capital Plan 2022/23 to 2026/27) through the Property Investment Fund. Amounts have been set aside in the capital plan for this type of investment.

The Council will continue to roll forward from last year's Investment Strategy, the option to provide financial loans to support 3rd sector partners and anchor organisations, along with loans and/or match funding in support of community asset transfers. The Council would underwrite this provision from within the existing earmarked reserves.

Security: The main risk when making loans is that the borrower will be unable to repay the principal lent and/or the interest due. Investment Strategy guidance states that in order to limit this risk and ensure that total Council exposure to loans remains proportionate to the size of the Council, upper limits on the outstanding loans to each category of borrower have to be set and approved annually by Council. The proposed upper limits for Council loans are set out at Table 1 below:

Table 1: Loans for service purposes in £ millions

Category of borrower	31.03.2022 actual			2023/24
	Balance owing	Loss allowance	Net figure in accounts	Approved Limit
Further education college	13.8	-0.7	13.1	13.1
Leeds City Region revolving investment fund	3.1	0.0	3.1	4.3
Local businesses and charities	14.2*	0.0	14.2*	22.7
Local residents	2.2	-0.1	2.1	2.1
TOTAL	33.3	-0.8	32.5	42.2

* This is made up of numerous investments, the largest of which is £9.9 million towards 103 New Street.

Accounting standards require the Council to set aside a loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Council's statement of accounts are shown net of this loss allowance. However, the Council makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.

Risk assessment: The Council assesses the risk of loss before entering into and whilst holding loans. This will include the nature of the market/sector to which the loan relates, and loan security against business/sector assets. The single largest current loan relates to Kirklees College which is a public sector entity and considered to be a viable going concern. The strength of the Council's partnership with key anchor organisations in the district like the College, and ability to influence, support and monitor the College's ongoing financial position, are also key factors, including Council senior finance representation on the College's finance committee.

Development finance loans such as Property Investment Fund (PIF) will allow the Council to offer loans to development projects which offer significant economic benefits to the Council and the wider Kirklees district.

Any funding offers made will be on the basis that the loan repayments made by the recipient will cover the Council's financing costs and allow for an appropriate margin on cost of funds reflecting the level of risk involved and consistent with State Aid principles. All funding offers made will be subject to appropriate due diligence, including external specialist advice where appropriate, availability of credit ratings in respect of any potential loanee where appropriate, and loan security arrangements. Each individual loan offer will be the subject of a further Cabinet report.

It would not be the intention for the Council to directly compete with existing providers of investment funding. The Council would only look to invest, at its discretion, when there was a clear and demonstrable added value case to be made in terms of local economic benefits for development finance involvement. In many instances the Council investment would be short term to cover the construction phase of development which is the most critical period for schemes to locate finance that is timely and on reasonable terms.

Once out of the development phase there is sufficient liquidity at an appropriate risk margin in the existing investment markets for schemes to be refinanced at which point the Council investment would be repaid. Any investment from the PIF would be on terms that allowed the Council to fully cover its costs, including the costs of borrowing to fund any advance, and creation of an appropriate risk contingency.

Service Investments: Shares

Contribution: The Council invests in the shares of local businesses to support local public services and stimulate local economic growth. The main share investment (£1.0 million) is a 9.9% holding in Kirklees School Services Ltd which operates 20 schools on our behalf on a 32 year contract under PFI. The Council also has a 40% shareholding in Kirklees Stadium Development Ltd (£0.1 million), a 14% holding in QED KMC Holdings Ltd (£0.2 million) and a 50% shareholding in Kirklees Henry Boot Partnership Ltd (£0.1 million).

Security: One of the risks of investing in shares is that they fall in value meaning that the initial outlay may not be recovered. In order to limit this risk, upper limits on the sum invested in each category of shares have been set as follows:

Table 2: Shares held for service purposes in £ millions

Category of company	31.03.2022 actual			2023/24
	Amounts invested	Gains or losses (-)	Value in accounts	Approved Limit
Local businesses	1.4	0.0	1.4	3.8

Risk assessment: The Council entered into these shareholdings for the purposes of participating in the governance and control of organisations that it considered to be important for the purposes of securing economic benefits to the borough. The Council is also the sole client in respect of one of these investments. The Council assessed the risk of participation taking account of the financial and public benefits, including the opportunity to make a potential gain in the event of the business being successful, although this was not the core purpose for initial participation. The Council assesses the risk of loss before entering into and whilst holding shares by continued oversight

and involvement in the strategic and operational aspects of the business, and participation in decision making, although the financial risk of the investment is perhaps lower than the operational and or reputational impacts of any failure by the companies in which the Council holds share based investments.

Liquidity: The Council has entered into these shareholdings for the purposes of delivery of its public service and community leadership obligations and the investments are considered to be long term. Viability of the investments in the long term is an important part of the strategy, but as the Councils share ownership and participation is strategic rather than financial the daily or periodic value is of less concern than the overall long-term health of the organisation in which the investment is held.

Non-specified Investments: Shares are the only investment type that the Council has identified that meets the definition of a non-specified investment in the government guidance. The limits above on share investments are therefore also the Council's upper limits on non-specified investments. The Council has not adopted any procedures for determining further categories of non-specified investment since none are likely to meet the definition.

Commercial Investments: Property

Contribution: The Council invests in local commercial property such as retail town centre shops and buildings with the intention of making a profit that will be spent on local public services.

These assets fall under the definition of Investment Properties in the CIPFA Accounting Code and are valued at fair value in the accounts in accordance with IFRS13. Fair value is when an asset is valued at its highest and best use.

Table 3: Property held for investment purposes in £ millions

Property type	Actual	31.03.2022 actual		31.03.2023 expected	
	Purchase cost	Gains or losses (-)	Value in accounts	Gains or losses (-)	Value in accounts
Commercial Property	*See below	-2.7	19.3	0.0	19.3

*The purchase cost cannot be ascertained as the majority of these assets have been owned by Kirklees for many years and purchased by Huddersfield Corporation during the 1920's from Ramsdens Estate. There is a signed legal document and a 'book of acquisition' which is a hard-backed ledger held in legal services.

Security: In accordance with government guidance, the Council considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs.

A fair value assessment of the Council's investment property portfolio has been made within the past twelve months, and the underlying assets provide security for capital investment. Should the 2022/23 year end accounts preparation and audit process value these properties below their purchase cost, then an updated investment strategy will be presented to full Council detailing the impact of the loss on the security of investments and any revenue consequences arising therefrom.

At this stage, the George Hotel is considered a regeneration project and not counted as an investment, however once redevelopment work has been completed this will be re-assessed.

Risk assessment: The Council's current commercial asset portfolio held for investment purposes is largely a historical portfolio. It is monitored and reviewed annually as part of the Council's wider asset strategy including potential future appreciation and potential receipt value.

It is not the Council's intention to invest in any new commercial portfolio investments at this time. If any new investments are identified a risk assessment would be performed.

Liquidity: Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice and can take a considerable period to sell in certain market conditions. To ensure that the invested funds can be accessed when they are needed, for example to repay capital borrowed, 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. Cash flow projections are prepared on a regular and timely basis.

Loan Commitments and Financial Guarantees

Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments and financial guarantees carry similar risks to the Council and are included here for completeness. The Council does not have any loan commitments, however there are some guarantees that the Council holds including a guarantee on outstanding contributions to the Pension Fund in the event of a default by certain bodies and a guarantee to the Homes & Communities Agency (HCA) in the event of a default by Kirklees Community Association (KCA) on the redevelopment of the Fieldhead Estate. The Council also act as a guarantor to a loan of £0.9 million that KSDL hold in the event of default.

Capacity, Skills and Culture

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Service Director - Finance is a qualified accountant with extensive local government experience, the Strategic Director - Growth and Regeneration has experience of major Council regeneration schemes and partnerships with major business and third-party partners, as do key Service Directors. The Council pays for staff to study towards relevant professional qualifications including CIPFA and AAT.

Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers. This approach is more cost effective than employing such staff directly and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

Cabinet is responsible for the implementation and monitoring of any investment policy. The Corporate Governance and Audit Committee undertake a scrutiny role with regard to investment. Regular training for members of the Committee is provided by our treasury advisors to enable them to make decisions to ensure accountability and responsibility on investment decisions within the context of the Council's corporate values. Any new investment decisions are also approved at full Council.

Investment Indicators

The Council has set the following quantitative indicators to allow elected members and the public to assess the Council's total risk exposure as a result of its investment decisions.

Total risk exposure: The first indicator shows the Council’s total exposure to potential investment losses. This includes amounts the Council is contractually committed to lend but have yet to be drawn down and guarantees the Council has issued over third-party loans.

Table 4: Total investment exposure in £ millions

Total investment exposure	31.03.2022 Actual	31.03.2023 Forecast	31.03.2024 Forecast
Treasury management investments	68.9	30.0	30.0
Service investments: Loans	32.5	35.7	41.9
Service investments: Shares	1.4	1.4	1.4
Commercial investments: Property	19.3	19.3	19.3
TOTAL INVESTMENTS	122.1	86.4	92.6
Commitments to lend	0.0	0.0	0.0
Guarantees issued on loans	0.9	0.9	0.9
TOTAL EXPOSURE	123.0	87.3	93.5

How investments are funded: Government guidance is that these indicators should include how investments are funded. Since the Council does not normally associate particular assets with particular liabilities, this guidance is difficult to comply with. However, the following investments could be described as being funded by borrowing. The remainder of the Council’s investments are funded by usable reserves and income received in advance of expenditure.

Table 5: Investments funded by borrowing in £ millions

Investments funded by borrowing	31.03.2022 Actual	31.03.2023 Forecast	31.03.2024 Forecast
Service investments: Loans	16.5	19.0	21.0

Rate of return received: This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Table 6: Investment rate of return (net of all costs)

Investments net rate of return	2021/22 Actual	2022/23 Forecast	2023/24 Forecast
Treasury management investments	1.0%	2.0%	3.6%
Service investments: Loans	0.1%	0.8%	0.8%
Service investments: Shares	None	None	None
Commercial investments: Property	-6.8%	5.0%	5.0%



**Your budget
Your say**

**Budget Consultation
2023/2024**



Summary – What we did

The budget consultation consisted of an online survey which summarised the council's priorities and actions for 2023/2024.

The survey asked people which of the proposed actions they felt would most help the council achieve its outcomes. The survey also asked which action people felt should be the council's first priority, along with asking if there were any other actions they felt were not currently included within the specific outcome.

The survey captured a snapshot view of how the cost-of-living increase was impacting people's financial wellbeing and their spending behaviours. Questions were asked to capture the awareness and usage of the council's cost-of-living web support pages and how helpful users of these pages have found them, whilst also identifying any ways they can be further improved.

The survey ran for a period of just over 4 weeks with 1216 responses received from a variety of age bands and ethnic backgrounds.

The survey was predominantly conducted online whilst also supported with a number of in-person pop up stalls across various locations in Kirklees.



Who took part?

These charts show the demographic breakdown of people who took part in the survey

Q36 Are you:

387 (32%) Male
760 (64%) Female
8 (1%) Non Binary/Intersex/Not specified
40 (3%) Prefer not to say

Q39 Do you consider yourself to have a disability?

206 (17%) Yes
918 (77%) No
72 (6%) Prefer not to say

Q37 Are You:

4 (0%) Under 18
30 (3%) 18-24
344 (29%) 25-44
499 (42%) 45-64
214 (18%) 65-74
59 (5%) 75 and over
46 (4%) Prefer not to say

Q34 Are you completing this questionnaire:

1119 (93%) as a Kirklees resident
121 (10%) as a Kirklees Council employee
20 (2%) as someone in education in Kirklees
89 (7%) as someone who works in Kirklees
11 (1%) on behalf of a local business
8 (1%) on behalf of a local community group/organisation
19 (2%) in another capacity

Q38 How would you describe your ethnic origin?

52 (4%) **Asian or Asian British** Includes any Asian background, for example, Bangladeshi, Chinese, Indian, Pakistani
16 (1%) **Black, African, Black British or Caribbean** Includes any black background
16 (1%) **Mixed or multiple ethnic groups** Includes any mixed background
965 (80%) **White British**
52 (4%) **White Other**
8 (1%) **Another ethnic group** Includes any other ethnic background, for example, Arab
91 (8%) **Prefer not to say**



Headlines – Cost-of-living impact

- Results showed that **1 in 4 (25%)** are financially finding things quite difficult or very difficult. 65% stated they were doing alright or getting by with 11% saying that they were living comfortably.
- Over half of respondents selected that they **have reduced their spending** on fuel, purchases of expensive items, food shopping, shopping other items, energy usage and eating out & entertainment.
- The **highest impacted** category was eating out & entertainment on which almost 3 in 4 stated they have reduced their spending. This was closely followed by those reducing spending on energy usage at 72%.
- The **least impacted** category was local travel on which just under 1 in 4 had reduced their spending.
- More than half (62%) **were not aware** of the cost-of-living support webpages, with 38% saying they were.
- Of those **who were aware** of the support web pages over a third (36%) had chosen to visit the webpages.
- Of those who **had used the support webpages** over 2 thirds (69%) said they had found them helpful, with 31% saying that they did not find them helpful.
- Overall, **72 individual comments** were received on what people did/didn't find helpful on the cost-of-living web support pages.



Headlines - What people think of the priority actions within the Kirklees outcomes

A list of priority actions within each of the 9 Kirklees outcomes were shown alongside a series of questions capturing how helpful people felt they were to Kirklees achieving the outcome, the priority level of the actions, and any actions people felt were missing.



Outcome 1 – Best Start – The **highest action** selected to be the first priority was ‘Making sure that keeping children safe is a priority for everyone across the council’. The **lowest action** selected to be the first priority was ‘Increasing the number of foster families in Kirklees’. There were **157 comments** received on this outcome.



Outcome 2 – Well – The **highest action** selected to be the first priority was ‘Making sure people have access to support and opportunities that promote wellbeing and good mental health’. The **lowest action** selected to be the first priority was ‘Promoting the use of our parks and greenspaces to improve physical and mental health and wellbeing’. There were **120 comments** received on this outcome.



Outcome 3 – Independent - The **highest action** selected to be the first priority was ‘Making sure the people providing care are well-paid and well-trained’. The **lowest action** selected to be the first priority was ‘Making sure the design of housing and public spaces and buildings helps older people and people with a disability to do more things for themselves’. There were **94 comments** received on this outcome.



Headlines - What people think of the priority actions within the Kirklees outcomes



Outcome 4 – Aspire and Achieve -The **highest action** selected to be the first priority was ‘Supporting young people with moving into post-16 education’. The **lowest action** selected to be the first priority was ‘Working with schools to reduce suspensions and permanent exclusions’. There were **89 comments** received on this outcome.



Outcome 5 – Sustainable Economy The **highest action** selected to be the first priority was ‘Providing support to residents and businesses with rising costs of living’. The **lowest action** selected to be the first priority was ‘Developing culture, heritage and tourism in Kirklees to raise our regional, national and global profile’. There were **140 comments** received on this outcome.



Outcome 6 – Safe and Cohesive - The **highest action** selected to be the first priority was ‘Making sure council services are more joined up to help keep children and adults safe from harm’. The **lowest action** selected to be the first priority was ‘Investing in replacing and improving tower blocks to improve safety and wellbeing for tenants’. There were **78 comments** received on this outcome.



Headlines - What people think of the priority actions within the Kirklees outcomes



Outcome 7 – Clean and Green - The **highest action** selected to be the first priority was ‘Providing high quality new and existing homes, which have low energy costs’.

The **lowest action** selected to be the first priority was ‘Increasing the number of council vehicles that are electric or hybrid’. There were **124 comments** received on this outcome.



Outcome 8 – Shaped by People - The **highest action** selected to be the first priority was ‘Talking to people in communities to better understand how to improve local places and wellbeing’.

The **lowest action** selected to be the first priority was ‘Increasing the number of active citizens that help to deliver support and services in communities’. There were **79 comments** received on this outcome.



Outcome 9 – Efficient and Effective - The **top 3 areas** that people felt the council should focus on were - Regeneration and investment in our towns and villages, Physical and mental health and wellbeing, Roads and highways.

The **lowest 3 areas** that people felt the council should focus on were, Planning, Culture, heritage, and tourism and Tackling inequalities.

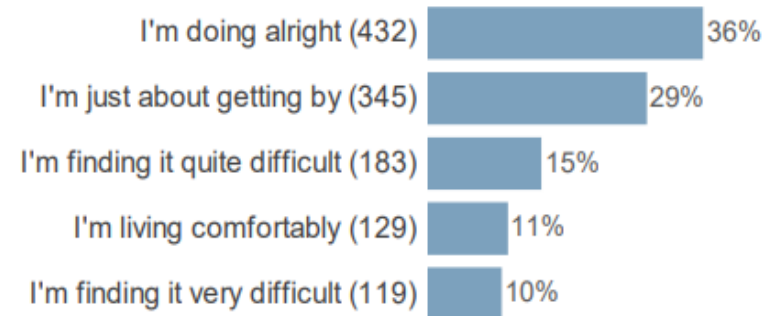
There were **96 comments** received on what else people felt was most important to them.



Cost-of-living crisis - impact on financial well being

The first question was asked to understand how people were feeling currently about their finances:

– *'How do you feel you are managing financially these days?'*



Results showed that 1 in 4 (25%) are finding things quite difficult or very difficult, 65% stated they were doing alright or getting by, with 11% saying that they were living comfortably.



Cost-of-living crisis - impact on spending behaviour

The second question was multiple choice and was asked to understand how/if people's spending behaviour is currently being impacted as a result of the cost-of-living crisis.

- *Do you feel you have reduced your spending on any of the below due to the cost of living increasing? (Select as many as apply)*



Over half of respondents have reduced their spending on fuel, purchases of expensive items, food shopping, shopping other items, energy usage and eating out & entertainment.

The highest impacted category was eating out & entertainment on which almost 3 in 4 stated they have reduced their spending. This was closely followed by those reducing spending on energy usage at 72%.

The least impacted category was local travel on which just under 1 in 4 have reduced their spending.



Cost-of-living crisis – Awareness and usage of Kirklees support webpages

A number of questions were asked to understand awareness and usage of support webpages.

- *‘Are you aware of the council's cost of living support webpages?’*



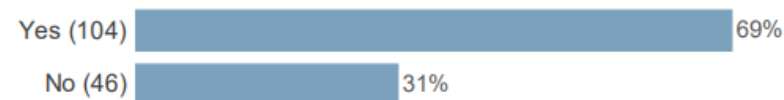
More than half (62%) were not aware of the cost-of-living support webpages with 38% saying they were.

- *‘Have you visited any of the council's cost of living support webpages?’*



Of those who were aware of the support web pages over a third (36%) had chosen to visit the webpages, with 64% selecting they had not.

‘Did you find the information helpful?’



Of those who had visited the support webpages over 2 thirds (69%) said they had found them helpful, with 31% saying that they did not find them helpful.



Cost-of-living crisis –Review of support webpages

To understand what people had found helpful and not helpful on the webpage an open question was also asked to those who had visited the webpages:

- *‘Please use this box to tell us what you did or didn't find helpful on the cost-of-living support webpages.’*

There were 72 comments received on what people did and did not find helpful in which a number of themes occurred.

Things that **people found helpful** included – sections being well organised, with positive comments received around their being useful tips on saving energy that people could try, and finding the discounts and offers page useful.

Some people spoke about **using them just as an overview** to see if they or any family members were not missing out on anything and also to use as a place to see if any new support had become available that they were unaware of. A large number of the comments received were from people saying they were **not eligible for any of the financial support** offered due to their personal circumstances which to them made the information pointless.

A number of people spoke about there being **no new information** suggesting that the support pages did not tell them anything they hadn't already heard, and was advice they were already aware of.

A **number of suggestions** were made on improving these web support pages including the following:

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- Information on how to claim school meals
- Direct links to local support groups such as food banks, warm places, neighbourhood wards
- More promotion of discounts and events to attend in local areas.



Outcome 1 - Best Start - Children in Kirklees have the best start in life



Respondents were shown a list of priorities within the best start outcome and asked to select up to three which they felt would most help to make sure every child has the best start in life.

Making sure that keeping children safe is a priority for everyone across the council (1036)	87.9%
Improving outcomes for children by delivering effective Local Authority Children's Services (811)	68.8%
Providing more opportunities for training and work experience for those who are or have been in our care system (728)	61.8%
Developing more ways of providing help and support for foster carers and extended families (354)	30.1%
Increasing the number of foster families in Kirklees (165)	14.0%

The **top three** selected priorities were:

- Making sure that keeping children safe is a priority for everyone across the council.
- Improving outcomes for children by delivering effective Local Authority Children's Services.
- Providing more opportunities for training and work experience for those who are or have been in our care system.

After selecting their top three priorities, respondents were then asked which area they felt should be the first priority.

Making sure that keeping children safe is a priority for everyone across the council (731)	62.4%
Improving outcomes for children by delivering effective Local Authority Children's Services (224)	19.1%
Providing more opportunities for training and work experience for those who are or have been in our care system (148)	12.6%
Developing more ways of providing help and support for foster carers and extended families (48)	4.1%
Increasing the number of foster families in Kirklees (21)	1.8%

The **highest and lowest** selected areas were:

- The **highest** with over half (62.4%) selecting was 'Making sure that keeping children safe is a priority for everyone across the council'.
- The **lowest** selected area was 'Increasing the number of foster families in Kirklees' (1.8%).

Please use this box to tell us anything you think is missing from the priorities listed in this outcome.

*157 comments were received with a number of key themes discussed:

- Invest in Children's Services & Prioritise Safeguarding
- Support Deterring Children from Crime
- Tackle Poverty and Prioritise all Children
- More Support for Schools / Improve Education
- Offering Parenting Support
- Improve SEND and Mental Health Provision



Outcome 2 - Well - People in Kirklees are as well as possible for as long as possible



Respondents were shown a list of priorities within the well outcome and asked to select up to three which they felt would most help us to support people to be as well as possible.

Making sure people have access to support and opportunities that promote wellbeing and good mental health (915)	76.8%
Improving the health and wellbeing of people in need of social care (617)	51.8%
Promoting the use of our parks and greenspaces to improve physical and mental health and wellbeing (592)	49.7%
Making sure the needs and experiences of people in Kirklees are heard at a national and regional level (564)	47.4%
Helping to promote the facilities in our sports and leisure centres (Kirklees Active Leisure) to increase activity and wellbeing (544)	45.7%

The **top three** selected priorities were:

- Making sure people have access to support and opportunities that promote wellbeing and good mental health.
- Improving the health and wellbeing of people in need of social care.
- Promoting the use of our parks and greenspaces to improve physical and mental health and wellbeing.

After selecting their top three priorities, respondents were then asked which area they felt should be the first priority.

Making sure people have access to support and opportunities that promote wellbeing and good mental health (475)	40.3%
Improving the health and wellbeing of people in need of social care (213)	18.1%
Helping to promote the facilities in our sports and leisure centres (Kirklees Active Leisure) to increase activity and wellbeing (195)	16.5%
Making sure the needs and experiences of people in Kirklees are heard at a national and regional level (176)	14.9%
Promoting the use of our parks and greenspaces to improve physical and mental health and wellbeing (120)	10.2%

The **highest and lowest** selected areas were:

- The **highest** selected by 40.3% was 'Making sure people have access to support and opportunities that promote wellbeing and good mental health'.
- The **lowest** selected area was 'Promoting the use of our parks and greenspaces to improve physical and mental health and wellbeing' selected by 10.2%.

Please use this box to tell us anything you think is missing from the priorities listed in this outcome.

* 120 comments were received with a number of key themes discussed:

- Respond to the Health and Social Care Crisis
- Affordable Sports & Leisure Facilities
- Protect & Improve Parks and Greenspaces
- Respond to the Cost-of-Living Crisis
- Improve Community Life
- Educate People about Healthy Food



Outcome 3 – Independent - People in Kirklees are independent and have control over their lives



Respondents were shown a list of priorities within the independent outcome and asked to select up to three which they felt would most help people in Kirklees to live independently.

Making sure the people providing care are well-paid and well-trained (802)	67.1%
Improving people's own homes to support them to live there for longer (740)	61.9%
Making sure people receiving care are treated with dignity and respect (719)	60.2%
Developing more housing options for people (such as 'Extra Care Housing') to provide alternatives to living in a care home (582)	48.7%
Making sure the design of housing and public spaces and buildings helps older people and people with a disability to do more things for themselves (526)	44.0%

The **top three** selected priorities were:

- Making sure people receiving care are treated with dignity and respect.
- Making sure the people providing care are well-paid and well-trained.
- Improving people's own homes to support them to live there for longer.

After selecting their top three priorities, respondents were then asked which area they felt should be the first priority.

Making sure the people providing care are well-paid and well-trained (387)	32.6%
Improving people's own homes to support them to live there for longer (302)	25.4%
Making sure people receiving care are treated with dignity and respect (235)	19.8%
Developing more housing options for people (such as 'Extra Care Housing') to provide alternatives to living in a care home (163)	13.7%
Making sure the design of housing and public spaces and buildings helps older people and people with a disability to do more things for themselves (100)	8.4%

The **highest and lowest** selected areas were:

- The **highest** with around a third (32.6%) selected was 'Making sure the people providing care are well-paid and well-trained'.
- The **lowest** selected area was 'Making sure the design of housing and public spaces and buildings help older people and people with a disability to do more things for themselves' (8.4%).

Please use this box to tell us anything you think is missing from the priorities listed in this outcome.

94 comments were received with a number of key themes discussed:

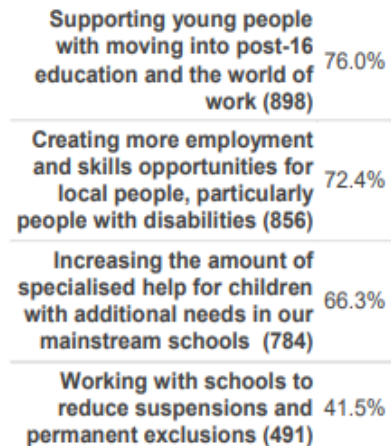
- Housing Solutions
- Better Training and Pay for Care Workers
- Improvements in Care
- Support within the Community
- Keeping People in Their Own Home
- Focus on Everybody
- Criticism of Council/Survey



Outcome 4 – Aspire and Achieve - People in Kirklees have aspiration to achieve their ambitions through education, training employment and lifelong learning



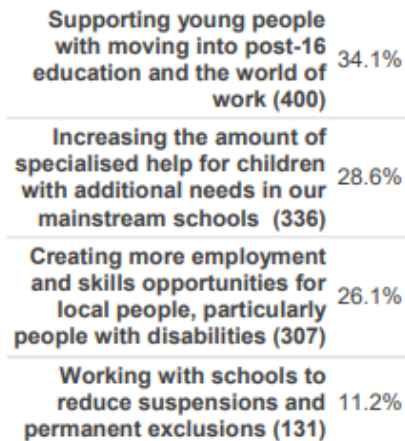
Respondents were shown a list of priorities within the Aspire and Achieve outcome and asked to select up to three which they felt would most help us to support people to achieve their ambitions.



The **top three** selected priorities were:

- Supporting young people with moving into post-16 education and the world of work.
- Creating more employment and skills opportunities for local people, particularly people with disabilities.
- Increasing the amount of specialised help for children with additional needs in our mainstream schools.

After selecting their top three priorities, respondents were then asked which area they felt should be the first priority.



The **highest and lowest** selected areas were:

- The **highest** selected with just over a third (34.1%) was 'Supporting young people with moving into post-16 education and the world of work'.
- The **lowest** selected was 'Working with schools to reduce suspensions and permanent exclusions' (11.2%).

Please use this box to tell us anything you think is missing from the priorities listed in this outcome.

89 comments were received with a number of key themes discussed:

- Focus on Everybody
- More Provision for SEND Children
- Teach 'Life skills', Trades & Apprenticeships
- Invest in Children to Prevent Problems Later in Life
- Better Funding and Staffing for Schools



Outcome 5 – Sustainable economy - Kirklees has sustainable economic growth and provides good employment for and with communities and businesses



Sustainable economy

Respondents were shown a list of priorities within the Sustainable Economy outcome and asked to select up to three which they felt would most help us to improve our economy

Providing support to residents and businesses with rising costs of living (632)	53.2%	Supporting business growth, and new business start-ups in the area (514)	43.2%	Developing Culture, Heritage and Tourism in Kirklees to raise our regional, national and global profile (214)	18.0%
Developing better transport connections to the wider towns and cities surrounding Kirklees (530)	44.6%	Delivering the regeneration plans for Huddersfield Town Centre (398)	33.5%	Delivering more investment into Dewsbury (120)	10.1%
Making sure that the goods and services the council buys help to benefit local businesses and community organisations (516)	43.4%	Investing in smaller towns including Holmfirth, Heckmondwike, Cleckheaton and Batley (353)	29.7%	Improving the bus stations in both Dewsbury and Heckmondwike (52)	4.4%

The **top three** selected priorities were:

- Providing support to residents and businesses with rising costs of living.
- Developing better transport connections to the wider towns and cities surrounding Kirklees.
- Making sure that the goods and services the council buys help to benefit local businesses and community organisations.

After selecting their top three priorities, respondents were then asked which area they felt should be the first priority

Providing support to residents and businesses with rising costs of living (316)	26.7%	Delivering the regeneration plans for Huddersfield Town Centre (168)	14.2%	Delivering more investment into Dewsbury (49)	4.1%
Developing better transport connections to the wider towns and cities surrounding Kirklees (182)	15.4%	Making sure that the goods and services the council buys help to benefit local businesses and community organisations (136)	11.5%	Developing Culture, Heritage and Tourism in Kirklees to raise our regional, national and global profile (29)	2.4%
Supporting business growth, and new business start-ups in the area (173)	14.6%	Investing in smaller towns including Holmfirth, Heckmondwike, Cleckheaton and Batley (124)	10.5%	Improving the bus stations in both Dewsbury and Heckmondwike (7)	0.6%

The **highest selected** by 27% was 'Providing support to residents and businesses with rising costs of living' whilst the **lowest selected** was 'Improving the bus stations in both Dewsbury and Heckmondwike' (1%).

Please use this box to tell us anything you think is missing from the priorities listed in this outcome.

140 comments were received with a number of key themes discussed:

- Incentivising and Supporting Retailers
- Improved Transport Infrastructure
- Changes to Parking
- Safety Concerns
- Increase in Planning Considerations
- Financial Concerns on Investments



Outcome 6 – Safe and cohesive - People in Kirklees live in cohesive communities, feel safe and are protected from harm



Respondents were shown a list of priorities within the Safe and Cohesive outcome and asked to select up to three which they felt would most help us to improve our economy.



The **top three** selected priorities were:

- Making sure council services are more joined up to help keep children and adults safe from harm.
- Developing action plans to help build a sense of sense of security, connection and belonging in our communities.
- Improving the safety of our roads.

After selecting what they felt should be the top three priorities, respondents were then asked which priority they felt should be first



The **highest and lowest** selected areas were:

- The **highest** selected by 36.4% was 'Making sure council services are more joined up to help keep children and adults safe from harm'.
- The **lowest** selected was 'Investing in replacing and improving tower blocks to improve safety and wellbeing for tenants' (5.2%).

Please use this box to tell us anything you think is missing from the priorities listed in this outcome.

78 comments were received with a number of key themes discussed:

- Need for Road and Pavement Improvements
- Investment in Policing
- Safety Concerns and Tackling Anti-Social Behaviour
- Community Support



Outcome 7 – Clean and Green - People in Kirklees experience a high-quality, clean and green environment



Respondents were shown a list of priorities within the Clean and Green outcome and asked to select up to three which they felt would most help us to achieve a cleaner and greener environment.

Helping residents and businesses to reduce waste and recycle wherever possible (693)	57.9%	Reducing carbon emissions to tackle climate change in Kirklees (413)	34.5%
Maintaining our roads (686)	57.4%	Reducing the impact of cars on the environment by increasing the number of electric vehicle charging points (205)	17.1%
Providing high quality new and existing homes, which have low energy costs (628)	52.5%	Increasing the number of council vehicles that are electric or hybrid (115)	9.6%
Planting more trees and improving local biodiversity (566)	47.3%		

The **top three** selected priorities were:

- Helping residents and businesses to reduce waste and recycle wherever possible.
- Maintaining our roads.
- Providing high quality new and existing homes, which have low energy costs.

After selecting what they felt should be the top three priorities, respondents were then asked which priority they felt should be first.

Providing high quality new and existing homes, which have low energy costs (305)	25.7%	Planting more trees and improving local biodiversity (131)	11.1%
Maintaining our roads (301)	25.4%	Reducing the impact of cars on the environment by increasing the number of electric vehicle charging points (46)	3.9%
Helping residents and businesses to reduce waste and recycle wherever possible (252)	21.3%	Increasing the number of council vehicles that are electric or hybrid (14)	1.2%
Reducing carbon emissions to tackle climate change in Kirklees (136)	11.5%		

The **highest selected** by just over 1 in 4 (25.7%) was 'Providing high quality new and existing homes, which have low energy costs' whilst the **lowest selected** was 'Increasing the number of council vehicles that are electric or hybrid' (1.2%).

Please use this box to tell us anything you think is missing from the priorities listed in this outcome.

124 comments were received with a number of key themes discussed:

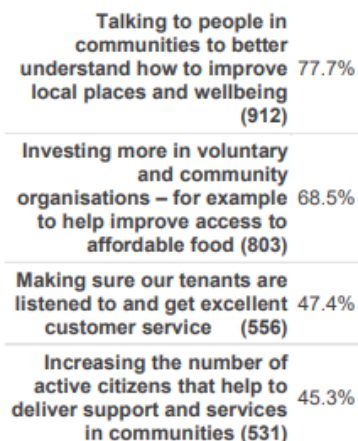
- Improvements to Recycling Options and Accessibility
- Tackling Fly Tipping
- More Accessible Electric Vehicle Charge Points
- Improving Infrastructure to Encourage Cycling
- Improving Public Transport
- Introducing Tougher Sustainable Building Regulations
- Building Less on Greenbelt and Improving Local Infrastructure



Outcome 8 – Shaped by People – We make our places what they are



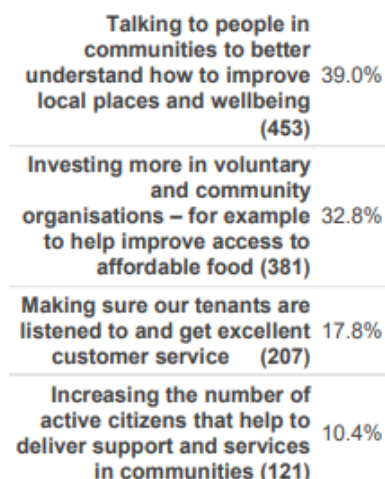
Respondents were shown a list of priorities within the Shaped by People outcome and asked to select up to three which they felt would most help us to improve our economy.



The **top three** selected priorities were:

- Talking to people in communities to better understand how to improve local places and wellbeing.
- Investing more in voluntary and community organisations – for example to help improve access to affordable food.
- Making sure our tenants are listened to and get excellent customer service.

After selecting what they felt should be the top three priorities, respondents were then asked which priority they felt should be first.



The **highest and lowest** selected areas were:

- The **highest** selected by 39% was ‘Talking to people in communities to better understand how to improve local places and wellbeing’.
- The **lowest** selected was ‘Increasing the number of active citizens that help to deliver support and services in communities’ (10.4%).

Please use this box to tell us anything you think is missing from the priorities listed in this outcome.

79 comments were received with a number of key themes discussed:

- Improve Engagement with Residents
- More Support for Voluntary Groups
- Greater Inclusion – not just Council Tenants
- Investment in Building and Maintaining Community Support
- Improve Council Customer Service



Outcome 9 – Efficient and Effective - Kirklees Council works smart and delivers efficiently and effectively



Respondents were shown a list of priorities and asked to select up to three which they felt were most important to them

Every child in Kirklees starts school healthy, happy, and ready to learn (588)	49.6%	People in Kirklees have healthy lifestyles as well as good physical and mental wellbeing (416)	35.1%
Children, young people and adults in Kirklees have access to the right education, training, employment, and lifelong learning so they are able to achieve their best (5...)	47.7%	People in Kirklees are proud of the communities that they live in, feel happy, feel safe, and get on well together (302)	25.5%
Kirklees has a strong, sustainable economy with good jobs and decent incomes (514)	43.4%	Everyone in Kirklees can take part in making the places where they live, work and play better, and everyone feels like their voice is listened to (283)	23.9%
Adults in Kirklees live independently as far as possible, and receive the right care and support at the right time (450)	38.0%	People in Kirklees have a high quality, clean and green environment (261)	22.0%

The **top three** selected priorities which people felt were most important to them were:

- Every child in Kirklees starts school healthy, happy, and ready to learn.
- Children, young people, and adults in Kirklees have access to the right education, training, employment, and lifelong learning so they are able to achieve their best.
- Kirklees has a strong, sustainable economy with good jobs and decent incomes.

Respondents were then shown a list of 18 key areas for the council to focus on and were asked which three things they would like the council to focus more on.

427 (36%)	Regeneration and investment in our towns and villages
183 (15%)	Council housing
257 (22%)	Business and economic growth
209 (18%)	Employment and skills for adults
159 (13%)	Housing growth (more housing of the right kind)
219 (18%)	Adult social care services
152 (13%)	Community safety and cohesion
352 (30%)	Physical and mental health and wellbeing
104 (9%)	Children and young people with disabilities
142 (12%)	Children's social care
129 (11%)	Community facilities, groups and activities
245 (21%)	Schools and further education
185 (16%)	Climate change and environmental sustainability
327 (27%)	Roads and highways
158 (13%)	A clean environment
38 (3%)	Planning
85 (7%)	Tackling inequalities
48 (4%)	Culture, heritage and tourism

The **top three** selected were:

- Regeneration and investment in our towns and villages
- Physical and mental health and wellbeing
- Roads and highways

The **lowest three** selected were:

- Planning
- Culture, heritage, and tourism
- Tackling inequalities

Please use this box to tell us about anything else that is important to you.

114 comments were received with a number of key themes discussed:

- Investment in High Streets and Regeneration
- Educating Residents on Self-Care
- Improve Road Infrastructure
- Active Travel
- Keeping Kirklees Streets Safe and Clean
- Supporting Volunteer Groups
- More Stricter House Development Processes

