

# Public Document Pack



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Wednesday 13 December 2023

## Notice of Meeting

Dear Member

### **Cabinet**

The **Cabinet** will meet in the **Huddersfield Town Hall** at **1.00 pm** on **Thursday 21 December 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:-**

<b>Member</b>	<b>Responsible For:</b>
Councillor Cathy Scott	Leader of the Council
Councillor Moses Crook	Cabinet Member – Housing and Highways
Councillor Paul Davies	Cabinet Member – Corporate (Deputy Leader)
Councillor Yusra Hussain	Cabinet Member – Culture and Greener Kirklees
Councillor Viv Kendrick	Children' Services (Statutory responsibility for Children)
Councillor Mussarat Pervaiz	Cabinet Member - Communities
Councillor Jackie Ramsay	Health & Social Care (Statutory responsibility for Adults)
Councillor Elizabeth Reynolds	Cabinet Member – Learning and Aspiration
Councillor Graham Turner	Cabinet Member – Finance and Regeneration

# Agenda

## Reports or Explanatory Notes Attached

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**Pages**

**1: Membership of Cabinet**

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

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**2: Declaration of Interests**

1 - 2

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

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**3: Admission of the Public**

Most agenda items take place in public. This only changes where there is a need to consider exempt information, as contained at Schedule 12A of the Local Government Act 1972. You will be informed at this point which items are to be recommended for exclusion and to be resolved by the Committee.

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**4: Deputations/Petitions**

The Cabinet will receive any petitions and/or 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 submit a petition at the meeting relating to a matter on which the body has powers and responsibilities.

In accordance with Council Procedure Rule 10, Members of the Public must submit a deputation in writing, at least three clear working days in advance of the meeting and shall subsequently be notified if the deputation shall be heard. A maximum of four deputations shall be heard at any one meeting.

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## **5: Questions by Members of the Public**

To receive any public questions.

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

Any questions must be submitted in writing at least three clear working days in advance of the meeting.

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## **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.

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## **7: Kirklees Cultural Heart - part of the Huddersfield Blueprint - Phase 1 Gateway 4**

3 - 32

To consider Kirklees Cultural Heart, part of the Huddersfield Blueprint.

Wards affected: Newsome

Contact: David Glover, Senior Responsible Officer

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## **8: Interim Housing Position Statement to Boost Supply**

33 - 52

To consider the Interim Housing Position Statement to Boost Supply.

Wards affected: all

Contact: Andrea Lane Planning Policy Team Leader, Planning Policy Group

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**9: 19-33a John William Street, Huddersfield - Huddersfield Heritage Led Regeneration Grant Scheme (HLR) Grant offer** 53 - 74

To consider grant support from the Huddersfield Heritage Led Regeneration Grant Scheme for properties at 19-33a John William Street, Huddersfield.

Ward affected: Newsome

Contact: Nigel Hunston, Team Leader Town Centres Conservation and Design

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**10: Implementing the Council's Vision for Adult Social Care** 75 - 94

To consider the Council's Vision for Adult Social Care.

Wards affected: all

Contact: Richard Parry - Strategic Director for Adults and Health

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**11: Yorkshire Purchasing Organisation Management Agreement** 95 - 100

To consider changes to the Management Agreement that controls the governance and operation of the Yorkshire Purchasing Organisation.

Wards affected: all

Contact: Martin Dearnley, Head of Risk

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**12: Half yearly monitoring report on Treasury Management Activities 2023-24 (Reference to Council)** 101 - 128

To receive the Half Yearly Monitoring report on Treasury Management activities 2023/24.

Wards affected: all

**13: Exclusion of the Public**

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

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**14. Kirklees Cultural Heart - part of the Huddersfield Blueprint - Phase 1 Gateway 4** 129 - 148

To consider exempt information in relation to Agenda Item 7.

**15. 19-33a John William Street, Huddersfield - Huddersfield Heritage Led Regeneration Grant Scheme (HLR) Grant offer** 149 - 154

To consider exempt information in relation to Agenda Item 9.

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

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

## NOTES

### Disclosable Pecuniary Interests

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

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

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

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

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

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

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

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

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

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

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

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





**Name of meeting: Cabinet**

**Date: 21<sup>st</sup> December 2023**

**Title of report: Kirklees Cultural Heart,  
part of the Huddersfield Blueprint – Phase 1 Gateway 4**

**Purpose of this report:**

The purpose of this report is to give an update on the progress of Our Cultural Heart at this Phase 1 Gateway 4 and to request delegated authority to make the decision to commence Phase 1 works on site.

The report also requests approval to progress Phase 2, the combined museum and gallery, to Gateway 3 to confirm the design and contractor procurement for this next phase and at the same time to progress other aspects of the master plan as necessary.

The programme has been to Cabinet a number of times with the last report being in June 2023 for Gateway 3 for all phases of the master plan.

<p><b>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? Decisions having a particularly significant effect on a single ward may also be treated as if they were key decisions.</b></p>	<p><b>Yes</b>  <b>Expenditure &gt;£500,000</b></p>
<p><b>Key Decision - Is it in the <u>Council's Forward Plan (key decisions and private reports)</u>?</b></p>	<p><b>Yes, published 21<sup>st</sup> November 2023.</b>  <b>Public Cabinet report with public and private appendices.</b></p>
<p><b>The Decision - Is it eligible for call in by Scrutiny?</b></p>	<p><b>Yes</b></p>
<p><b>Date signed off by <u>Strategic Director</u> &amp; name.</b>  <b>Is it also signed off by the Service Director for Finance?</b>  <b>Is it also signed off by the Service Director for Legal Governance and Commissioning?</b></p>	<p><b>David Shepherd – 1<sup>st</sup> December 2023</b>  <b>Isabel Brittain – 11<sup>th</sup> December 2023</b>  <b>Julie Muscroft – 11<sup>th</sup> December 2023</b></p>
<p><b>Cabinet member <a href="#">portfolio</a></b></p>	<p><b>Cllr Graham Turner Finance &amp; Regeneration Portfolio Holder</b></p>

**Electoral wards affected:** Newsome

**Ward councillors consulted:** Newsome ward councillors were consulted on the progress of the scheme as part of the public consultations for planning.

**Has GDPR been considered?** Yes

**Public or private:** Public Cabinet report with public and private appendices.

The appendices to the Cabinet report are set out below.

## **APPENDICES**

In the public report where appendices are private parts may be redacted or the appendix may have been withheld.

Appendix 1, Phase 1 plan, red line boundary (public)

Appendix 2, Phase 1 Contractors Design Proposals (public)

Appendix 3, Phase 1 Contractors Design Proposals Savings Budget (private)

Appendix 4, Phase 1 Pre-Contract Services Agreement Budget (private)

Appendix 5, Phase 1 Enabling Works Budget (private)

Appendix 6, Phase 1 Construction Period Budget (private)

Appendix 7, Phase 2 Museum & Gallery Capital Development Budget (private)

Appendix 8, Phase 2 Gateway 3 Budget (private)

Appendix 9, Capital Delivery Resource (private)

Appendix 10, Phase 1 Service Budgets (public)

Appendix 11, Capital Development Budget, Phase 1, Phase 2 & Master Plan Allowances (private)

**Certain appendices as annotated above are private in accordance with Schedule 12A Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006 namely it contains information relating to the financial and business affairs of third parties (including the Authority holding that information). It is considered that the disclosure of the information would adversely affect those third parties including the Authority and therefore the public interest in maintaining the exemption, which would protect the rights of an individual or the Authority, outweighs the public interest in disclosing the information and providing greater openness and transparency in relation to public expenditure in the Authority's decision making. And where information is subject to an obligation to confidentiality.**

**Kirklees Cultural Heart,**

## **part of the Huddersfield Blueprint – Phase 1 Gateway 4**

### **Summary**

The council adopted a refresh Council Plan in July 2023, containing 4 key priorities to focus the business of the council. One of the four key priorities was “continuing to invest in our future – investing in the regeneration of our towns and villages, so that our economic recovery is as quick and secure as possible.” This report directly delivers against this key priority.

Despite the challenging financial context affecting Local Government, it is widely recognised that stimulating economic growth is vital, to not just create opportunities for local residents but increasingly to generate the future local tax base that can help meet the increasing cost of delivering local authority services.

We know that Kirklees is defined by its distinctive towns and villages and that, within that, Huddersfield town centre currently underperforms economically to the determinant of the whole district and wider area. Prioritised investments that retain ambition for our local places and enable long term economic opportunity, whilst being alive to the pressures upon Local Government resources, is therefore of critical importance.

Launched in June 2019, the Huddersfield Blueprint (blueprint) aims to help transform the town centre. As one of six key elements of the blueprint vision, Our Cultural Heart will help to deliver many of the council’s strategic social, economic, and cultural objectives by being a catalyst for change and regeneration in the town centre, creating a coherent, safe, inclusive, and family friendly cultural offer. Set on a central campus in the Queensgate and Piazza area Our Cultural Heart will celebrate the heritage of Huddersfield while offering new cultural experiences for residents and visitors alike.

The council’s investment in Our Cultural Heart will create core facilities and stimulate the provision of ancillary facilities, services, and opportunities by private, third and academic sectors, working in partnership with the council, helping to secure the future of existing businesses and attract new investment. This catalytic role will help in creating a platform to deliver inclusive economic growth and social vibrancy of Huddersfield and the wider Kirklees area for the benefit of all communities.

It is also encouraging that these changes are already happening with the council’s commitment to the blueprint and Our Cultural Heart being matched by Huddersfield University on their National Health Innovation Campus where construction is well underway and will be significantly enhanced by the £1.5 billion Transpennine Route Upgrade works by Network Rail.

As a major transformational programme, progress on Our Cultural Heart is regularly reviewed by Cabinet through the gateway process with key milestones for progressing the programme. This approach allows Cabinet to take stock of progress and consider factors such as changing market conditions, phasing delivery, the developing design, affordability, and stakeholder views. At each stage, Cabinet is invited to endorse the outcomes of the gateway and decide whether and how to move forward.

In this report Cabinet is asked to consider, note, and approve the items set out below to facilitate the next stage of delivery of Our Cultural Heart,

- Phase 1, design & build contract
  - Pre-Contract Services Agreement
    - Construction contract sum negotiations
    - Delivery programme
    - Design development
    - Enabling works

- Works on site, construction contract
- Phase 2, museum & gallery combined option and timing
- Queen St plot
- Extensions to the appointments of the delivery team
  - Strategic Delivery Partner/Project Manager (Turner & Townsend)
  - Architect (Fielden Clegg Bradley)
  - Multi-disciplinary Engineer (Arup)
- The required Capital Development Budget for Phase 1 and to progress Phase 2 to Gateway 3 and any other necessary preparations for future phases.

## **1. Information required to take a decision**

### **1.1 Master Plan**

The RIBA 3 for the master plan and the individual assets within it was completed in early 2023 and approved at the Gateway 3 Cabinet in June 2023. At the same Cabinet approval was given to,

- phase the delivery of the master plan,
- modify the master plan by combining the museum & gallery into one asset (the old library),
- progress discussions with third parties for the use of the Queen St plot.

### **1.2 Planning and Listed Building Consent**

The planning and listed building consent (Queensgate Market & the library/art gallery) application for the RIBA 3 master plan scheme was submitted and approved by the Strategic Planning Committee on the 2<sup>nd</sup> March 2023 with the formal decision notices being issued on the 21<sup>st</sup> July 2023 following completion of the associated conditions.

### **1.3 Phase 1, Design & Build Contract**

Phase 1 is the planned repurposing of the Queensgate Market following its closure towards the end of last year and the adjoining Piazza retail units. The Phase 1 delivery will therefore be,

- New library,
- Food hall (3<sup>rd</sup> party operator, procurement to commence Q1 2024)
- Events square/public realm and the associated service areas.

See Appendix 1 Phase 1 plan, red line boundary (public)

At the Gateway 3 Cabinet report (June 2023) approval was given to appoint BAM Construction Limited (BAM) as the preferred design and build contractor for Phase 1 under the Pre-Contract Services Agreement (PCSA)

#### **1.3.1 Phase 1 PCSA Period**

The appointment of BAM is for a limited period up to Gateway 4 to facilitate the necessary preparations for the construction period and the start on site. The works on site will be under a separate NEC construction contract following the PCSA period.

In addition to concluding the NEC construction contract the two principal activities under a PCSA are to take the design from RIBA 3 to RIBA 4 whilst at the same time agreeing the associated construction contract sum. BAM's assessment of the Phase 1 construction costs was in excess of the budget and as part of the process BAM, working with the delivery team, have made a number of design proposals to make the necessary savings.

The majority of the design proposals have been adopted, and the associated cost savings targeted. This proactive partnering approach with BAM is the best way of controlling costs within the overall limits previously set by Cabinet. See Appendix 2, Phase 1 Contractors Design Proposals (public) and Appendix 3 Phase 1 Contractors Design Proposals Savings Budget (private).

Some of these changes will need incorporating into the RIBA 3 design and then will need to be submitted to the planning and conservation teams for review, and to allow this process and the RIBA 4 design and construction contract sum negotiations to conclude, this report will request that the PCSA period be extended to June 2024, this report will also request delegated authority to further extend the PCSA period if necessary (see Section 5.2).

The PCSA budget is £6.180m, including reallocation of some costs to later phases and £0.56m to complete this stage. See Appendix 4 Phase 1 Pre-Contract Services Agreement Budget (private).

With regard to surveys BAM have adopted the work carried out during the earlier design stages and are assessing where any additional survey work is necessary.

BAM are also proposing that certain enabling works like asbestos removal, strip out, early orders of materials, utility disconnections and site set-up will be beneficial to maintain the programme timeline and the current completion date and that these works should commence in Feb/March 2024.

The practicalities associated with proceeding with these enabling works, prior to the construction contract sum being agreed, are being reviewed and this report will request delegated authority (see Section 5.3) to make the decision to carry out the enabling works during the PCSA period. If the enabling works are not carried out during the PCSA period then the Phase 1 completion will be delayed. The budget for the enabling works is £1.105m and is included in the PCSA budget. See Appendix 5 Phase 1 Enabling Works Budget (private).

### **1.3.2 Phase 1 Works on Site, NEC Construction Contract**

Following any authorised enabling works the steps to commence work on site will be,

- Conclusion of the RIBA 4 design March/April 2024
- Agreement with BAM on the construction contract sum, construction programme, and the contract documents. May/June 2024
- Contract award/start on site June/July 2024

Subject to approval of this report to extend the PCSA period to provide the necessary time to agree the above matters this report will request delegated authority to sign off the conclusion of Gateway 4 (see Section 5.4) and to make the decision to award the NEC construction contract to BAM and start works on site subject to working within the Construction Period Budget (see Section 5.5). See

Appendix 6 Phase 1 Construction Period Budget (private). If the figure cannot be achieved the matter will be brought back to Cabinet.

Demolition will only include those parts of the master plan that are needed to facilitate Phase 1 with the remainder continuing to be used by retailers and meanwhile uses until the implementation of future phases.

#### **1.4 Master Plan Delivery & Future Phases.**

Considering the current economic constraints, phasing allows time to investigate enhancements, betterment to the master plan and to consider how each phase might be funded. One of the opportunities that has been taken and is being progressed, following approval of the Gateway 3 Cabinet report (June 2023) is the combining of the museum and gallery into one building to provide the most cost effective solution in terms of capital spend and operational costs.

This in turn frees up a plot on Queens Street for other partner and commercial uses further enhancing the mix of complementary uses in the development. Both these proposals would be part of future phases and not Phase 1.

Demolition and any enabling works will generally take place with each phase but if strategically beneficial selected works may be done in advance to prepare for future phases.

It is planned that the contractor's compound will be on the site of the former multi storey car park.

Also, the procurement of any third party operators will be coordinated with each respective phase.

For future phases gateways will be repeated.

##### **1.4.1 Museum & Gallery**

With the current budget constraints this report recommends that the RIBA 3 scheme with planning and listed building consent is implemented as Phase 2, and that the combined museum and gallery offer is re-modelled to fit within this smaller footprint.

The capital development budget to deliver this facility is £36.6m with delivery by Q3 2027 subject to approval of this report. See Appendix 7, Phase 2 Museum & Gallery Capital Development Budget (private).

This report requests approval to progress to Phase 2 Gateway 3 (further design and contractor procurement) for the combined museum and gallery in the sum of £2.88m from the £36.6m development budget. See Appendix 8, Phase 2 Gateway 3 Budget (private).

##### **1.4.2 Queen St Plot**

Moving the gallery into a combined facility with the museum has freed up this plot for other uses. The original architectural intent of the master plan remains and therefore there is a need for an alternative building on this plot to protect the edge of the urban park and bring life to Queen Street.

A budget allowance for design fees and investigative work to take opportunities on this plot (and development of the master plan) forward is included in the Capital Development Budget included in this report (see Section 1.7).

The council is currently in discussions with Greenhead College who have expressed an interest in developing the site for a Further Education facility.

There are a number of alternative potential uses for the plot which may also include a hotel or residential.

### **1.4.3 Vacant Possession**

The council is the freeholder for the master plan site with all leases coming to an end (subject to service of appropriate notices) on timescales that accord with the delivery programme for the master plan, particularly with a phased approach.

Queensgate Market, the library and a number of the Piazza Mall retail units have already been vacated. Where appropriate, available retail units are being used on a short term basis for meanwhile uses.

## **1.5 Capital Delivery Resources**

### **1.5.1 Work Streams**

Across the master plan there are a number of different work streams that require a range of services from the existing delivery team (project management and design) that have been working on the programme from the beginning. This 'Client' team is made up of the Strategic Delivery Partner (Turner & Townsend), Architect (FCB) and Engineer (Arup). The delivery team are all separately appointed under the NHS Shared Business Services Construction Consultancy Services Framework.

The financial commitment for the services required from the delivery team are included in the budgets in sections 1.3 and 1.4 and are set out separately in Appendix 9 (private).

#### **1.5.1.1 Phase 1 PCSA Period**

Through the Gateway 3 Cabinet report (June 2023) the financial commitment for the existing project management and design delivery team, for the PCSA period up to December 2023 was approved and will need extending to conclude.

#### **1.5.1.2 Phase 1 Works on Site, NEC Construction Contract**

Subject to approval of this report the appointments of the existing delivery team will need to be adapted and extended to cover Phase 1 construction works on site, up to completion at Phase 1 Gateway 5.

#### **1.5.1.3 Master Plan/Future Phases**

The appointments will also need to accommodate progressing any necessary preparation for future phases, including working towards Phase 2 Gateway 3 for the museum & gallery.

### **1.5.2 Strategic Development Partner (SDP)**

Turner & Townsend continue to be responsible for cost, development and programme management, and other support services including planning across Phase 1, Phase 2 and the master plan.

### **1.5.3 Architectural**

As required FCB architects will monitor the Phase 1 contractors architectural design proposals including landscape design, access and heritage and conservation. They will also provide design work for Phase 2 and feasibility support for the master plan. The services provided by FCB, and the associated fee will vary to meet the demands of the programme.

### **1.5.4 Multi-Disciplinary Engineer**

As required Arup engineers will monitor the Phase 1 contractors engineering design proposals including civils, structures, services, fire safety, facades, acoustics, wind, security/counter terrorism measures and other specialist elements. They will also provide design work for Phase 2 and feasibility support for the master plan. The services provided by Arup and the associated fee will vary to meet the demands of the programme.

### **1.5.5 Others,**

**1.5.5.1** Sustainability Consultant – to review and comment on the contractor's Phase 1 design and input to preparation for future phases.

**1.5.5.2** BREEAM – to lead the BREEAM assessment process on behalf of Kirklees Council, with the Phase 1 contractors BREEAM advisor feeding into the process throughout the projects remaining development and delivery and input to preparation for future phases.

**1.5.5.3** Various – building control fees, consultations, branding, marketing, legal, surveys, etc

### **1.5.6 Capital Delivery Council Resources**

With regard to council staff resources, as the delivery team are providing the resources for the programme the council resources currently permanently engaged in the development are limited. However, regular review meetings continue with the various council service teams. The demands of the programme will be continually monitored, and any council resources engaged at the appropriate time in collaboration with Heads of Service.

## **1.6 Council Services**

### **1.6.1 Phase 1**

The council services that will operate facilities in Phase 1 of Our Cultural Heart are,

- Libraries
- West Yorkshire Archives
- Creative Developments (Events)

The proposal is that the food hall will be operated by a third party with the procurement process to commence in Q1 2024. The form of the commercial arrangement with the operator will be influenced by the market engagement, the procurement process and negotiations with the preferred operator, and likely have the opportunity to be reviewed as the other phases are delivered.



There will then be the requirement for facilities and operational management, maintenance, etc of the assets post opening (FM & Ops).

The assumptions associated with council service budgets for Phase 1, remain as set out in the Gateway 3 Cabinet report (June 2023). These costs are not currently included in the Council's Medium Term budgets and the strategy has been adopted to manage out these costs, work within existing budgets or savings will have to be made from elsewhere within the council's budget as previously approved at Gateway 3.

The opportunities to manage out the costs include working with partners and or attracting third party funding to reduce the councils direct costs. Therefore, at the appropriate time the services will bring forward Cabinet reports or the services annual budgets will be updated.

For ease of reference the text associated with the service budgets from the Gateway 3 Cabinet report (June 2023) is included at Appendix 10 Phase 1 Service Budgets (public).

### **1.6.2 Phase 2**

The council services that will operate facilities in Phase 2 of Our Cultural Heart are,

- Museums
- Galleries

There will then be the requirement for facilities and operational management, maintenance, etc of the assets post opening (FM & Ops).

The strategy for the councils service's pre-opening and operational costs is the same as for Phase 1 where costs will be managed out, work will be within existing budgets or savings will be made from elsewhere within the council's budget. As with Phase 1 this includes working with partners and/ or attracting third party funding.

After these opportunities to reduce the councils direct costs have been investigated and in coordination with further design work and the Phase 2 timeline the council services budgets for Phase 2 will be brought forward.

This report does not include any request for service capital or revenue budgets/costs associated with Our Cultural Heart.

### **1.7 Budgets**

To accommodate delivery of all the phases 1-5 the council multi-year capital budget plans include £262m capital cost for the programme, profiled over the years up to the 2030-31 period.

Through the gateway process Cabinet has already approved expenditure of £18.055m.

Working within the capital budgets this report requests a further drawdown of £51.704m as set out below and previously described in sections 1.3, 1.4 and 1.5,

See Appendix 11 Capital Development Budget, Phase 1, Phase 2 & Master Plan Allowances (private)

### **1.7.1 Phase 1**

- Pre-Contract Services Agreement budget
- Enabling works budget
- Construction contract sum
- Delivery team fees
- Others fees

### **1.7.2 Phase 2**

- Combined museum and gallery budget, including fees and allowances to achieve Gateway 3.

### **1.7.3 Master Plan/Future Phases**

- Delivery team fees, master plan feasibility allowances
- Others fees, master plan feasibility allowances
- Survey budget allowances

As outlined in previous gateway reports the programme Capital Development Budget excludes any costs associated with council staff resource costs. It also excludes service capital and revenue costs including pre-opening staff and support costs, furniture, fixtures and equipment capital costs and post opening operational costs. However, estimates associated with these items are included in the Outline Business Case approved at Gateway 2. Also see Section 1.6 of this report.

Whilst the Capital Development Budget for delivery of the assets within the master plan is budgeted to be funded from council prudential borrowing, phasing also allows further opportunities to investigate and consider other contributory funding options for capital and service revenue costs (Levelling Up, Arts Council England, etc) and possible 3<sup>rd</sup> party delivery of some assets.

## **1.8 Town Centre Operational Management Board**

To complement the aspirations of the blueprint, including the operational and facilities management, etc of Our Cultural Heart, a Town Centre Operational Management Board has recently been established by the Service Director, Development to review the management of the town centre and the associated budgets. The scope associated with the management of our town centres includes,

- Operational management
- Facilities management
- Information & Communication Technology (ICT)
- Cultural Content & Programming
- Data Intelligence & Visibility
- Key Stakeholders Voice/Survey

## **1.9 Sustainability**

The Our Cultural Heart sustainability strategy has encompassed the council's 2038 Carbon Neutral Vision and policies encouraging sustainability and minimising the carbon footprint of the programme within affordability limits. It is recognised that a net zero economy, design, construction, and operation cannot be achieved overnight, but will be a process of incremental and positive actions to meet 2038 targets.

The established sustainability strategy KPI's set targets for the master plan, and these will be monitored as each phase is brought forward. The Sustainability Summary was previously included with the Gateway 3 Cabinet report (June 2023).

### **1.10 Social Value**

Social Value(SV) has been an integral element of the Cultural Heart project from the outset both in terms of the end outcome and, important, the process of getting there. The intention has been to set the standard of what SV can be achieved during the design, delivery and legacy phases of the project. SV outcomes have been embedded in contracts at all stages and embraced by the wider project delivery team.

The SDP, architect and engineer are delivering their SV commitments and the Social Value Portal is being used to measure the outputs. Social Value Portal is endorsed by the Local Government Association and helps us to procure, measure, manage and report SV via a single platform.

Since the appointment of BAM their SV proposals are being developed and as part of the procurement process all contractors will be expected to contribute to the social value aspirations of Our Cultural Heart.

In addition, the intention is to establish an Our Cultural Heart fund for cash contributions and the mechanism for administration of this fund is being further explored and finalised during the PCSA process. The strategy paper was previously included with the Gateway 3 Cabinet report (June 2023).

### **1.11 Risks**

The risk management strategy for Our Cultural Heart is supported by the programme gateway method of decision and delivery. At each gateway Cabinet are invited to review progress to date, reflect on the current and specific circumstances, and determine the most appropriate way forward for the overall programme.

As part of this process and to manage financial risks associated with debt servicing costs on new council borrowing, and so that overall borrowing can be managed, the adoption of phasing allows borrowing to be timed and matched with affordability.

As reported previously the project manager maintains a risk register for the master plan and Phase 1. The management of the risks associated with adopting the contractor's design proposals and the associated construction contract sum negotiations is part of the PCSA process and why the requested delegation to award the NEC construction contract adopts the principle of not exceeding the Construction Period Budget. If the budget cannot be achieved the matter will be brought back to Cabinet.

## **2 Implications for the Council**

### **2.1 Working with People**

This report deals with the delivery aspect of one part of the blueprint. The blueprint was subject to a number of engagement exercises commencing in 2018 as part of the blueprint development and then again late in 2019 after the blueprint launch the council undertook a Place Standard exercise to benchmark public reaction to the approach and projects. The key report for this can be found by accessing the following link:

<https://howgoodisourplace.org.uk/huddersfield-town-centre/>

As part of initial development work into options around the core projects for Our Cultural Heart a number of internal and external stakeholders have been consulted as a way of testing out and developing options and then in May and August during 2022 public consultations took place as part of the planning application process to help inform the design. This consultation included a drop-in centre, presentations and workshops with groups and interested parties.

## **2.2 Working with Partners**

Collaboration and working together with partners are the key to ensuring the council get the best outcomes for citizens, communities, and Kirklees as a whole. In addition to the consultations already undertaken and the work with stakeholders there will also be third party operators as part of Our Cultural Heart.

Phase 1 will include a food hall operator and in line with market expectations the process of operator selection will commence in Q1 2024.

The form of the commercial arrangement and partnership with the operator has not yet been determined but will be influenced by further market engagement, the preferred operator selection process and what is in the best interest of the council.

Both in delivery and in operation it is expected that there will be many opportunities and a necessity to work with partners to maximise the outcomes of Our Cultural Heart.

## **2.3 Place Based Working**

The development of the blueprint and the associated Place Standard exercise has already engaged town centre stakeholders, businesses, and users to help shape the overall approach to redeveloping Huddersfield Town Centre, including the plans for Our Cultural Heart. The buildings and spaces to be delivered as part of Our Cultural Heart create opportunity for wider use.

The Social Value Trust model (see Section 1.10) where it is proposed to establish an Our Cultural Heart Fund for cash contributions will help strengthen community and voluntary sector partners who are delivering place-based working throughout Kirklees. Other opportunities for the communities of Kirklees will also be available through the programmes social value deliverables.

## **2.4 Climate Change and Air Quality**

Both Climate Change and Air Quality are key parts of the Our Cultural Heart master plan and design. This in turn informed the planning application and the detailed design work.

In addition, climate change initiatives are associated with the delivery and promotion of other projects and programmes for example sustainable transport modes that help to reduce adverse transport derived impacts on communities and public health. Public transport can be used to access Our Cultural Heart from both the railway station and the bus station.

## **2.5 Improving outcomes for children**

The blueprint includes within it a key objective of providing a family friendly town centre. This means that uses, streets, and places will favour all age groups including children. Part of the strategy to renew the town is to bring in new uses that attract families and young people in a way the town does not at present. This means that the introduction of cultural activities and associated food and beverage offers need to be managed in a way that appeals to all age groups.

Additionally, streets and spaces are being designed with all generations in mind promoting safety and inclusivity and as part of the master plan the range of destinations that will be clustered in Our Cultural Heart including the park, museum, art gallery, library, food hall and the venue will provide opportunities for children to explore, learn and have fun.

## **2.6 Financial Implications for the people living or working in Kirklees**

When the assets that make up Our Cultural Heart are operational and available for use by the residents of Kirklees, it is anticipated that a number of them will be free to use and being centrally located are easily accessible by public transport. The campus style development also means that there are many attractions in one place with a variety of offers that are family friendly and appealing to all age groups.

As well as a place for leisure Our Cultural Heart will also create a variety of new job opportunities that are accessible by bus and train and these new 'workers' in the town centre will need the services that already exist thereby increasing spend in the town and supporting those businesses.

One of the key cornerstones of the blueprint and within it Our Cultural Heart is the regeneration of the town centre which will create core facilities and stimulate the provision of ancillary facilities, services, and opportunities by private, third and academic sectors, helping to secure the future of existing businesses and attract new investment. This catalytic role will help in creating a platform to deliver inclusive economic growth and social vibrancy of Huddersfield and the wider Kirklees area for the benefit of all communities.

## **2.7 Other (Financial, Legal, IIA)**

### **2.7.1 Financial**

2.7.1.1 The council's existing multi-year revenue and capital medium term budget plans and financial strategies for 2023/24 and future years, approved at Budget Council on 8th March 2023, continue to acknowledge that this scheme is a significant strategic investment priority commitment to deliver major long term sustainable regeneration for the district.

2.7.1.2 In addition to the £18.055m Cabinet has already approved as part of the Gateway process this report requests formal commitment to drawdown a further £51.704m as set out in section's 1.3, 1.4 and 1.5. This will allow Our Cultural Heart programme to progress Phase 1 from Gateway 4 to Gateway 5, to progress Phase 2 to Gateway 3 and to progress feasibility support on the rest of the master plan.

2.7.1.3 The decision to award the NEC construction contract to BAM and start works on site will be subject to not exceeding the Construction Period Budget.

2.7.1.4 In preparation for setting multi-year revenue and capital budgets for 2024/25 onwards, all existing capital projects and programmes are being reviewed including the phasing of the Our Cultural Heart programme. Whilst total programme costs remain unaltered the updated phasing for the Master Plan (on which this report is based) amends the current published spend profile, as per the Council Outturn & Rollover Report, in that £6.8m of planned capital spend moves back from 2023/24 into 2024/25, and £7.4m is brought forward into 2024/25 and 2025/26. However, in the period 2023/24 to 2025/26 the nett impact of this on capital borrowing costs is a total saving of £0.1m. Then in 2026/27 £17.9m is profiled earlier which increases the cost of borrowing by a total of £1.5m over the two year period 2026/27 to 2027/28.

2.7.1.5 The council service budgets for Phase 1, as part of preparing for the opening of the facilities and post opening operational costs, remain as set out in the Gateway 3 Cabinet report (see Appendix 10). The assumption relating to these costs, and those associated with Phase 2 Gateway 3, is that each service will bring forward their own Cabinet report or update their annual budgets to set out their strategy. Any costs over and above existing budget provision will have to be met from savings elsewhere within the Service's budget or factored into future year budget proposals.

## **2.7.2 Legal**

Legal Services, and Addleshaw Goddard LLP (an external framework firm), are involved in the procurement process and appointment of the SDP, the wider team and the contractors in accordance with the council's Contract Procedure Rules.

There are a number of occupiers of the Piazza Shopping Centre who have security of tenure. Legal Services, and the external framework firm, are involved in the process to complete any relevant documentation in order to secure vacant possession of the Piazza Shopping Centre to enable delivery of the proposed programme prior to and after this gateway stage.

There are also occupiers outside the boundaries of the site who have certain rights including the use the access and service areas associated with the Piazza Shopping Centre. Legal Services, and the external framework firm, will be involved in the process to complete any relevant documentation, including so that works can be carried out to these accesses.

Legal Services, and the external framework firm, will be involved in the procurement process and contractual arrangements with the third party operators in accordance with the council's Contract Procedure Rules.

There are a number of powers that the council will rely on to carry out this project.

## **2.7.3 Integrated Impact Assessment.**

A two stage Integrated Impact Assessment (IIA) has been undertaken to assess the impact of the proposed Our Cultural Heart programme and what needs to be considered in the design of the master plan. The IIA considers equality impact, covering the nine protective characteristics set out in the Equality Act 2010, plus environmental impact and the effects on low earners and unpaid carers.

The IIA was previously included with the Gateway 3 Cabinet report (June 2023).

### 3 **Consultation & Engagement**

Consultees are referred to earlier at section's 2.1,2.2, 2.3 and 2.7.3.

Building on these consultations programme engagement has taken place with a wide range of stakeholders including, planning officers, member briefings, scrutiny (most recent 20<sup>th</sup> November 2023), press updates, public exhibitions, and extensive design development with council services.

A programme of this scale will continue to require regular engagement and consultation at various stages of the programme development and delivery of phases.

### 4 **Next steps and timelines**

The key milestones and Gateways for Our Cultural Heart programme are as set out below. As each next phase is progressed gateways 3, 4 & 5 will be repeated.

#### **Master Plan**

4.1 Programme Initiation		22 <sup>nd</sup> June 2021
4.2 Gateway 1 –	SOC for master plan	16 <sup>th</sup> November 2021
4.3 Gateway 2 –	OBC for master plan RIBA 2 design & master plan	21 <sup>st</sup> September 2022
4.4 Gateway 3 –	RIBA 3 design & master plan	27 <sup>th</sup> June 2023

#### **Phase 1**

	<ul style="list-style-type: none"><li>➤ Scope of works</li><li>➤ Preferred design &amp; build contractor</li></ul>	
4.5 Gateway 4 –	Phase 1 <ul style="list-style-type: none"><li>➤ RIBA 4 design</li><li>➤ Construction contract Sum</li><li>➤ Award design &amp; build contract</li></ul>	Q4 2023 to Q2 2024 target
4.6 Start on site –	Phase 1 <ul style="list-style-type: none"><li>➤ Demolition</li><li>➤ Construction</li></ul>	Q2 2024, target
4.7 <b><u>Completion –</u></b>	<b><u>Phase 1</u></b>	Q4 2025, target

#### **Phase 2**

4.8 Gateway 3 –	Phase 2 <ul style="list-style-type: none"><li>➤ Design development</li><li>➤ Scope of works</li><li>➤ Preferred design &amp; build contractor</li></ul>	Q1/Q2 2025, target
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## **5 Officer recommendations and reasons**

Cabinet is requested: to approve the following,

### **5.1 Phasing**

To agree to delegate authority to the Strategic Director Growth & Regeneration, in consultation with the Portfolio Holder for Finance & Regeneration, decisions on the programme timeline and sequencing of phasing so that Our Cultural Heart master plan and the associated strategic objectives can be completed within an appropriate timescale reflecting the council's financial position.

Reason: To achieve the strategic objectives as soon as is practical taking account of circumstance.

### **5.2 Construction Partner, Phase 1, Pre-Contract Services Agreement (PCSA)**

To agree to delegate authority to the Strategic Director for Growth and Regeneration, in consultation with the Service Director Finance and the Portfolio Holder for Finance & Regeneration to extend the PCSA contract for a period necessary to conclude the RIBA 4 design and the construction contract sum negotiations.

Reason: To ensure timely progress on Phase 1 of the development and that the information is available for the NEC construction contract.

### **5.3 Construction Partner, Phase 1, Enabling Works**

To agree to delegate authority to the Strategic Director for Growth and Regeneration, in consultation with the Service Director Finance and the Portfolio Holder for Finance & Regeneration to instruct the enabling works.

Reason: To ensure timely progress on Phase 1 of the development.

### **5.4 Conclusion of Phase 1 Gateway 4**

To agree to delegate authority to the Strategic Director for Growth and Regeneration, in consultation with the Portfolio Holder for Finance & Regeneration to sign off the conclusion of Gateway 4 including the contractors design proposals, planning and listed building consent matters, the RIBA 4 design, the construction programme, the contract documents and the construction contract sum.

Reason: So that the design and programme implementation for Phase 1 can continue to next the next stage.

### **5.5 Construction Partner, Phase 1, NEC Construction Contract**

To agree to delegate authority to the Strategic Director for Growth and Regeneration, in consultation with the Service Director Finance and the Portfolio Holder for Finance & Regeneration to make the decision to award the NEC construction contract to BAM and start works on site in accordance with Section 1.3.2. If the award would exceed the Construction Period Budget then the matter will be brought back to Cabinet.

Reason: To ensure timely progress on Phase 1 of the development.

### **5.6 SDP extension of appointment**

To agree to extend the appointment of the Strategic Development Partner (project manager) to Phase 1 Gateway 5, Phase 2 Gateway 3 and master plan feasibility support and to delegated authority to the Strategic Director for Growth and Regeneration to enter into a new agreement via NHS/SBS framework that allows for continuation of the SDP services through the various Phases and gateways (and in line



with cabinet approvals and authority) until the completion of the Our Cultural Heart programme, subject to satisfactory performance in compliance with the Contract Procedure Rules and the Financial Procedure Rules.

Reason: To continue the programme management services, retain knowledge gained and maintain the programme to deliver the strategic objectives as soon as is practical.

#### **5.7 Architect and Engineer extension of appointment**

To agree to extend the appointments of the architect and the engineer to Phase 1 Gateway 5 for the monitoring roles, Phase 2 Gateway 3 and master plan feasibility support in compliance with the Contract Procedure Rules and the Financial Procedure Rules.

Reason: To continue the architectural and engineering services, retain knowledge gained, monitor the design & build contractors design and to maintain the programme to deliver the strategic objectives as soon as is practical.

#### **5.8 Capital Development Council Resources**

To allocate the necessary council staff and resources to support the programme and to note that in the absence of sufficient internal resources that additional external resources will be sourced from existing/future framework agreements.

Reason: To ensure that the programme is adequately resourced.

#### **5.9 Museum & Gallery, Phase 2 Gateway 3**

To note the museum and gallery capital development budget and to agree to approve the expenditure to fund work to progress to Phase 2 Gateway 3.

Reason: So that the museum and gallery as part of Our Cultural Heart programme can achieve the next stage.

#### **5.10 Queen St Plot**

To agree to explore interest from and negotiate with development partners to promote the alternative complementary use for the Queen St Plot and to delegate authority to the Strategic Director for Growth and Regeneration to progress and draft contractual arrangements that will then be brought back to Cabinet at a future gateway.

Reason: So that the integrity of the master plan is retained, and complementary uses incorporated into the master plan.

#### **5.11 Capital Development Budget, Phase 1 Gateway 5, Phase 2 Gateway 3 & Master Plan Allowances**

To approve the expenditure of £51.704m to progress Phase 1 to Gateway 5 , to progress Phase 2 to Gateway 3 and to progress feasibility support on the rest of the master plan. This request is in addition to the £18.055m already approved.

Reason: To ensure sufficient funds are available to progress the programme to the next stages.

#### **5.12 Council Services Budgets**

To agree to delegate authority to the Strategic Directors for Growth and Regeneration, and for Adults and Health, in consultation with the Service Director for Finance, to determine the service budgets associated with Phase 1 and Phase 2 acknowledging that, in doing so and in the context of the Council's Medium Term funding deficit, any additional budget provision required over and above existing budget provision will have to be met from savings elsewhere within the council's budget.

Reason: So that services can prepare for the opening of Phase 1 and successfully operate the facilities and progress Phase 2.

### **5.13 Social Value**

To agree to delegate authority to the Strategic Director for Growth and Regeneration in consultation with the Portfolio Holder for Finance & Regeneration to conclude the social value strategy for Our Cultural Heart. This is to include the mechanism for administration of the Our Cultural Heart Fund.

Reason: To ensure the best social value outcomes for Our Cultural Heart.

### **5.14 Deliver the Programme to Phase 1 Gateway 5, Phase 2 Gateway 3, & Develop the Master Plan**

Subject to approval on the matters above to delegate authority to the Strategic Director for Growth and Regeneration to work within approved budgets to deliver the programme to Phase 1 Gateway 5, Phase 2 Gateway 3 and develop the master plan including appointing third parties which for Phase 1 includes the food hall operator in compliance with the Contract Procedure Rules and the Financial Procedure Rules.

Reason: So that the Our Cultural Heart programme can achieve the next stages.

## **6 Cabinet Portfolio Holder's recommendations**

Cllr Graham Turner, the Cabinet Portfolio Holder for Finance & Regeneration, supports the recommendations and was briefed on the 9<sup>th</sup> November 2023 and made the following comments.

Our Cultural Heart is the flagship regeneration project for Huddersfield.

And this report if approved by cabinet takes us another step closer to the start of onsite construction of phase one.

Whilst this has been delayed slightly due to rephrasing and design changes the end date for the handover of phase one remains the same.

The proposals in the report are a very significant step forward for the project, subject to cabinet approval, they will enable the relevant officers and portfolio holder to reach a suitable agreement with the main contractor to proceed on site.

The allowing of some enabling works to proceed in advance of the agreement will enable the project to proceed quicker.

As we have always made clear, there is a budget that is agreed which we won't go over, despite the challenges created by rising inflation and interest rates.

Using a gateway model has allowed the design to be tweaked and altered as required as the project has moved forward to reflect these challenges.

So, I fully support all the recommendations in this report and would like to thank the team for getting us to a point where we can look forward to seeing spades in the ground by the middle of next year.

## **7 Contact officer**

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Senior Responsible Officer  
Our Cultural Heart  
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## **8 Background Papers and History of Decisions**

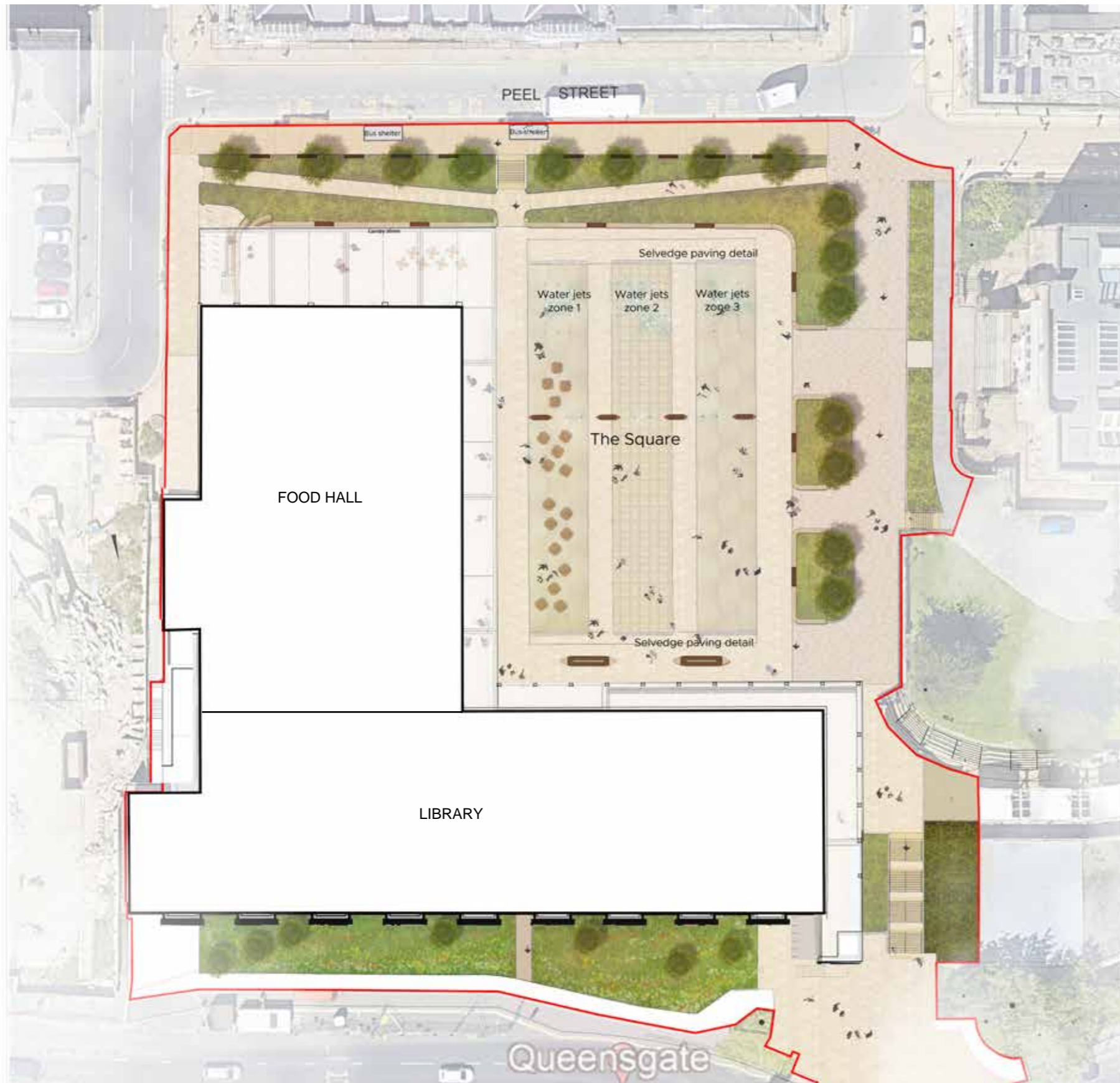
- **March 2019** – Cabinet Report - Assembling land and property – Huddersfield Town Centre (Piazza)  
<https://democracy.kirklees.gov.uk/documents/s29122/Item%2014%20Land%20Assembly.pdf>
- **August - Oct 2019** - Huddersfield Blueprint Place Standard Exercise – Results  
<https://howgoodisourplace.org.uk/huddersfield-town-centre/>
- **February 2020** – Cabinet report - Huddersfield Blueprint - Next Steps.  
<https://democracy.kirklees.gov.uk/documents/s34958/Item%2015%20CAB%20-%2020%20-%2020071%20-%202020-02-25%20Cabinet%20Huddersfield%20Blueprint%20-%20Next%20Steps%20Final.pdf>
- **September 2020** Cabinet report Dewsbury and Huddersfield Town Centre Finance.  
<https://democracy.kirklees.gov.uk/documents/s37506/Town%20Centre%20Finance%20Cabinet%20Report%20-%20Final%20Version.doc.pdf>
- **June 2021** – Cabinet report – Cultural Heart, part of the Huddersfield Blueprint – Next Steps.  
<https://democracy.kirklees.gov.uk/documents/s41881/Delivering%20the%20Cultural%20Heart%20Cabinet%2022.6.21%20002.pdf>
- **November 2021** - Cabinet report, Cultural Heart, part of the Huddersfield Blueprint, Gateway 1.  
<https://democracy.kirklees.gov.uk/documents/s43757/PUBLIC%20CUTLURAL%20HEART%20Cabinet%20Report.%20Final%2016.11.21.pdf>
- **September 2022** – Cabinet report – Cultural Heart, part of the Huddersfield Blueprint – Gateway 2.  
<https://democracy.kirklees.gov.uk/documents/s48238/PUBLIC%20Cultural%20Heart%20Cabinet%20Report%2021.9.22.pdf>
- **June 2023**, Cabinet Report - Cultural Heart, part of the Huddersfield Blueprint - Gateway 3.  
<https://democracy.kirklees.gov.uk/documents/s52438/Cabinet%20Report%2027.6.23%20public.pdf>

## **9 Service Director responsible**

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Skills & Regeneration  
01484 221000  
[Edward.Highfield@kirklees.gov.uk](mailto:Edward.Highfield@kirklees.gov.uk)

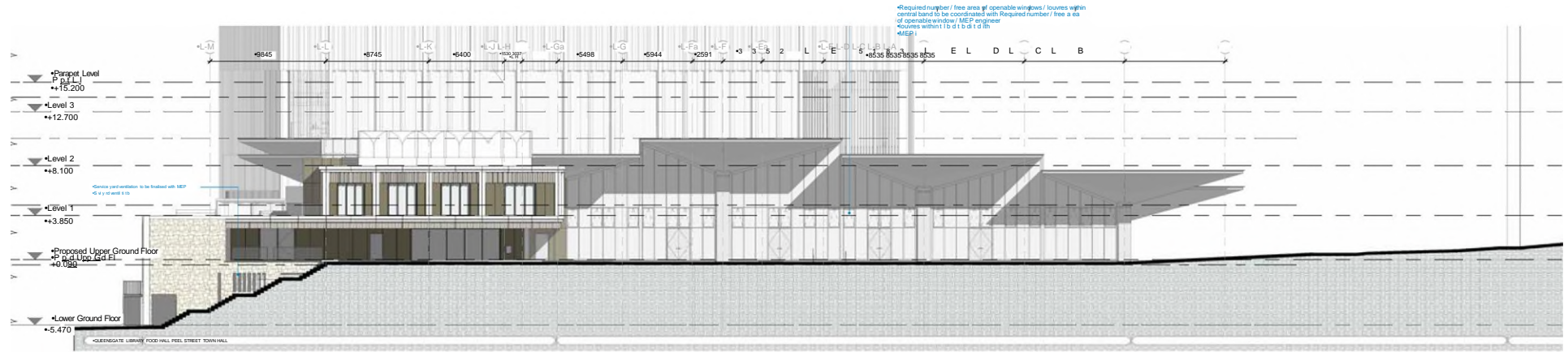
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# LANDSCAPE MASTERPLAN



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# •NORTH & EAST ELEVATIONS

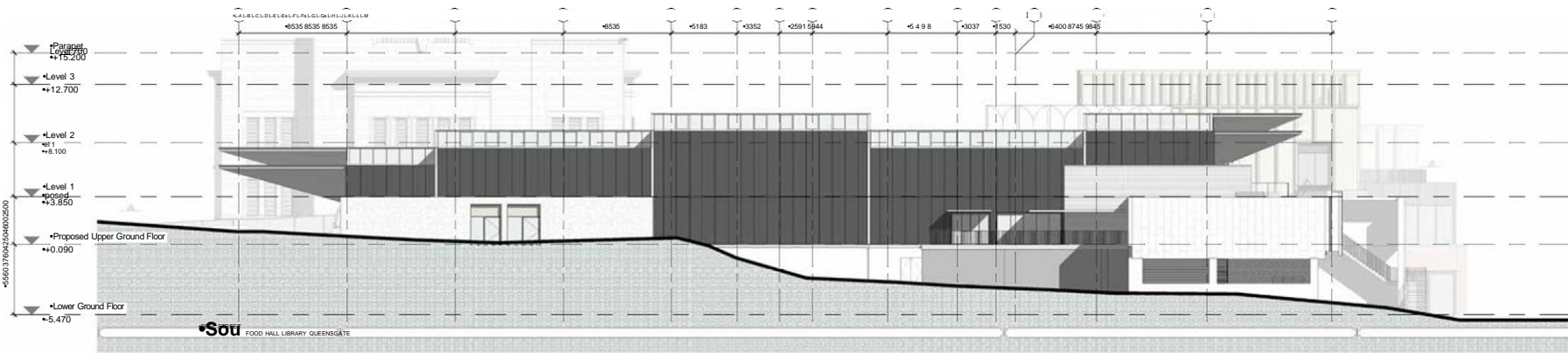


•NORTH ELEVATION  
•GA Elevation  
•N

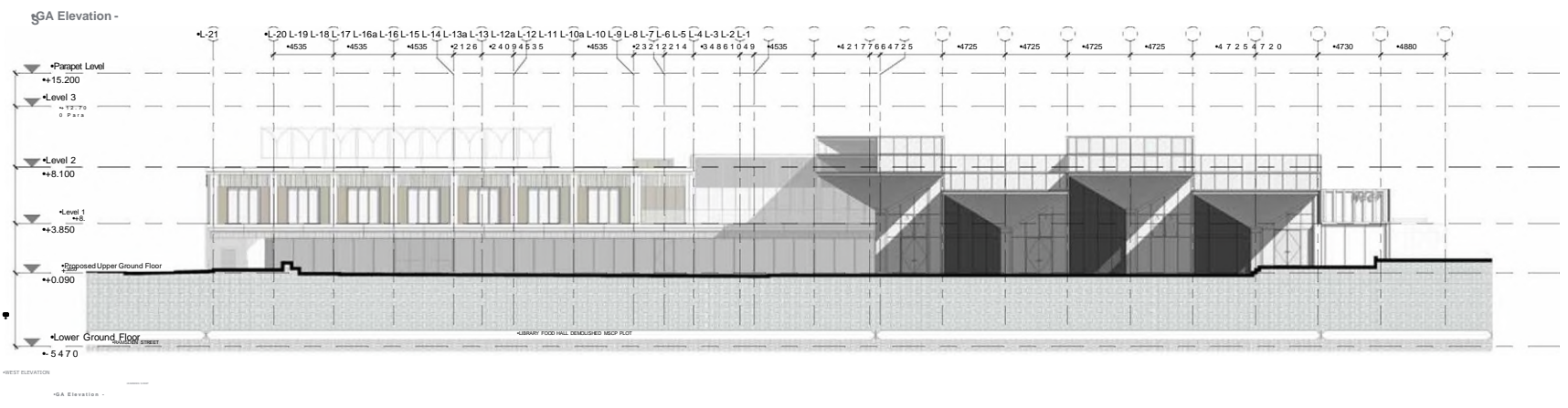


•EAST ELEVATION  
•GA Elevation  
•E

# •SOUTH & WEST ELEVATIONS



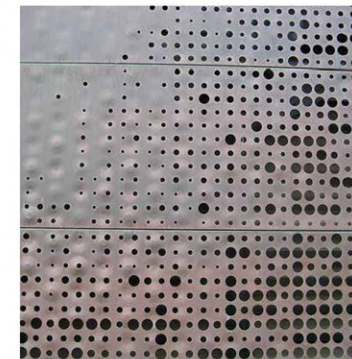
•SOUTH ELEVATION



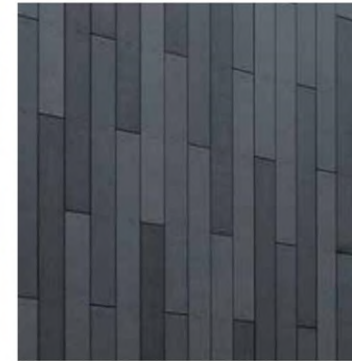
•WEST ELEVATION



## •VISUALISATIONS // LIBRARY VIEW



## •VISUALISATIONS // FOOD HALL VIEWS



## •VISUALISATIONS // FOOD HALL INTERIOR VIEW



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**OUR CULTURAL HEART**  
**PHASE 1 SERVICE BUDGETS**  
**REVENUE AND CAPITAL**

*There are a number of service pre-opening revenue and capital costs and post opening operational annual revenue costs that are not currently in the council's budgets as set out in the Gateway 3 Cabinet report (June 2023) and are being managed by the services through their own future Cabinet reports or annual budgeting. Following Gateway 3 the strategy has been adopted to manage out these costs, work within existing budgets or savings will have to be made from elsewhere within the council's budget. The actual requirement for these costs and alternative ways of funding is to be investigated by the services.*

*The text from the Gateway 3 Cabinet report (June 2023) is set out below from Section 1.10 Phase 1 Budgets.*

**1.10.1.1 INCLUDED in the councils existing capital budget**

Service furniture, fixtures & equipment (FF&E) as advised by the service

	£
➤ Library (inc WYAS)	1.0m

**1.10.1.2 Currently NOT INCLUDED in the council's/services budgets**

Services budgets, as advised by the services,

<b><u>Pre-opening</u></b> , revenue	£
➤ Library	310k, over four years
➤ WYAS	258k – 580k, over three years
➤ Town events programme	465k – 870k, over two years
➤ FM & Ops	<u>Nil</u>
	<b>Range 1.033m -1.76m</b>

<b><u>FF&amp;E</u></b> , capital	£
➤ Town Centre events	100k
➤ FM & Ops	Nil

**Post opening operational annual costs**, revenue

	£
➤ Events programme	370k, with focus to maximise 3 <sup>rd</sup> party income
➤ FM & Ops	<u>250k</u>
	<b>620k pa</b>

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**Name of meeting:** Cabinet

**Date:** 21<sup>st</sup> December 2023

**Title of report:** Interim Housing Position Statement to Boost Supply

**Purpose of report:** To request that Cabinet seek to approve the Interim Housing Position Statement to Boost Supply to clarify the council's approach to decision-making on planning applications for housing.

<p><b>Key Decision – A key decision is an executive decision to be made by Cabinet which is likely to result in Council spending or saving £500k or more per annum, or to have a significant positive or negative effect on communities living or working in an area compromising two or more electoral wards. Decisions having a particularly significant effect on a single ward may also be treated as if they were key decisions.</b></p>	<p><b>Yes</b></p> <p>The Interim Housing Position Statement to Boost Supply affects all electoral wards.</p>
<p><b>Key Decision - Is it in the <u>Council's Forward Plan (key decisions and private reports)</u>?</b></p>	<p><b>Key Decision – Yes</b></p> <p><b>Private Report/Private Appendix – No</b></p>
<p><b>The Decision - Is it eligible for call in by Scrutiny?</b></p>	<p>Yes</p>
<p><b>Date signed off by <u>Strategic Director</u> &amp; name</b></p> <p><b>Is it also signed off by the Service Director for Finance?</b></p> <p><b>Is it also signed off by the Service Director for Legal Governance and Commissioning?</b></p>	<p>David Shepherd (Strategic Director – Growth and Regeneration) 01/12/2023</p> <p>Isabel Brittain (Interim Service Director – Finance) 29/11/2023</p> <p>Julie Muscroft (Service Director – Legal, Governance and Commissioning) 07/12/2023</p>
<p><b>Cabinet member <u>portfolio</u></b></p>	<p>Cllr Graham Turner</p>

**Electoral wards affected:** All

**Ward councillors consulted:**

The following ward councillors have been consulted/briefed on this item:

- Portfolio Holder briefing: Cllr Turner (24th October 2023)

**Public or private:** Public

**Has GDPR been considered?** Yes, no personal information is recorded in this report.

## 1. Summary

- 1.1 The purpose of this report is to request Cabinet to approve the Interim Housing Position Statement to Boost Supply (see Appendix 1) to be used in the determination of planning applications for housing development in the absence of a 5-year housing land supply.

## 2. Information required to take a decision

### Background

#### The Local Plan

Since adoption of the Kirklees Local Plan in February 2019, the council has successfully maintained a continuous five-year supply of housing land and over 3,840 new homes have been delivered across the district.

The Local Plan identified a housing requirement of 31,140 homes (1,730 per year) between 2013 and 2031 to meet local needs. Local planning authorities are required to demonstrate five years supply of deliverable housing sites. The 2023 update of the council's five-year housing land supply position, however, demonstrates only 3.96 years supply of deliverable housing sites within the next five years with a shortfall of over 2,800 dwellings. There are current planning permissions for over 6,400 houses which have yet to be built (these form part of the five-year land supply).

#### The Presumption in Favour of Sustainable Development

In the absence of a 5-year housing land supply, the material housing supply policies of the Local Plan are deemed 'out of date'. As such, the authority must apply the 'presumption in favour of sustainable development' in positively determining planning applications for housing, as set out in the National Planning Policy Framework 2023 (paragraph 11d). This is known as the 'tilted balance' and means that planning applications for housing developments should be granted unless:

- the site is protected under national planning policy and there is a clear reason for refusal, or
- the negative impact of approving the development outweighs the benefits.

The NPPF, however, is clear that there are strong caveats to the application of the 'presumption in favour of sustainable development' in that the starting point for decision making remains with the statutory development plan for determining planning applications, along with any material considerations, and that the sustainability and quality of proposals must not conflict with the policies within the NPPF as a whole.

The development plan retains a significant degree of weight despite "the most important policies relevant for determining the application being out-of-date" (NPPF paragraph 11d). That does not mean that they carry no weight. Where there is a conflict with the Local Plan, it is necessary to make a judgement on whether the adverse impact of the development plan conflict, and any other identified harms, significantly and demonstrably outweigh any benefits of the proposal.



## The Interim Housing Position Statement to Boost Supply

In response to the absence of a five-year land supply, officers have prepared an Interim Housing Position Statement to Boost Supply as a positive and pro-active way forward. This Statement does not set new policy and does not replace the Development Plan for decision making purposes but provides a mechanism for landowners, developers, agents, and the public to submit planning applications for housing in sustainable locations. It sets out the following principles which if addressed by applicants will help speed up decision making:

- Principle 1 - Application of the presumption in favour of sustainable development
- Principle 2 - Potential release of safeguarded land for housing development
- Principle 3 - High quality design to ensure developments continue to achieve well-designed high-quality homes and quality places.

It should be noted that triggering the tilted balance does not mean that all new housing development will be permitted. Planning applications for housing will continue to be determined in line with adopted development plan policies and the council's Supplementary Planning Documents which seek to achieve sustainable and well-designed schemes that meets all policy requirements, including highway safety, design principles, environmental protection, affordable housing, open space provision and other requirements. Applications that represent departures from adopted development plan allocations and policies will continue be resisted unless material considerations indicate otherwise.

### Other Actions

The interim statement is one of a number of mechanisms aimed at addressing the shortfall in housing supply, and other wider actions that the council are proactively taking to help bring forward suitable housing proposals and support housing delivery are also identified in the statement. This includes actions:

- to help expedite the development management process to ensure timely decision making in the determination of planning applications, such as encouraging to use the council's pre-application service and the use of Planning Performance Agreements;
- promotion of the council's Brokerage Service to engage with landowners and developers to help bring sites forward;
- work the Housing Growth team are undertaking to bring about housing delivery of council owned sites, including strategic housing developments;
- work the Homes and Neighbourhoods team are doing to help deliver a Council New Build programme (currently focussed on regenerating smaller sites close to existing Council housing) and the Housing Buy Back Scheme; and
- the delivery of Town Centre residential development at both Huddersfield and Dewsbury complementing wider regeneration activity.

Further information and up-dates on the council's approach to support housing delivery is set out in the following Cabinet reports:

- Housing Delivery Plan Update (27<sup>th</sup> June 2023) - ([230615 Cabinet report Housing Delivery FINAL.pdf \(kirklees.gov.uk\)](#))
- Housing Growth Update: With a Specific Focus on Dewsbury Riverside and Fenay Lane (14<sup>th</sup> November 2023) – ([HOUSING DELIVERY.pdf \(kirklees.gov.uk\)](#))

### Levelling-Up and Regeneration Act (2023)

It should be noted that the Levelling Up and Regeneration Bill has recently become law, having been granted Royal Assent as an Act of Parliament on 26<sup>th</sup> October 2023. The Act is designed to underpin the government's levelling up agenda and provides legislation to reform planning and plan-making. Bringing the provisions of the Act into effect will require further technical consultations and secondary legislation. Additionally, an updated National Policy Planning Framework (NPPF) is intended to be published in due course with the potential to remove the current requirement for a rolling five-year supply of housing land where the plan is up to date.

### Local Plan Update

Local Plan Review and Update - The council must publish a review of whether the Local Plan remains up to date by February 2024 (5 years after Local Plan adoption). A report was presented to Cabinet 17<sup>th</sup> October outlining that the Plan was considered out of date in several areas, including housing delivery and the 5-year housing land supply position. The Council approved the commencement of a full update of the Kirklees Local Plan on 15<sup>th</sup> November 2023.

### Review of the Statement

The interim statement will be reviewed annually following publication of the latest Authority Monitoring Report and five-year housing land supply position and will remain in place until this evidence indicates it is no longer required.

## **3. Implications for the Council**

The main implication for the council in producing the Interim Housing Position Statement to Boost Supply is that it provides a positive and proactive approach to dealing with planning applications in the absence of a 5-year housing land supply. It set outs a mechanism to help boost supply and provides clarity for landowners, developers, agents, and the public submitting planning applications for new housing development in the district. The interim statement will also help facilitate the council's Development Management service and enable more effective and timely decision-making through the planning application process.

### **Working with People**

- 3.1 The main aim of the interim statement is to help implement the policies set out in the adopted Local Plan and help boost the supply of housing land to ensure new homes are provided to meet the housing needs of all members of the community across Kirklees.

### **Working with Partners**

- 3.2 The interim statement provides a positive and pro-active mechanism for landowners, developers, agents, and the public to submit planning applications for housing in sustainable locations and sets out the framework by which they will be considered.

The development of this interim statement has involved input from the council's Housing Growth and Homes and Neighbourhoods teams in relation to the wider council actions

that contribute to addressing the shortfall in housing land supply and the delivery of housing.

### **Place Based Working**

- 3.3 The mechanism and principles set out in interim statement provide a district wide approach to be applied to housing proposals where the 'presumption in favour of sustainable development' is triggered. This includes the principle that high quality design is a key aspect of sustainable development and should be at the heart of decision making.

### **Climate Change and Air Quality**

- 3.4 Where the 'presumption in favour of sustainable development' is triggered, the interim statement is clear that the council will continue to expect housing developments to be designed to a high quality in line with the Local Plan policy LP24 (Design) and the council's Quality Places Supplementary Planning Documents, including incorporating measures to reduce and mitigate the impacts of climate change.

### **Improving outcomes for children**

- 3.5 The interim statement aims to help boost the supply of housing land in order to ensure sufficient new homes are provided to help meet local housing needs across Kirklees, and that these achieve the required high-quality design necessary to deliver quality places

### **3.6 Other**

#### **Integrated Impact Assessment (IIA)**

An integrated Impact Assessment has been carried out and is available to view on the council's website at [Integrated Impact Assessments - IntegratedImpactAssessment \(kirklees.gov.uk\)](https://www.kirklees.gov.uk/integrated-impact-assessments-integrated-impact-assessment)

#### **Legal**

Planning law, set out in section 38(6) of the Planning and Compulsory Purchase Act 2004, states that planning applications must be determined in accordance with the development plan, unless material considerations indicate otherwise. This is also set out in the National Planning Policy Framework (NPPF) at paragraph 2.

The requirement to apply the 'presumption in favour of sustainable development' in the absence of a five-year housing supply is also set out in NPPF (paragraph 11d). The 'presumption in favour of sustainable development' is considered a material consideration when applying section 38(6).

#### **Financial**

There are no specific costs associated with the approval of the interim statement. However, the added clarity provided by the interim statement will allow developers to submit policy compliant developments to enable effective and timely decision making. This will help avoid unnecessary delays to granting planning permission for housing development and reduce the possibility of costs being awarded against the council at planning appeals.

#### **Human Resources**

Existing staff resources have been used to prepare the interim statement and once approved by Cabinet it will be used as part of the existing Development Management process to help determine planning applications for housing development.

## **Communications**

The interim statement will be published on the council's website and the council will ensure applicants are made aware of the approach to dealing with planning applications for housing in the absence of a five-year housing land supply.

## **4 Consultation and Engagement**

The Interim Housing Position Statement to Boost Supply is intended to provide informal guidance relating to existing planning policy, and public consultation is therefore not necessary. It will, as outline above, be published on the council's website and promoted with applicants.

## **5 Next steps and timelines**

Subject to Cabinet endorsement to approve the Interim Housing Position Statement to Boost Supply, the statement will be published on the council's website in January 2024 and used in determining planning applications for housing development.

## **6 Officer recommendations and reasons**

Officer Recommendation:

- 1) That Cabinet approves the Interim Housing Position Statement to Boost Supply and its publication.

**Reason:** To clarify and explain the council's approach to decision making on planning applications for housing proposals in the absence of a 5-year supply of housing land.

- 2) Delegate authority to the Strategic Director for Growth & Regeneration to make any necessary minor amendments and corrections to the document prior to publication.

**Reason:** To reflect any feedback from Cabinet and minor amendments to the document for clarification.

## **7. Cabinet Portfolio Holder's recommendations**

Cllr Turner was briefed on 24<sup>th</sup> October 2023 and supports the officer recommendation that the Cabinet should seek to approve the Interim Housing Position Statement to Boost Supply.

## 8. Contact officer

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## 9. Background Papers and History of Decisions

Appendix to this report:

- Appendix 1 The Interim Housing Position Statement to Boost Supply

Council website links:

- Interim Housing Position Statement to Boost Supply Integrated Impact Assessment – [Integrated Impact Assessments - IntegratedImpactAssessment \(kirklees.gov.uk\)](https://www.kirklees.gov.uk/integrated-impact-assessments-integrated-impact-assessment)
- Kirklees Local Plan (adopted 27<sup>th</sup> February 2019) - ([www.kirklees.gov.uk/localplan](http://www.kirklees.gov.uk/localplan))
- Housing Delivery Plan Update (27<sup>th</sup> June 2023) - ([230615 Cabinet report Housing Delivery FINAL.pdf \(kirklees.gov.uk\)](https://www.kirklees.gov.uk/230615-Cabinet-report-Housing-Delivery-FINAL.pdf))
- Housing Growth Update: With a Specific Focus on Dewsbury Riverside and Fenay Lane (14<sup>th</sup> November 2023) – ([HOUSING DELIVERY.pdf \(kirklees.gov.uk\)](https://www.kirklees.gov.uk/HOUSING-DELIVERY.pdf))
- Kirklees Local Plan Review and Update Cabinet Report 17<sup>th</sup> October 2023 – [2023-10-17 Local Plan Review-Update Cabinet Report and App1 finaldocx.pdf \(kirklees.gov.uk\)](https://www.kirklees.gov.uk/2023-10-17-Local-Plan-Review-Update-Cabinet-Report-and-App1-finaldocx.pdf)
- Kirklees Local Plan Review and Update Council Report 15<sup>th</sup> November - [2023-11-15 Local Plan Review and Update Final.pdf \(kirklees.gov.uk\)](https://www.kirklees.gov.uk/2023-11-15-Local-Plan-Review-and-Update-Final.pdf)

## 10. Service Director Responsible

David Shepherd  
Strategic Director for Growth & Regeneration  
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# Kirklees Interim Housing Position Statement to Boost Supply October 2023

## 1. Introduction

- 1.1 Since adoption of the Kirklees Local Plan in February 2019 the council has successfully maintained a continuous five-year supply of housing land. During this time plan-led development has delivered 3,843 new homes and facilitated the provision of approximately 5,820 new jobs on employment land or mixed-use allocations.
- 1.2 The Local Plan identified a housing requirement of 31,140 homes (1,730 per year) between 2013 and 2031 to meet local needs. Local planning authorities are required to demonstrate five years supply of deliverable housing sites. However, the 2023 update of the five-year housing land supply position, carried out as part of the Authority Monitoring Report (AMR), now demonstrates 3.96 years supply of housing land.
- 1.3 In the absence of a five-year housing land supply, it is necessary to consider planning applications for housing in the context of National Planning Policy Framework (NPPF) (2023) paragraph 11 which triggers a presumption in favour of sustainable development (the tilted balance). This requires planning applications to be considered favourably subject to other policy tests and material considerations.
- 1.4 Delivering new housing development is important for the future of Kirklees and the council is responding proactively through measures already in place to help deliver new homes. This statement provides an additional mechanism to help boost housing supply and sets out:
- a clear understanding of the implications of the current land supply position
  - principles for decision making in determining planning applications and the release of land for housing; and
  - the actions the council is proactively undertaking to support housing delivery.
- 1.5 This statement does not set new policy and does not replace the Development Plan for decision making purposes but has been produced as a positive and pro-active way forward. Once adopted by the council it will form a material consideration in the determination of planning applications. The statement will be reviewed annually following publication of the latest Authority Monitoring Report and five-year housing land supply position and will remain in place until this evidence indicates it is no longer required.
- 1.6 Notwithstanding the guidance set out within this statement, compliance with the principles of the statement does not guarantee a planning application will be approved, and all applications will be judged on their individual merits. It should also be noted that subsequent amendments to legislation or local, regional, and national policies might affect the guidance set out within this statement.

## **2. Background**

### **National Planning Policy Context**

- 2.1 The government's National Planning Policy Framework (NPPF) (2023) is a material consideration in planning decisions. At the heart of the NPPF is a presumption in favour of sustainable development, and paragraph 11d sets out the circumstances that apply for decision making when a local planning authority is not able to demonstrate a five-year housing land supply (see Appendix 1 for the full text of paragraph 11).
- 2.2 Applying the presumption in favour of sustainable development means granting planning permission for housing developments unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the NPPF when taken as a whole.
- 2.3 Planning law requires that planning applications must be determined in accordance with the development plan unless material considerations indicate otherwise. The NPPF (paragraph 12) clarifies that the presumption in favour of sustainable development does not change the statutory basis of the Development Plan as the starting point for decision making.

### **The Kirklees Development Plan**

- 2.4 The Kirklees Development Plan consists of the following documents:
  - the Kirklees Local Plan (adopted February 2019) which includes the 'Strategy and Policies' and the 'Allocations and Designations' documents; and
  - the Holme Valley Neighbourhood Development Plan (adopted December 2021).
- 2.5 The council has undertaken a review of the Local Plan as required by Regulation 10A of the Town and Country Planning (Local Planning) (England) Regulations 2012, which sets out the requirement to undertake and complete a review of local development documents within 5 years of adoption. The Council approved the commencement of a full update of the Kirklees Local Plan on 15<sup>th</sup> November 2023, and further details can be viewed in the 17<sup>th</sup> October 2023 Cabinet Report at [2023-10-17 Local Plan Review- Update Cabinet Report and App1 finaldocx.pdf \(kirklees.gov.uk\)](#)

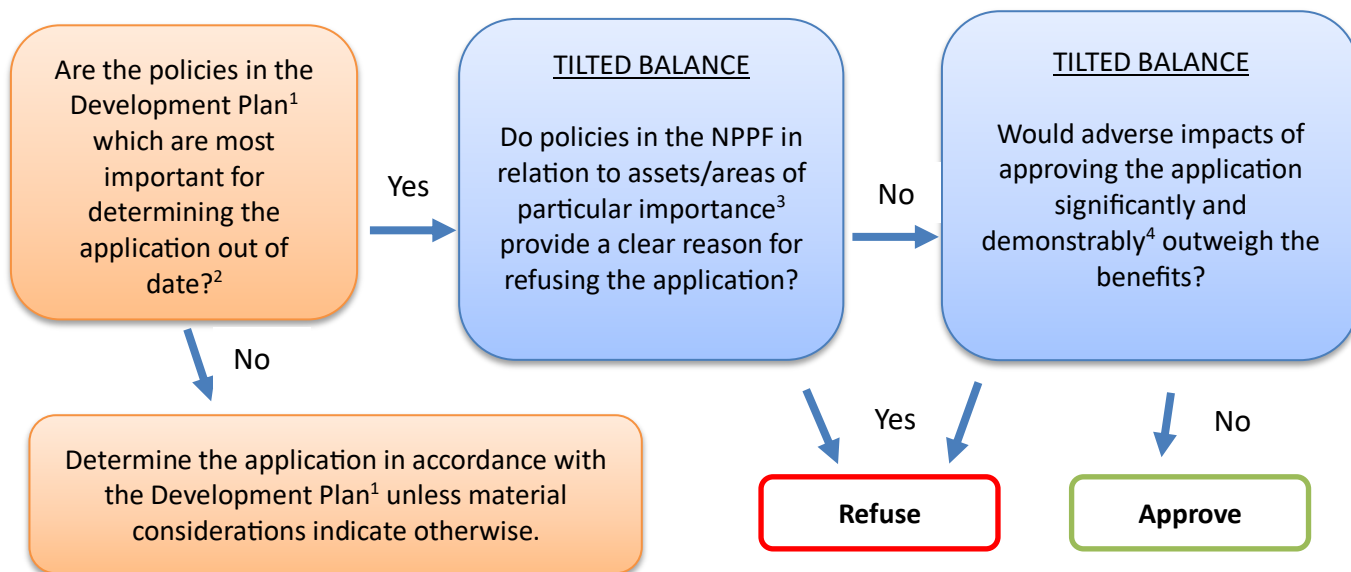


### **3. Housing Land Supply Position**

#### **Five-Year Housing Land Supply Context**

- 3.1 The NPPF requires local planning authorities to identify and update annually a supply of specific deliverable sites sufficient to provide a five-year supply of housing against their Local Plan housing requirement. As set out above, the council is unable to demonstrate a five-year housing land supply position at this time with 3.96 years supply of housing land.
- 3.2 The government's Housing Delivery Test (HDT) has implications for the five-year housing land supply. The HDT sets percentage targets for the number of new homes built compared to housing needs over a rolling three-year period. Where the HDT indicates delivery has fallen below 85% of the requirement, a 20% buffer should be applied to the five-year land supply. The council's 5-year housing land supply figure will be revised as future HDT results are published.
- 3.3 As the council is unable to demonstrate a five-year supply, the presumption in favour of sustainable development (the tilted balance) is triggered as set out in paragraph 11d of the NPPF and the corresponding footnote 8 (shown in Appendix 1). This presumption means that planning applications for housing development should be considered favourably unless the site is protected under national planning policy or the negative impact of approving the development outweighs the benefits.
- 3.4 Planning law requires that applications for planning permission must be determined in accordance with the Development Plan unless material considerations indicate otherwise. The NPPF (paragraph 12) clarifies that the presumption in favour of sustainable development does not change the statutory basis of the Development Plan as the starting point for decision making. The council's five-year housing land supply position and Housing Delivery Test measurement do not change this, although they are material considerations which may be afforded substantial weight in the overall planning balance.
- 3.5 There can only be a presumption in favour of development where housing proposals are demonstrated to constitute 'sustainable development' in the context of the NPPF. The following flowchart summarises this.

**Figure 1: Application of the Tilted Balance**



**Notes**

<sup>1</sup> **The Development Plan is always the starting point for decision making. In Kirklees it consists of:**

- Kirklees Local Plan (2019)
- Holme Valley Neighbourhood Development Plan (2021)

<sup>2</sup> On housing proposals '**out of date**' includes situations where the local planning authority cannot demonstrate a **five-year supply** of deliverable housing sites.

<sup>3</sup> **Consider only those designations noted in footnote 7 of the NPPF, which are relevant in Kirklees:**

- Habitats
- Special Area of Conservation (SAC) and Special Protection Area (SAP)
- Sites of Special Scientific Interest (SSSIs)
- Land designated as Green Belt
- Local Green Space
- Irreplaceable habitats
- Designated heritage assets (and other heritage assets of archaeological interest)
- Areas at risk of flooding

<sup>4</sup> **NB applying the tilted balance does NOT exclude Development Plan policies from being considered in the balance.**

It is not enough for there to be some harm or negative effects; the harm must be **significant and demonstrable**.

## **4. Principles of Decision Making**

- 4.1 The lack of a five-year housing land supply creates the potential for unplanned housing development applications that may be contrary to key planning policies. The council will seek to ensure that acceptable housing developments are supported through the development plan process and that unacceptable proposals will continue to be rejected. It is therefore important to manage the release of additional housing land to help boost supply and to ensure that development only takes place in sustainable locations and can be delivered in a timely manner. As such the council will apply the decision-making principles as set out in boxes 1, 2 and 3.

### **Principle 1 - Presumption in Favour of Sustainable Development**

- 4.2 In the absence of a five-year housing land supply the council will apply the presumption in favour of sustainable development as set out in Principle 1 below. The NPPF (paragraph 12) is clear that the presumption in favour of sustainable development does not change the statutory status of the Development Plan as the starting point for decision-making. Planning applications should therefore continue to be considered against the Development Plan policies unless there are material considerations that indicate otherwise.
- 4.3 The Development Plan will continue to provide the basis for the consideration of planning applications for development within Kirklees. It is only policies that are most important for determining housing supply that are deemed to be 'out of date'.

### **Principle 1 - Presumption in Favour of Sustainable Development**

Decisions on planning applications involving the provision of housing will be tilted in favour of sustainable development as set out in the NPPF (paragraph 11d) which directs decision-takers to grant planning permission unless:

- policies that protect areas or assets of particular importance provide a clear reason for refusing the development, or
- the adverse impacts of approving the development would significantly and demonstrably outweigh the benefits.

The presumption in favour of sustainable development will not apply to protected areas or assets of importance listed in NPPF footnote 7 where this provides a clear reason for refusing the proposed development.

The protected areas or assets of importance relevant to Kirklees are:

- Habitat Sites
- Special Areas of Conservation
- Special Protection Areas
- Sites of Special Scientific Interest (SSSIs)
- Land designated as Green Belt
- Local Green Space

- Irreplaceable habitats
- Designated heritage assets (and other heritage assets of archaeological interest) and
- Areas at risk of flooding.

Development proposals not in accordance with the Development Plan will need to demonstrate that they constitute 'sustainable development'. Consideration will be given to whether the most relevant policies for determining the application are out-of-date and the weight given to those policies will be a matter of planning judgement when balanced against the need for the proposed housing.

- 4.4 Applying the positive approach in favour of sustainable development does not mean that all applications for new housing development will be permitted. There are strong caveats to the 'presumption in favour of sustainable development' in the NPPF as set out in Principle 1. In reaching a decision about new housing developments, the housing land supply position will need to be balanced against other factors in the Development Plan and/or the NPPF which could result in the refusal of planning permission.

#### **Principle 2 – Safeguarded Land**

- 4.5 The Kirklees Local Plan identifies some sites as 'safeguarded land' which are protected from development during the lifetime of the Local Plan but are intended to be reassessed in any future update to determine their suitability for housing or employment development.
- 4.6 In the absence of a five-year housing land supply, the most relevant policies are deemed out of date. As the Local Plan safeguarded land policy (LP6) relates to the supply of land for development, including for housing, this policy is considered to be out of date. As such, these sites provide potential development opportunities that could be facilitated through their early release for housing where development constraints can be overcome.
- 4.7 In these circumstances, substantial weight should be given to the presumption in favour of sustainable development (applying the 'tilted balance') unless there are any adverse impacts that would significantly and demonstrably outweigh the benefits. In all circumstances, careful consideration should be given to the relevant planning considerations, Development Plan policies and appropriate national planning policies.

## Principle 2 – Safeguarded Land

Substantial weight will be given to the presumption in favour of sustainable development for housing development on land identified as safeguarded land in the Kirklees Local Plan, where constraints to development can be overcome.

Planning permission will be expected to be granted if proposals constitute sustainable development and accord with other relevant policies set out in:

- the National Planning Policy Framework
- the Kirklees Development Plan
- Kirklees Supplementary Planning Documents and other planning guidance.

The council will continue to consider planning applications on their individual merits.

It will be expected that proposals on safeguarded land are capable of being brought forward and built out in a timely manner.

4.8 The sites allocated as safeguarded land are set out in the Local Plan Allocations and Designations document and are identified below: -

Local Plan Ref	Address	Area (Ha)
SLS1	Land north of Kaye Lane, Almondbury, Huddersfield	1.99
SLS2	Land south of Tolson Street, Chickenley, Dewsbury	2.11
SLS3	Balderstone Hall Lane, Mirfield	6.90
SLS4	Southwest of Upper Batley Lane, Upper Batley, Batley	3.29
SLS5	North of Wyke Lane, Oakenshaw, Bradford	4.62
SLS6	Snelsins Road, Chain Bar, Cleckheaton	4.07
SLS7	North of Elm Tree Close, Norristhorpe Lane, Liversedge	1.95
SLS8	Cambridge Chase, Gomersal, Cleckheaton	0.84
SLS9	West of 82-138 Mount Road, Marsden, Huddersfield	0.86
SLS10	South of Tudor Street, Slaithwaite, Huddersfield	1.76
SLS11	North of Dirker Drive, Marden, Huddersfield	1.67
SLS12	Thornccliffe Lane, Emley, Huddersfield	1.44
SLS13	Rodley Lane, Emley, Huddersfield	0.54
SLS14	Land to the west of Hebble Mount, Meltham	1.12
SLS15	East of Kilnhouse Bank Farm, Dobb Top Road, Holmbridge, Holmfirth	1.17
SLS16	Southeast of Dobb Lane, Hinchliffe Mill, Holmfirth	1.61
SLS17	Dunford Road, Hade Edge, Holmfirth	2.24
SLS18	Dunford Road, Hade Edge, Holmfirth	0.97
SLS19	North of Holme Valley Memorial Hospital, Huddersfield Road, Thongsbridge, Holmfirth	4.39

SLS20	Cliffe Lane, Holmfirth	6.26
SLS21	Land to the east of Ryecroft Lane, Scholes, Holmfirth	0.68
SLS22	West of Mill Lane, Flockton, Wakefield	1.44
SLS23	Northwest of Turnshaws Road, Kirkburton, Huddersfield	2.8
SLS24	East of Town Moor, Thurtonland, Huddersfield	0.40
SLS25	West of Back Lane, Grange Moor, Huddersfield	0.77
SLS26	Land to the east of Far Bank, Shelley, Huddersfield	2.5
SLS27	Northwest of Netherfield Close, Kirkburton, Huddersfield	0.74
SLS28	Land to the east of Far Bank, Shelley, Huddersfield	4.66
SLS29	Land to the west of Fulstone Road, Stocksmoor, Huddersfield	0.64
SLS30	Land to the northeast of Shepley Road, Stocksmoor, Huddersfield	2.51

### Principle 3 – High Quality Design

- 4.9 High quality design is fundamental to making places more attractive, sustainable, safe, and accessible. Good design can help reduce and mitigate the impacts of climate change, promote healthier lifestyles, create safer places, and make high quality and attractive places that foster civic pride and encourage further investment.
- 4.10 Good design should be at the core of all development proposals and should be considered at the outset of the development process. Where the presumption in favour of development is triggered, the council will continue to ensure that good design is embedded into all development proposals in line with Local Plan policy LP24 (Design), other relevant Local Plan policies, and guidance set out in Supplementary Planning Documents.

### Principle 3 – High Quality Design

High quality design is a key aspect of sustainable development and should be at the heart of decision making. Where the presumption in favour of development is triggered, the council will continue to expect housing developments to be designed to a high-quality and be socially inclusive to help deliver quality places.

The council will expect applicants to follow the guidance set out in the council's adopted Supplementary Planning Documents (SPDs) and other relevant guidance, including:

- The Highways Design SPD (adopted November 2019)
- The Housebuilders Design Guide SPD (adopted June 2021)
- The House Extensions and Alterations SPD (adopted June 2021)
- The Open Space SPD (adopted June 2021)
- The Affordable Housing and Housing Mix SPD (adopted March 2023)
- The Biodiversity Net Gain Technical Advice Note (approved June 2021)

## 5. **Delivery Actions**

5.1 The council is committed to improving the delivery of new homes across Kirklees and a series of actions set out in the Housing Delivery Test Action Plan (2022) are already being implemented. A brief overview of this is provided below.

### **Development Management Process**

5.2 **Pre-application service** – The council will continue to promote its pre-application advice service to provide guidance to agents and applicants prior to the submission of a planning application. This service helps to:

- identify and address issues at an early stage
- reduce the likelihood of submitting invalid applications
- speed up the time it takes for an application to reach a case officer
- determine the application more quickly
- reduce the number of conditions needed
- speed up the determination of any discharge of conditions.

5.3 **Planning Performance Agreements (PPAs)** - The council will continue to promote the use of Planning Performance Agreements in order to facilitate a collaborative approach to achieving development.

5.4 A PPA is a project plan or process map agreed by a developer and the council at the outset of discussions on a scheme and which aims to make sure effective processing of the planning application. It sets out the commitments of both parties in relation to:

- gathering information
- considering options
- formulating design proposals
- the scope of the planning obligations

5.5 The council will continue to prioritise resourcing the Planning service to ensure that there is adequate capacity to perform its statutory duties through the delivery of the Local Plan and the determination of planning applications in a timely manner.

### **Supplementary Planning Documents (SPDs)**

5.6 In order to help simplify the planning process and help applicants understand requirements, the council will implement the following adopted SPDs which set out the approach to delivering well-designed homes and quality places:

- The Highways Design SPD (adopted November 2019)
- The Housebuilders Design Guide SPD (adopted June 2021)
- The House Extensions and Alterations SPD (adopted June 2021)
- The Open Space SPD (adopted June 2021)
- The Affordable Housing and Housing Mix SPD (adopted March 2023)

- The Biodiversity Net Gain Technical Advice Note (approved 2019)

5.7 These supplementary planning documents are intended for use by applicants, developers, and the local community to ensure future housing development is high quality, socially inclusive, built to high environmental standards and has appropriate open space, sports, and recreation provision. They provide guidance and certainty for developers on working with the council from the outset of the development process to meet our aspiration of achieving quality places.

#### **Housing Brokerage Service**

5.8 The council's Housing Brokerage Service proactively engages with landowners of stalled sites to identify the factors holding back housing development and offers assistance to developers and landowners to overcome barriers to site delivery.

5.9 As part of the work being undertaken by the Brokerage Service, the council will proactively engage with landowners of sites, including those allocated for housing in the Local Plan which have not yet commenced or come forward for development.

#### **Council Owned Sites**

5.10 Kirklees Council is actively progressing the delivery of council owned sites throughout the district. Some of these sites have already been delivered and work is progressing to bring forward the other sites which will take the form of a number of projects and programmes and will complement town centre residential development in both Huddersfield and Dewsbury and the wider Blueprint regeneration activity.

5.11 In addition to the above, the council's Development Team in Homes and Neighbourhoods are delivering a council New Build programme (currently focussed on regenerating smaller sites close to existing council housing) and the Housing Buy Back Scheme.

#### **Strategic Housing Sites**

5.12 Work is progressing on the strategic sites at Bradley Park and Dewsbury Riverside with Bradley Park moving into preparation for delivery of Phase 1. It is anticipated the Dewsbury Riverside and Bradley Park sites will deliver 824 dwellings between 2024-2030.



### **Town Centre Residential Opportunities**

- 5.13 Kirklees council is continuing to prioritise town centre residential opportunities as a path to sustainable growth, including through:
- Both the Huddersfield Blueprint and Dewsbury Blueprint which set out intentions to regenerate their respective town centres, with provision of high-quality new housing; and
  - Regeneration work in the Daisy Hill area in Dewsbury with work ongoing to identify opportunities for housing delivery.

### **Infrastructure provision**

- 5.14 The council has a Major Projects Service with roles including co-ordinating infrastructure delivery and seeking timely delivery of infrastructure to facilitate housing delivery where required.

## **Appendix 1 – National Planning Policy Context**

The National Planning Policy Framework (July 2023) is a material consideration in planning decisions. At the heart of the NPPF is a presumption in favour of sustainable development.

### **The presumption in favour of sustainable development**

#### **NPPF Paragraph 11 (Extract)**

11. Plans and decisions should apply a presumption in favour of sustainable development. For **decision-taking** this means that:
  - c) approving development proposals that accord with an up-to-date development plan without delay; or
  - d) where there are no relevant development plan policies, or the policies which are most important for determining the application are out-of-date<sup>8</sup>, granting permission unless:
    - i. the application of policies in this Framework that protect areas or assets of particular importance provides a clear reason for refusing the development proposed<sup>7</sup>; or
    - ii. any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole.

#### **NPPF Paragraph 12**

12. The presumption in favour of sustainable development does not change the statutory status of the development plan as the starting point for decision-making. Where a planning application conflicts with an up-to-date development plan (including any neighbourhood plans that form part of the development plan), permission should not usually be granted. Local planning authorities may take decisions that depart from an up-to-date development plan, but only if material considerations in a particular case indicate that the plan should not be followed.

### **Footnotes**

<sup>7</sup> The policies referred to are those in this Framework (rather than those in development plans) relating to: habitats sites (and those sites listed in paragraph 181) and/or designated as Sites of Special Scientific Interest; land designated as Green Belt, Local Green Space, an Area of Outstanding Natural Beauty, a National Park (or within the Broads Authority) or defined as Heritage Coast; irreplaceable habitats; designated heritage assets (and other heritage assets of archaeological interest referred to in footnote 68); and areas at risk of flooding or coastal change.

<sup>8</sup> This includes, for applications involving the provision of housing, situations where the local planning authority cannot demonstrate a five-year supply of deliverable housing sites (with the appropriate buffer, as set out in paragraph 74); or where the Housing Delivery Test indicates that the delivery of housing was substantially below (less than 75% of) the housing requirement over the previous three years.



**Name of meeting:** Cabinet  
**Date:** 21st December 2023  
**Title of report:-** 19-33a John William Street, Huddersfield –  
 Huddersfield Heritage Led Regeneration Grant  
 Scheme (HLR) Grant offer.

## Purpose of report

To agree grant support from the Huddersfield Heritage Led Regeneration Grant Scheme for properties at 19-33a John William Street, Huddersfield.

Key Decision - Is it likely to result in spending or saving £500k or more, or to have a significant effect on two or more electoral wards?	Yes
Key Decision - Is it in the <a href="#">Council's Forward Plan (key decisions and private reports?)</a>	Yes
The Decision - Is it eligible for call in by Scrutiny?	Yes
Date signed off by <u>Strategic Director</u> & name	David Shepherd Yes 28 <sup>th</sup> November 2023
Is it also signed off by the Service Director for Finance?	Yes
Is it also signed off by the Service Director for Legal Governance and Commissioning?	Yes
Cabinet member <a href="#">portfolio</a>	Cllr Graham Turner Regeneration Portfolio Holder

**Electoral wards affected:** Newsome

**Ward councillors consulted:** Cllrs Cooper, Allison and Lee-Richards

**Public report with private Appendices (Appendices 1 and 2) .**

**(Have you considered GDPR?) Yes.**

**Public with private appendix 6** in accordance with Schedule 12A Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006 namely it contains information relating to the financial and business affairs of third parties (including the Authority holding that information). It is considered that the disclosure of the information would adversely prejudice those third parties' commercial interests including the Authority and therefore the public interest in maintaining the exemption, which would protect the rights of an individual or the Authority, outweighs the public interest in disclosing the information and providing greater openness and transparency in relation to public expenditure in the Authority's decision making.

## 1. Summary

- 1.1 The freeholder, B&M Properties, of this terrace are seeking grant support of £610.5K for 19 to 33a John William Street from the Huddersfield Heritage Led Regeneration Scheme (HLRS), a capital grant scheme, which seeks to improve shop fronts, including building frontages, and provide new uses for empty properties within the Huddersfield Town Centre Conservation Area. The HLRS is funded from the original £1.2m allocation from the Capital Plan and offers grants of up to 80% of the cost of repair and refurbishment and 100% of the costs for professional services such as an architect and structural engineers.
- 1.2 19 to 33a John William Street is a terrace of 3 storey stone fronted buildings situated on John William Street opposite the junction with Church Street. The upper two floors have been converted into residential with the ground floor having retail units, comprising of hot food takeaways, newsagents and grocery stores. The existing shop fronts are of poor quality, modern in design and are not felt appropriate for these historic buildings.
- 1.3 The buildings are listed Grade 2 by the Secretary of State due to their significant architectural and historic interest. The buildings occupy a prominent position within the Huddersfield Town Centre Conservation Area, is within the Huddersfield High Street Heritage Action Zone (HSHAZ) and the Heritage Led Regeneration (HLRS) priority Area. The buildings occupy a key location within the town centre due to the use of John William Street.

### Background

- 1.4 The HLRS, which was approved by Cabinet in February 2019, is aiding the regeneration of the town centre by improving the historic buildings and creating new uses for empty properties thereby improving Huddersfield as a place to visit, shop and live. The scheme has now been running since April 2019 but due to the impact of Covid the scheme struggled to attract applicants. However, applicants are now coming forward so much so that the allocation of £1.2m has now been either paid to successful schemes or committed to schemes that will be underway shortly.
- 1.5 As part of the decision-making process all schemes are assessed against the need for the works, the impact the works will have on the building and the conservation area as a whole and whether the scheme offers 'value for money.' As part of offering a grant, the offer is subject to a legal agreement and an assessment of the applicant's financial records to ensure there is sufficient funds to complete the works. Four buildings have had their shop fronts and buildings improved, and a further six schemes are being assessed and likely to progress. Of importance to the scheme is this proposal to grant aid replacement shop units from 19a to 33 John William Street. This project, which has gained Planning Permission and Listed Building Consent, seeks to replace metal framed shop fronts with more traditionally designed timber shopfronts. These seven shop units have been the subject of negative comments for a number of years and led to a campaign by Huddersfield Civic Society to seek their alteration. Work on these units is likely to commence in February 2024 and be completed by September 2024.
- 1.6 19-33a John William Street are situated within the boundary of the Historic England's High Street Heritage Action Zone (HSHAZ). The HSHAZ is a partnership between Historic England and the Council to improve and find new uses for the Estates Building

and the George Hotel. However, it is important to note that the agreement to go into partnership with the Council was due to the Council's commitment to the HLRS within the boundary of the HSHAZ. By running this scheme grant funding from Historic England could be targeted to the George Hotel and the Estates Building whilst the Council grant could aid the repair of the shopfronts within the HSHAZ area. Working together the two programmes help to make a bigger impact on the heritage assets of the town and shows a joined-up approach with a key national body (Historic England) that we are also working very closely with in other parts of the Authority area, in particular, Dewsbury.

### The Scheme

- 1.7 The scheme comprises of the replacement of seven metal framed shop fronts, fronting onto John William Street, which are in a poor condition and are not sensitive to the historical and architectural significance of the buildings or the area. The proposed shop fronts are more in keeping with the age of the property, being of timber construction with traditional detailing, stall risers and fascia board which will have the business name sign written. The works will also include stone repairs to the main façade. The replacement of the shop fronts will not only improve its appearance as a Grade 2 listed building and the setting of the conservation area but will go towards ensuring the building is in a long-term viable use. The designs, that have Planning Permission and Listed Building Consent are attached as Appendix 4.
- 1.8 Due to the costs of maintaining and refurbishing a heritage building and low property values compared to construction costs, the project is not commercially viable without grant support. Should the works not go ahead, the appearance of the area will continue to decline, and this part of the street will remain unattractive as a place to visit and shop to the detriment of the town as a whole.

## **2. Information required to take a decision.**

### Property Details

- 2.1 As already stated, 19-33a John William Street is a terrace of properties, being three storeys in height, constructed of sandstone. The upper floors have been converted to residential use, with the ground floor being retail units. Currently the retail units are occupied by newsagents, Grocers, Hairdressers and hot food takeaways; all having metal framed shop fronts and fascia's which are overly illuminated. Access to the upper floors is by Byram Court or via a doorway between 17-19 John William Street. This doorway will be improved with a new door and stonework repair. The building is listed Grade 2 by the Secretary of State due to its significant architectural and historic interest. The building occupies a prominent position within the Huddersfield Town Centre Conservation Area, is within the HSHAZ and the HLRS priority Area.

## **Strategic Context**

### Huddersfield Blueprint

- 2.2 The Huddersfield Blueprint which was launched by the Council on 26<sup>th</sup> June 2019 and has a number of themes/objectives including:-
  - Better access
  - Enhanced public spaces

- A great place to live
- A vibrant culture; and
- Thriving businesses

2.3 The improvement of 19-33a John William Street will contribute to the above objectives by improving the appearance of the town.

#### Kirklees Economic Strategy 2019-2025

2.4 One of the 5 priorities of the Kirklees Economic Strategy is 'Revitalised Centres' and one of the 12 action programmes relates to Huddersfield; with one of the 5 big wins being revitalising Huddersfield town centre. By repairing the building and improving its appearance, being in a key gateway to the town, this will contribute to the 'big win' of revitalising Huddersfield town centre.

#### Council Plan

2.5 The Council's approach outlined in the Council Plan 2021/3 is focussed on three themes:-

- People – we work with people, we do not do things to them
- Partners – we work with and alongside our partners
- Place based working – we recognise the unique identities of our local places, their strengths and aspirations. We know that one size does not fit all.

#### 2.6 Wider Strategic Context

It is suggested that when determining the grant allocation that cognisance should be given to the wider regeneration schemes that the Council are either undertaking or proposed. The location of these shopfronts is on a key gateway from the railway station area up to the Cultural Heart providing a pedestrian link. This link will continue through the newly constructed New Street public realm through to the Cultural Heart. These shopfronts will contribute to the restoration of the George Hotel and the Estate Buildings and add to the experience of moving from the Station to Stadium Corridor, with improved Open Market off Northumberland Street, through the town centre. By improving the shop fronts this will not only increase their significance but show the importance of the towns heritage in increasing the towns economic offer.

#### **The Project**

2.7 The buildings of the New Town area, in which this sits, included warehouses, offices, retail and hospitality all of which were designed with similar ashlar-faced neoclassical or Italianate frontages. The Ramsden Estate inspected all proposals for new buildings on their land to ensure quality development. Buildings were designed mainly by local architects but overseen by London architect, William Tite, who was retained from 1851 to inspect designs, and maintain the Ramsden Estate's high architectural standards.

John William Street is the principal artery through the New Town named after Sir John William Ramsden, 5th Baronet. Its three storey classical terraces were built between 1851 to 1858 with shops below and offices and warehouses above. Numbers 17-37 appear to have been constructed in several builds; although the architect is unknown,

plans were overseen by Sir William Tite to ensure consistency and quality of design. Today, many first and second floors have been converted to residential accommodation with shops below, which is the case here.

- 2.8 The building is listed Grade 2 and the list description states: "17-37 John William Street is a high-quality example of a mid-C19 purpose-built commercial building designed in an elegant neoclassical style." The building is also within the Huddersfield Town Centre Conservation Area.
- 2.9 It is proposed that seven metal framed shop fronts on the front elevations to John William Street are replaced with traditional timber framed shop fronts. The design of the shop fronts are appropriate for a building of this age, with central doorways, mullions and transom bars and timber fascia's with the names of the businesses which will be sign written rather than internally illuminated. Planning Permission and Listed Building Consent has been secured.

### Planning

- 2.10 Planning Permission and Listed Building Consent have been approved by the Local Planning Authority subject to conditions. During the application process three comments had been received all of which were supportive of the application. The Planning and Listed Building Consent decisions and plans can be found in Appendices 4 and 5 attached to this report.

## **3. Implications for the Council**

### **Working with People**

- 3.1 As part of the Council's "How good is our place" conversations, we asked how the community felt about Huddersfield Town Centre. Using the Place Standard tool, over 978 citizens took part with 845 Place Standard Assessments carried out. There were a number of key issues discussed but in relation to the importance of shop fronts and heritage the following comments were made:-

#### *Streets and Places*

Participants commented about Huddersfield's historic buildings, empty shops, litter and signage. Lots of people commented about the beautiful historic buildings and architecture that make Huddersfield a wonderful place to live. The train station and buildings on John William Street and Byram Street were repeatedly mentioned, along with Huddersfield Library and the Town Hall. People feel that we don't make enough of our heritage - we don't fully appreciate what we have, our impressive architecture is not being showcased effectively and some buildings (such as the library and art gallery and town hall) need attention. Some felt that the architecture is hidden at street level as it's masked or spoiled by poor shop frontage and signage.

#### *Identity and belonging*

Participants said they do not view Huddersfield positively, due to the state of the town centre and a loss of feeling pride in our town centre. Reasons for people feeling this way include the town centre not being clean or attractive, a deteriorating shopping offer, antisocial behaviour, a lack of safety, parking charges, bus gates and council budget cuts

#### *Care and Maintenance*

The train station, St George's Square (not the hotel), John William Street, Byram Street, Huddersfield Library and Huddersfield Town Hall are beautiful Victorian buildings, all in need of some love and care. One respondent stated: "Sort out shop front signage – the town's rich heritage is left boarded up with shop fronts and signage not in keeping".

From this it is clear that citizens wish to see improvements to the shops and the town as a whole and do appreciate the contribution heritage makes to the town's significance.

The Huddersfield Blueprint was subject to public consultation in 2018/9, which highlighted the importance that local people placed on retaining historic buildings in use. The proposal to replace the shop fronts was subject to public consultation as part of the planning application process and was supported by those who made comment. The scheme architect has closely worked with the Council and the tenants to ensure that the retail units can still operate during the construction works therefore not losing income. The tenants have accepted this and are happy for the scheme to progress.

### **Working with Partners**

- 3.2 As part of the developing the proposals for the project officer has collaborated closely with the applicant (B&M Properties) to agree a scheme that would be practical for the continued operation as retail units but also attractive to potential tenants in the future and respect the historic fabric of the building. The Council have worked with Huddersfield Civic Society throughout the project, and they have been advising on them. The Society is very supportive of the proposals and the HLRS as a whole.

The project is situated with the HSHAZ which is a partnership with Historic England and the Council to improve the area around the Railway Station thus regenerating the 'High Street'. Whilst the focus of the funding has been on the George Hotel and the Estates Building, Historic England highlighted that the area would be improved with the improvement of the shop fronts and would only enter into the partnership if the Council funded shop front improvements. Historic England are supportive of the changes to these shop fronts and see it as a vast improvement to the historic building and the area as a whole.

### **Place Based Working**

- 3.3 The Huddersfield Blueprint is based on the idea of working with local people and businesses to improve the town centre and this has been taken forward in the Kirklees Economic Strategy 2019-2025.

### **Climate Change and Air Quality**

- 3.4 The replacement shop fronts will contribute to town centre regeneration and conservation of the town's heritage. The specifications for the shop windows will meet the Building Regulation requirements for energy efficiency, as far as is possible for a heritage building and limitations of value for money.

### **Improving outcomes for children**

- 3.5 The scheme has no impact on families.



## **Financial Implications for the people living or working in Kirklees.**

- 3.6 The scheme will make the building and the area more attractive to visit and shop. The alterations to the shop front will not only improve the appearance but aid greater accessibility, keep the building in a good state of repair and as such go towards keeping the building in a long-term viable use.

### **Other**

- 3.7 Under section 149 of the Equality Act 2010, the Council (as a public authority) has a duty to have 'due regard' to the need to: - eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act, - advance equality of opportunity between persons with a protected characteristic and those without - foster good relations between persons with protected characteristics and those without. The 'protected characteristics' are age, race, disability, gender reassignment, pregnancy and maternity, religion or belief, sex and sexual orientation. An Integrated Impact Assessment has been carried out and in the main there has been no impact upon the 'protected characteristics'. There is a positive impact upon disabilities as the shop fronts are designed to improve disabled access to the retail units, allowing level access to the shops. The signage will also be improved, so that they are simpler in nature and not confusing for those who are visually impaired or are living with dementia.

### **Legal**

- 3.8 The grant has been assessed against the Subsidy Control Act 2022 and is determined to amount to a subsidy for the purposes of the Act. The grant is not considered to be automatically prohibited by the Act but there are no exemptions upon which the council can rely (where an exemption would mean the subsidy control requirements do not apply). The grant has been assessed against the seven subsidy control principles and determined to satisfy those principles. Accordingly, it is considered the council can lawfully award this subsidy and on approval, officers will publish details of the subsidy on the national transparency database.
- 3.9 Upon Cabinet approval of grant funding for this project, it is intended that the council will enter into a formal Grant Agreement with B&M Properties. As part of this process, the Council will assess the financial position of the owner to ensure that it is able to cover the required match funding. To ensure the grant funding is only spent on this project the council will require invoices to be provided and will only pay grant funding on receipt of such invoices. The Council will incorporate clawback provisions in the grant agreement should the property be sold by B&M Properties within a 10-year period. The Council will seek a restriction on title to prevent sale without the council's consent and an overage should it be sold within 10 years. The applicant has also agreed to a legal charge over the premises to secure the Council's grant funding.
- 3.10 The legal basis for the grant is section 57 of the Planning (Listed Buildings and Conservation Areas) Act 1990 which permits a local authority to contribute towards the expenses incurred in the repair or maintenance of a listed building which is situated in or in the vicinity of their area by way of a grant or loan which contains specific conditions which would have to be complied with in terms of grant recovery. In addition, section 1 of the Localism Act 2011 gives the Council a general power of competence to do anything that individuals generally may do, subject to specified restrictions and

limitations imposed by other statutes. Council officers have complied with Financial Procedure Rules (May 2022) No. 22 relating to grants.

## Finance

- 3.11 The latest estimated capital costs based on costs supplied by the Applicant are summarised in the confidential Appendix 1 Grant Overview Form following on from gaining three tenders. Five companies who have experience of working with historic buildings were formally approached through a tender process by the applicant's Architect to provide tender estimates but only three returned them. The contractor supplying the approved quotation is known to do a high standard of work elsewhere and is very capable of dealing with historic buildings. Following the assessment of the tender some of the works have been found to be not within the scheme guidelines and as such have been removed from the grant offer. These not compliant works total £61.8k, which will have to be added to the applicant's contribution.
- 3.12 The total project costs are within the Huddersfield Shop Front Grant allocation of the General Fund Capital Plan. A report on the funding is provided in Private Appendix 2
- 3.13 Due to the location of the building, being on a key gateway, and being a listed building of high architectural significance it is proposed to offer a grant of 80% towards the total costs of the project and 100% of the professional fees.

## Risks

- 3.14 This project has a number of risks that Cabinet need to be aware of when considering the recommendation to approve the grant.

**Table 1: Risks**

Key Risks	Impact	RAG	Mitigation
Failure to approve grant	The range of buildings will not be improved to the detriment of the town.	Amber	If the grant is not approved due to the costs involved, negotiations will take place to reduce the costs if possible.
Cost increase once contractors are on site- due to inflation, or unanticipated issues in replacing the windows	Costs increase beyond a suitable grant offer	Amber	Contractor has built-in sufficient headroom in tender return, to allow for fluctuation in prices.

3.15 Projects of this nature and at this time will have a certain degree of risk. However it is considered that the risks can be managed, to a degree and on balance the potential benefits justify the support being provided.

#### **4 Consultation**

4.1 Consultation on the proposals was carried out as part of the applications for Planning Permission and Listed Building Consent. No objections were received, and two letters of support were received, one from the Civic Society and one other that was anonymous.

#### **5 Engagement**

5.1 Historic England are supportive of the proposal as it improves the setting of the funded conversion of the Estates Building as part of their High Street Heritage Action Zone.

5.2 The Huddersfield Civic Society are in support of the proposal due to their previous campaign and are supporting of the aims and objectives of the HLRS grant scheme.

#### **6 Next steps and timelines**

6.1 Following a decision by Cabinet, officers will undertake all the necessary legal, assessment of applicant's finances and other work required to produce the Grant Agreement.

**Table 2: Indicative Programme**

Action	Timescale/Date
Cabinet Decision	21st December 2023
Commence legal and financial agreements	December 2023
Grant Agreement - signing	February 2024
Appointment of Contractor	February 2024
Construction starts on site	March 2024
Completion	September 2024

#### **7. Officer recommendations and reasons**

It is recommended that Cabinet :-

- (i) Approves providing a HLRS grant to B&M Properties of £610.5K towards the replacement shop fronts to 19-33a John William Street, as described in this report and in the private Appendix 1 and for officers to publish details of the subsidy on the national transparency database.

Reason: To enable the delivery of the project.

- (ii) Delegates authority to the Strategic Director (Growth and Regeneration) in conjunction with the Service Director – Legal, Governance and Commissioning, to agree and complete the grant agreement and other documentation necessary to enable the project to proceed and for the Service Director Legal,

Governance and Commissioning to enter into the aforementioned documentation on behalf of the Council.

Reason: Effective project delivery

- (iii) In the case that the costs should change, give delegated authority to the Strategic Director (Growth and Regeneration) in consultation with the Portfolio Holder responsible for Huddersfield Town Centre, the ability to vary the amount of grant subject to the funds being found from within existing grant scheme resources.

Reason: Effective project delivery

## **8. Cabinet portfolio holder's recommendations**

- 8.1 Agreed with the report and supports the grant funding towards the improvement of these shop fronts which currently detract from the town centre.

## **9. Contact officer**

Nigel Hunston, Team Leader Town Centres Conservation and Design  
[nigel.hunston@kirklees.gov.uk](mailto:nigel.hunston@kirklees.gov.uk)  
01484 221000

## **10. Background Papers and History of Decisions**

Report to Cabinet 19<sup>h</sup> February 2019: Huddersfield Heritage Led Regeneration Grant Scheme

2022/93895 [Planning application details | Kirklees Council](#)  
2022/93964 [Planning application details | Kirklees Council](#)

IIA Assessment [Dash - About your IIA \(achieveservice.com\)](#)

## **11. Strategic Director responsible**

David Shepherd  
Strategic Director Growth and Regeneration  
[david.shepherd@kirklees.gov.uk](mailto:david.shepherd@kirklees.gov.uk)  
01484 221000

## **12 List of Appendices**

1. Private Appendix: 19-33a John William Street Grant Overview Form
2. Private Appendix: Budget Report
3. Planning Permission and Listed Building Consent
4. Approved Drawings

## Appendix 3.

### Planning Permission and Listed Building Consent



Town and Country Planning Act 1990

Town and Country Planning (Development Management Procedure) (England) Order  
2015

#### PLANNING PERMISSION FOR DEVELOPMENT

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Application Number: 2022/62/93895/W

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**To:** Hamid Dhorat,  
DK Architects (UK) Ltd  
Suite 4  
Batley Business Park  
Technology Drive  
Batley  
WF17 6ER

**For:** B&M Homes (Properties) Ltd

**In pursuance of its powers under the above-mentioned Act and Order the KIRKLEES COUNCIL (hereinafter called "The Council") as Local Planning Authority hereby permits:-**

INSTALLATION OF REPLACEMENT SHOP FRONTS WITH ASSOCIATED REINSTATEMENT, REFURBISHMENT AND REPAIR TO BUILDINGS (LISTED BUILDING WITHIN A CONSERVATION AREA)

**At:** 17-33A, JOHN WILLIAM STREET, HUDDERSFIELD, HD1 1BR

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**In accordance with the plan(s) and applications submitted to the Council on 01-Dec-2022, subject to the condition(s) specified hereunder:-**

1. The development hereby permitted shall be begun within three years of the date of this permission.

**Reason:** Pursuant to the requirements of Section 91 of the Town and Country Planning Act 1990.

2. The development hereby permitted shall be carried out in complete accordance with the plans and specifications schedule listed in this decision notice, except as may be specified in the conditions attached to this permission, which shall in all cases take precedence. **Reason:** For the avoidance of doubt as to what is being permitted, to preserve the significance of designated heritage assets and the visual amenity of the area and to accord with Policies LP01, LP02, LP14, LP17, LP21, LP22, LP24, LP25, LP35 and LP52 of the Kirklees Local Plan, and Policies within Chapters 2, 12 and 16 of the National Planning Policy Framework.

**FOOTNOTE:** Further conditions are set out in the associated Listed Building Consent application 2022/93964.

**FOOTNOTE:** The applicant's attention is drawn to the security recommendations of West Yorkshire Police Designing Out Crime Officer detailed within their consultation response dated 6th June 2022.

**FOOTNOTE:** The temporary portable access ramps to each shopfront should be compliant with Part M of the Building Regulations 2010 and retained within easy reach for each shopfront to be made available for the use of customers on demand. They should be put away when not in use.

**FOOTNOTE:** Noisy construction related activities shall not take place outside the hours of:

- 07.30 to 18.30 hours Mondays to Fridays
- 08.00 to 13.00 hours, Saturdays
- With no noisy activities on Sundays or Public Holidays

**FOOTNOTE:** Kirklees Council has powers under Section 60 of the Control of Pollution Act 1974 to control noise from construction sites and may serve a notice imposing requirements on the way in which construction works are to be carried out. It has additional powers under Sections 80 of the Environmental Protection Act 1990 to prevent statutory nuisance including noise, dust, smoke and artificial light and must serve an abatement notice when it is satisfied that a statutory nuisance exists or is likely to occur or recur. Failure to comply with a notice served using the above-mentioned legislation would be an offence for which the maximum fine on summary conviction is unlimited.

Plans and specifications schedule:-

<b>Plan Type</b>	<b>Reference</b>	<b>Version</b>	<b>Date Received</b>
Location and Block Plans.	Drawing No. 22.2714.01A.	Unamended	01/12/2022
Existing Elevation Plans.	Drawing No: 22.2714.03.	Unamended	01/12/2022
Existing Floor Plan.	Drawing No. 22.2714.02.	Unamended	01/12/2022
Existing and Proposed Street Scene Elevation Plans.	Drawing No: 22.2714.06C.	C	13/03/2023

Proposed Elevation and Floor Plans.	Drawing No: 22.2714.05C.	C	16/03/2023
Conservation, Heritage and Design and Access Statement	Conservation, Heritage and Design and Access Statement by DK Architects. 28/11/2022.	Original	01/12/2022
Joinery Details - Typical Layout.	Drawing No: 22.2714.04B.	B	13/03/2023
Joinery Details Shopfront Plans.	Drawing No: 22.2714.07.	Unamended	01/12/2022
Joinery Details - Shopfront Plans.	Drawing No: 22.2714.08.	Unamended	01/12/2022
Joinery Details - Shopfront Plans.	Drawing No: 22.2714.09.	Unamended	01/12/2022
Email from agent rec'd 13/03/2023	RE: 2022/93896 and 2022/93964	Original	13/03/2023
Image	Image of proposed roller shutter design from agent	Original	16/03/2023

Pursuant to article 35 (2) of the Town and Country Planning (Development Management Procedure) Order 2015 and guidance in the National Planning Policy Framework, the Local Authority have, where possible, made a pre-application advice service available, complied with the Kirklees Development Management Charter 2015 and otherwise actively engaged with the applicant in dealing with the application. The case officer received amended plans following the Conservation & Design Officer comments on signwriting and bordering to ensure high quality visual amenity and heritage amenity to Huddersfield Town Centre Conservation Area and its Listed Buildings. Additional clarifications were received to ensure that the accessibility of the shopfronts were considered in the assessment above.



**Planning (Listed Buildings and Conservation Areas) Act 1990**

**LISTED BUILDING CONSENT**

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**Application Number: 2022/65/93964/W**

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**To:** Hamid Dhorat,  
DK Architects (UK) Ltd  
Suite 4  
Batley Business Park  
Technology Drive  
Batley  
WF17 6ER

**For:** B&M Homes (Properties) Ltd

**The KIRKLEES COUNCIL hereby give notice that LISTED BUILDING CONSENT has been granted for the execution of the works referred to:-**

LISTED BUILDING CONSENT FOR REINSTATEMENT, REFURBISHMENT AND REPAIR OF 6NO SHOPS AND SIGNAGE [WITHIN A CONSERVATION AREA]

**At:** 17-33A, JOHN WILLIAM STREET, HUDDERSFIELD, HD1 1BR

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**In accordance with the plan(s) and applications submitted to the Council on 08-Dec-2022 subject to the condition(s) specified hereunder:-**

1. The development shall be begun not later than the expiration of three years beginning with the date on which consent is granted.

**Reason:** Pursuant to Section 18(1) of the Planning (Listed Buildings and Conservation Areas) Act 1990, as amended by the Planning and Compulsory Purchase Act 2004.

2. The development hereby permitted shall be carried out in complete accordance with the plans and specifications schedule listed in this decision notice except as may be specified in the conditions attached to this permission, which shall in all cases take precedence.



**Reasons:** In the interests of visual amenity and sustaining the architectural significance of the heritage asset in accordance with policies within Chapters 12 and 16 of the National Planning Policy Framework and Policies LP24 and LP35 of the Kirklees Local Plan.

3. No works of stone cleaning and paint removal shall take place until a method statement for stone cleaning and paint removal has been submitted to and approved in writing by the Local Planning Authority. The works shall be carried out in accordance with the approved method statement thereafter.

**Reason:** So as to ensure the satisfactory visual amenity appearance of the development on completion, in the interests of the significance of the heritage asset and to accord with Policies LP24 and LP35 of the Kirklees Local Plan and Chapters 12 and 16 of the National Planning Policy Framework.

4. Stone repair works and reinstated sections of natural stone for all damaged or eroded stonework and new pilaster/stallrisers/steps shall match the existing in terms of stone type, constituents, colour, aggregate size, finish and bedding. Joints for repairs shall be tight, and in lime mortar pointing, using a 1:3 NHL3.5 hydraulic lime, well graded sharp sand mortar and flush pointed. All raking out of mortar joints shall be undertaken using hand tools only. There shall be no use of cutting or grinding tools.

**NOTE:** Weatherstruck, strap or ribbon pointing is not permitted.

**NOTE:** There shall exclusively be no use of cement or concrete in any of the proposed works to the host building.

**Reason:** For the avoidance of doubt as to what is being permitted and to ensure the satisfactory appearance of the development on completion in order to retain the significance of the designated heritage asset and to accord with Policies LP24 and LP35 of the Kirklees Local Plan, as well as Chapters 12 and 16 of the National Planning Policy Framework.

5. All new windows shall be fixed with 7.5mm laminated safety glass to BSEN ISO 125432:2011 and timber frames with a dark blue painted finish, with mouldings and hardwood timber sections simple in design and profile. The works shall be undertaken in accordance with the joinery details submitted with this application and retained as such thereafter.

**Reason:** In the interests of visual amenity and sustaining the architectural significance of the heritage asset in accordance with Chapter 16 of the National Planning Policy Framework and Policy LP35 of the Kirklees Local Plan.

6. The proposed open tube linked security shutters to all shop fronts and doors and associated box housing hereby approved shall have coil boxes concealed in the ceiling void and have a factory applied powder coated finish in off white colour RAL 9018 as set out in 'Image of proposed roller shutter design from agent' and Proposed Elevation and Floor Plans. Drawing No: 22.2714.05C.'

**Reason:** For the avoidance of doubt as to what is being permitted and to ensure the satisfactory appearance of the development on completion in order to retain the significance of the designated heritage asset and to accord with Policies LP24 and LP35 of the Kirklees Local Plan and Chapters 12 and 16 of the National Planning Policy Framework.

7. The new lead flashing installed above the corncicing of the shopfront elevations shall be finished in code 5 lead in traditional detailing to match the existing with the correct expansion joints, thickness, and sheet lengths to the specifications of the Lead Sheet Association guidelines. All lead flashings shall be fixed into mortar joints and shall not be cut into the masonry, and no weepholes shall be inserted.

**Reason:** For the avoidance of doubt as to what is being permitted and to ensure the satisfactory appearance of the development on completion in order to retain the significance of the designated heritage asset and to accord with Policy LP35 of the Kirklees Local Plan, as well as Chapter 16 of the National Planning Policy Framework.

8. All fascias shall be 25mm weather and boil-proof ply lining over treated hardwood frame painted in matt black and to have a 15mm gold painted border. Prior to installation, samples of the lettering and numbers (font, point and method) on a sample fascia board shall be painted on in gold, painted by a professional signwriter, to be submitted to and approved in writing by the Local Planning Authority. The works and future signage shall be carried out in accordance with the approved font, point and method thereafter. **Reason:** To ensure the proposed works are sympathetic and do not detract from the character of the host Listed Building and preserve the character and appearance of the Huddersfield Town Centre Conservation Area and to accord with Policies LP24 and LP35 and to accord with Chapters 12 and 16 of National Planning Policy Framework.

9. Before work begins to install the secondary metal/steelwork supports necessary to allow for location fixings of shop frames, shutters, fascias and ceiling, drawings to a minimum scale of 1:50 on elevation plan and 1:50 in sections fully detailing how those will be concealed within the shopfront shall be submitted to approved in writing by the Local Planning Authority. The works shall be carried out in complete accordance with the approved details and so retained thereafter.

**NOTE:** Any proposal for black glass above transom level to hide bulkheads, should be black glass rather than applied film.

**Reason:** For the avoidance of doubt as to what is being permitted and to ensure the satisfactory appearance of the shopfronts on completion in order to retain the significance of the designated heritage asset and to accord with Policy LP35 of the Kirklees Local Plan and Chapter 16 of the National Planning Policy Framework.

**FOOTNOTE:** The applicant's attention is drawn to the security recommendations of West Yorkshire Police Designing Out Crime Officer detailed within their consultation response dated 6th June 2022.

**FOOTNOTE:** The temporary portable access ramps to each shopfront should be compliant with Part M of the Building Regulations 2010 and retained within easy reach for each shopfront to be made available for the use of customers on demand. They should be put away when not in use.

**FOOTNOTE:** Kirklees Council has powers under Section 60 of the Control of Pollution Act 1974 to control noise from construction sites and may serve a notice imposing requirements on the way in which construction works are to be carried out. It has additional powers under Sections 80 of the Environmental Protection Act 1990 to prevent statutory nuisance including noise, dust, smoke and artificial light and must serve an abatement notice when it is satisfied that a statutory nuisance exists or is likely to occur or recur. Failure to comply with a notice served using the above-mentioned legislation would be an offence for which the maximum fine on summary conviction is unlimited.

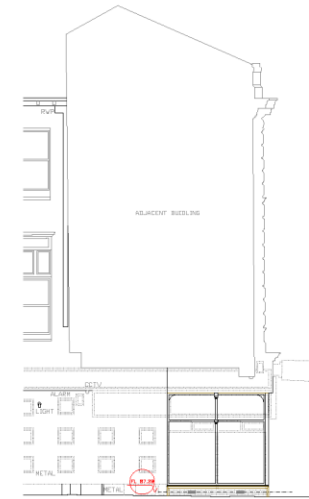
Plans and specifications schedule:-

Plan Type	Reference	Version	Date Received
Location and Block Plans.	Drawing No. 22.2714.01A.	Unamended	01/12/2022

Existing Elevation Plans.	Drawing No: 22.2714.03.	Unamended	01/12/2022
Existing Floor Plan.	Drawing No. 22.2714.02.	Unamended	01/12/2022
Existing and Proposed Street Scene Elevation Plans.	Drawing No: 22.2714.06C.	C	13/03/2023
Proposed Elevation and Floor Plans.	Drawing No: 22.2714.05C.	C	16/03/2023
Conservation, Heritage and Design and Access Statement	Conservation, Heritage and Design and Access Statement by DK Architects. 28/11/2022.	Original	01/12/2022
Joinery Details - Typical Layout.	Drawing No: 22.2714.04B.	B	13/03/2023
Joinery Details Shopfront Plans.	Drawing No: 22.2714.07.	Unamended	01/12/2022
Joinery Details - Shopfront Plans.	Drawing No: 22.2714.08.	Unamended	01/12/2022
Joinery Details - Shopfront Plans.	Drawing No: 22.2714.09.	Unamended	01/12/2022
Email from agent rec'd 13/03/2023	RE: 2022/93896 and 2022/93964	Original	13/03/2023
Image	Image of proposed roller shutter design from agent	Original	16/03/2023

Pursuant to article 35 (2) of the Town and Country Planning (Development Management Procedure) Order 2015 and guidance in the National Planning Policy Framework, the Local Authority have, where possible, made a pre-application advice service available, complied with the Kirklees Development Management Charter 2015 and otherwise actively engaged with the applicant in dealing with the application. The case officer received amended plans following the Conservation & Design Officer comments on signwriting and bordering to ensure high quality visual amenity and heritage amenity to Huddersfield Town Centre Conservation Area and its Listed Buildings. Additional clarifications were received to ensure that the accessibility of the shopfronts were considered in the assessment above.

**Appendix 4 Elevations and Floor Plans**



KOBANI - SIDE  
RETURN ELEVATION

Notes in red circles:

1. See notes on page 17 for details of shop front.
2. See notes on page 18 for details of shop front.
3. See notes on page 19 for details of shop front.
4. See notes on page 20 for details of shop front.

- REPAIRS TO BE MADE / SPECIFICATIONS**
- 1. Repairs to be made to the existing shop front in accordance with the following specifications:
  - 2. Repairs to be made to the existing shop front in accordance with the following specifications:
  - 3. Repairs to be made to the existing shop front in accordance with the following specifications:
  - 4. Repairs to be made to the existing shop front in accordance with the following specifications:



ground floor plan

JOHN WILLIAM STREET

DO NOT USE THIS DRAWING FOR CONSTRUCTION OR TENDER, DETAILED BUILDING REGULATION DRAWINGS AND STRUCTURAL DESIGN CALCULATIONS TO FOLLOW, USING APPROVED BUILDING INSPECTORS.

**PRELIMINARY**

DO NOT USE THIS DRAWING FOR CONSTRUCTION OR TENDER, DETAILED BUILDING REGULATION DRAWINGS AND STRUCTURAL DESIGN CALCULATIONS TO FOLLOW, USING APPROVED BUILDING INSPECTORS.

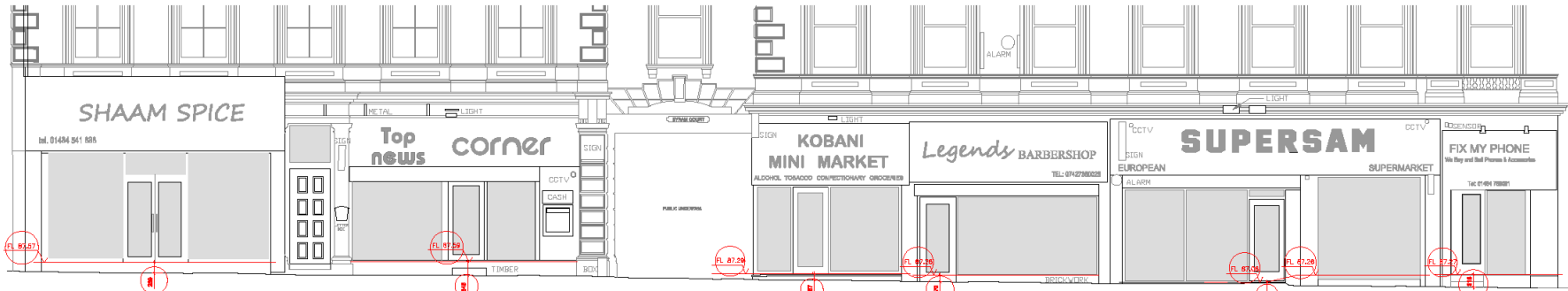


PROJECT:  
REINSTATEMENT, REFURBISHMENT  
AND REPAIR OF END SHOPS

ADDRESS:  
17 - 33A JOHN WILLIAM STREET,  
HIDDERSFIELD HD1 1BR

DATE: 16.05.2023  
SCALE: 1:50  
SIZE: A0

DRAWN: ANK  
CHECKED: ANK  
DATE: 22.07.24



EXISTING STREET SCENE ELEVATION



PROPOSED STREET SCENE ELEVATION

**GENERAL SCOPE OF WORKS / SPECIFICATION -**  
 To renovate and repair with traditional heritage led Regeneration Scheme (RSG) and process use SAC grant funded project.

1. Signage replacement with traditional painted timber construction.
2. Removal and replacement of shop fittings with new design.
3. Replacement of electrical lighting with energy efficient LED.
4. Replacement of floor in units with traditional stone.
5. Replacement of doors, windows, glazing and reinforcement etc.
6. Internal cleaning.
7. External signage, lights, clean and maintenance etc.
8. External signage work.
9. Traditional style temporary works.
10. Removal of clutter and replacement with general external clutter.

NO CONTRACTOR WORK SHOULD COMMENCE UNTIL PLANNING PERMISSION, BUILDING REGULATION APPROVAL, TOWNPLANNING ACTS IN COMPLIANCE (WHERE APPLICABLE) APPROVALS HAVE BEEN OBTAINED IN WRITING.

ALL WORK SHALL BE DONE IN ACCORDANCE WITH THE CONSTRUCTION (DESIGN AND MANAGEMENT) REGULATIONS 2015 WHICH REQUIRE TO BE APPROVED BY A REGISTERED ARCHITECT OR REGISTERED STRUCTURAL ENGINEER. THE ARCHITECT OR REGISTERED STRUCTURAL ENGINEER SHALL BE RESPONSIBLE FOR THE DESIGN AND MANAGEMENT OF THE WORK AND SHALL BE RESPONSIBLE FOR THE DESIGN AND MANAGEMENT OF THE WORK.

THE CLIENT AND THE CONTRACTOR SHALL AGREE TO THE CONSTRUCTION ORDER AND MANAGEMENT REGULATIONS 2015 WHICH REQUIRE TO BE APPROVED BY A REGISTERED ARCHITECT OR REGISTERED STRUCTURAL ENGINEER. THE ARCHITECT OR REGISTERED STRUCTURAL ENGINEER SHALL BE RESPONSIBLE FOR THE DESIGN AND MANAGEMENT OF THE WORK AND SHALL BE RESPONSIBLE FOR THE DESIGN AND MANAGEMENT OF THE WORK.

THE CLIENT AND THE CONTRACTOR SHALL AGREE TO THE CONSTRUCTION ORDER AND MANAGEMENT REGULATIONS 2015 WHICH REQUIRE TO BE APPROVED BY A REGISTERED ARCHITECT OR REGISTERED STRUCTURAL ENGINEER. THE ARCHITECT OR REGISTERED STRUCTURAL ENGINEER SHALL BE RESPONSIBLE FOR THE DESIGN AND MANAGEMENT OF THE WORK AND SHALL BE RESPONSIBLE FOR THE DESIGN AND MANAGEMENT OF THE WORK.



RENDERED ELEVATION - NTS (colour scheme TBC)

(REFER TO ABOVE 1:50 ELEVATION FOR AMENDED THRESHOLD LEVELS)

**PRELIMINARY**  
 DO NOT USE THIS DRAWING FOR CONSTRUCTION OR TENDER, DETAILED BUILDING REGULATION DRAWINGS AND STRUCTURAL DESIGN CALCULATIONS TO FOLLOW, USING APPROVED BUILDING INSPECTORS.

**RIBA**  
 Royal Institute of British Architects  
 Chartered Architects

**DK**  
 Architects

1. 0208 47222  
 2. 02071 83488  
 3. info@dkarchitects.com  
 4. dkarchitects.com  
 5. 25, Archway, Hillys & Hillys, Business Park, Technology Way, Dalrymple, WPT 225

**PROJECT:**  
 REINSTATEMENT, REFURBISHMENT AND REPAIR OF 6NO SHOPS

**ADDRESS:**  
 17 - 33A JOHN WILLIAM STREET, HUDDERSFIELD HD1 1BR

**DRG:**  
 PROPOSED STREET SCENE ELEVATION

**STATUS:**  
 PLANNING APPLICATION

**DATE:** 13.03.2023  
**SCALE:** 1:50  
**SIZE:** A1

**DRAWN:** AHD  
**CHECKED:** ANK  
**DRG NO:** 22.2714.05C

**COMMENTS:** TO BE USED AS AN INTERIM APPROVAL ONLY. ALL RIGHTS RESERVED. NOT TO BE USED FOR CONSTRUCTION.



RENDERED ELEVATION - NTS  
(colour scheme TBC)

(REFER TO ABOVE 1:50 ELEVATION  
FOR AMENDED THRESHOLD LEVELS)

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**Name of meeting:** Cabinet

**Date:** 21 December 2023

**Title of report:** Implementing the Council’s Vision for Adult Social Care

**Purpose of report:**

This report updates cabinet on the work around an externally run diagnostic of service provision and delivery models and the financial efficiencies that could be brought about by a funded change programme.

In light of this piece of work and other work that the Council has been undertaking, it is proposed to undertake a transformation programme to further embed and refresh the previously agreed Council Vision for Adult Social Care. This report sets out further detail of the proposed approach.

<p><b>Key Decision –</b> A key decision is an executive decision to be made by Cabinet which is likely to result in Council spending or saving £500k or more per annum, or to have a significant positive or negative effect on communities living or working in an area compromising two or more electoral wards. Decisions having a particularly significant effect on a single ward may also be treated as if they were key decisions.</p>	<p><b>Yes</b></p> <p><b>If yes give the reason why</b></p> <p>Expenditure/ Savings &gt;£500k &amp; affects more than 1 ward</p>
<p><b>Key Decision -</b> Is it in the <u>Council’s Forward Plan (key decisions and private reports)?</u></p>	<p><b>Key Decision – Yes</b></p> <p><b>Private Report/ Private Appendix – No</b></p>
<p><b>The Decision -</b> Is it eligible for call in by Scrutiny?</p>	<p><b>Yes</b></p>
<p>Date signed off by <u>Strategic Director</u> &amp; name</p> <p>Is it also signed off by the Service Director for Finance?</p> <p>Is it also signed off by the Service Director for Legal Governance and Commissioning?</p>	<p>Strategic Director Adults &amp; Health - Richard Parry 11.12.23</p> <p>Isabel Brittain 12.12.23</p> <p>Julie Muscroft 12.12.23</p>
<p><b>Cabinet member portfolio</b> <a href="http://www.kirklees.gov.uk/you-kmc/kmc-howcouncilworks/cabinet/cabinet.asp">http://www.kirklees.gov.uk/you-kmc/kmc-howcouncilworks/cabinet/cabinet.asp</a></p>	<p>Councillor J Ramsay – Health &amp; Social Care</p>

**Electoral wards affected:** All

**Ward councillors consulted:** The proposal in the cabinet paper are likely to bring change to care and support across Kirklees. There are no specific wards that will be affected at this stage.

**Public or private:** Public

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

## Page 2 of the report

### 1 Summary

- This paper outlines the active pressures and requirement for change in Adults Social Care to be achieved through a transformation programme that further embeds and refreshes the Council's Vision for Adult Social Care.
- We have reached the end of an external whole service diagnostic, with a wide range of proposals and opportunities that have been quantified by Newton Europe.
- The proposed transformation programme is driven by these findings and proposals and other work undertaken by the Directorate.

### Information required to take a decision

### 2 Background

As part of responding to the co-produced Council's Vision for Adult Social Care which was published in 2019 (Copy attached in Appendix A), the Kirklees Adults and Health directorate had been on a significant transformation journey to develop an effective and efficient directorate. This has included redesigning pathways, applying a demand and capacity approach to enable the right sizing of teams and a better understanding of complexity, as well investing in and deploying a new integrated case management system.

Despite these changes, Adults and Health in Kirklees is facing significant increases in demand for services both in terms of the numbers of people needing support and the complexity of need that is being presented. There has been a step change increase in demand following the pandemic. Demographic growth has also had the consequence of social care needing to do more with less.

Our vision continues to be at the centre of our system thinking, design and change approaches across the directorate:

**We want every person in Kirklees who needs social care to be able to live the life that matters to them – with the people they value, in the places and communities they call home, and with an equal voice in co-ordinating their care.**

In delivering our vision we are moving to shift the balance of decision making and support design towards maximising the independence of people who use services and their informal carers and the assets that exist in communities. This increased shift will continue to mean more in-depth, cost conscious and creative thinking in package design is required across care planning, commissioning and delivery teams.

Alongside this, the Directorate is implementing a new electronic record system (MOSAIC) which will have short term capacity demands across the Council but offers longer term benefits. Care Quality Commission (CQC) has started its national programme of inspections of the Adult Social Care functions of Local Authorities and so the Council needs to plan and prepare for this.

These activities are complementary to each other but, in aggregate, will require the council to consider how best to approach and resource these programmes of work.

## 2.1 The Impact of the Pandemic

Pre-pandemic the directorate was working largely in a strength based way to care and support assessment, pulling on local expertise around community based solutions that would be aspects of a care need. Plans were underway to develop assets in local areas that were more accessible to those with a care or support need. Our Front Door offer was focussed on wellbeing and more creative thinking around problems that people presented to the service. In acute settings discharges were periodically under pressure but there was capacity in health and social care to find the right out of hospital support for people.

Once the pandemic hit the pace of hospital discharge grew rapidly and the use of discharge beds in care homes grew. Whilst this was an understandable necessity, it did increase the number of people who have gone on to live long term in a care home. In teams within social care we shifted to a problem fixing mode rather than a more co-productive conversation to explore a range of options. The community opportunities available to people, from visiting local shops to informal social activities ceased to operate or operated in a very different way which meant that people were less physical activity or became more socially isolated.

The impact of COVID-19 on physical and psychological deconditioning, particularly in older people, will affect demand for support in the coming years.<sup>1</sup>

In Kirklees it is estimated:

- 13,600 older people are less steady on their feet since the start of the pandemic.
- An additional 3,600 older people are no longer able to manage basic daily living or personal care tasks in the way that they previously could.
- 16,000 older carers were less confident letting paid professionals into their home since the start of the pandemic.
- 12,000 carers cannot walk as far or are feeling more pain since the pandemic.

The long term population forecasts generated by the Office of National Statistics (ONS) show a longer term growth of population particularly in the older age groups. This alongside the effect of deconditioning outlined above, and pent up demand caused by delays to people beginning a support journey will impact the volume and complexity of work seen in adult social care.

There is similarly increased demand for elective treatment in the NHS which is driving increased hospital discharges as well as people living with the consequences of extended waits for treatment.

Whilst the Council had identified the need to develop significantly more Extra Care Housing (ECH) to provide an alternative to residential care for some people with greater care needs or who lived in housing that didn't maximise their independence, the impact of the Pandemic and then post pandemic construction industry challenges have slowed progress on developing new schemes, though a new scheme is due to open in late 2024.

It has been clear that, from talking to other Councils, the effects of these practice and demand changes are being seen elsewhere as well. Many councils are needing to undertake similar programmes of transformation activity.

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<sup>1</sup> Age UK. *Impact of Covid-19 on older people's mental and physical health: one year on. 2021*

## **2.2 Demand Changes**

### *Social work activities*

In order to continue to support people under our duties of the Care Act, staff are responding to 200 additional annual referrals than they did 3 years ago, they are also reviewing an additional 1800 packages of care and support than they were 3 years ago. Not only is this core work growing, but there has also been growth in more complex case work that requires higher levels of skill, time and inter-agency working such as Court of Protection and Safeguarding activities both areas of work have seen double the volume of activity over the past 24 months.

### *Services delivering at the front line*

Adults and Health front door call traffic has increased by 3% when the last 12 months is compared to the previous 12 months, this an extra 1000 calls in the last 12 months.

Demand for hospital avoidance support has increased when compared to the demand seen in the same period last year by 30%, and 47% up on the same period in 2020/21.

We have seen 11% average year on year growth in demand for discharge referrals for people in hospital, Overall, since 2019 discharge referral volumes have increased by a third (36%).

### *Our independent sector providers*

Across all Adults and Health assessment teams staff are spending more time working with care and support providers. Whilst the social care workforce has a lower turnover rate than comparator authorities, external providers are still experiencing understaffed shifts, recruitment issues and business cost pressures. Assessment staff are working daily to keep packages stable or sourcing alternative packages of support.

The number of home care service users being supported has grown by 58%, this is 488 additional home care recipients, and an additional 8,900 hours of a care a week compared to 2019. In home care we have seen the proportion of service users receiving intensive support of over 10 hours a week increase by 6%.

Although we saw reductions in the number of people living in care homes as the pandemic hit the sector hard, we have since seen an increase in occupancy over the past 12 months which is now only slight below pre-pandemic levels in some provision. To support care home providers during the pandemic, a programme of support was put in place by the Council and the ICB alongside investment into the creation of a Care Association. A number of care homes have closed following the pandemic but the sector is now characterised by a slightly smaller number of homes, with higher quality and occupancy levels and greater system support which should result in a more sustainable sector.

## **2.3 Wider changes affecting the directorate**

Alongside local changes, nationally Adults and Health is entering into an extensive programme of change with the Health and Care Bill receiving Royal Assent in April 2022 enacting the most significant Health & Care legislation in a decade into law.

In the Autumn Statement 2022, the Government announced that they would be delaying the charging elements of reform until 2025 but work on understanding the implications of this still needs to continue as preparation for reform needs to start in Autumn 2023 to be ready to fully deploy change by October 2025.

We are seeing increasing ICS working and collaboration and have a range of system level commitments and joint programmes of work to deliver. The ICS itself is under significant financial pressure and has developed a smaller resource and staff base from which to operate.

### **3 Diagnostic – Newton Europe**

The primary objective of the diagnostic was to understand how we can improve outcomes for residents within Kirklees. The scope and activity of the diagnostic has been formed around this Vision for Adult Social Care with our residents at the heart.

Kirklees is facing several challenges as an authority including the prospect of reform, demographic pressure, the cost-of-living crisis and the national workforce challenges. There are pieces of work already in train to mitigate this pressure and continue to drive outcomes and the diagnostic took account of these issues.

The diagnostic sought to give an objective analysis of the greatest opportunities we currently have to support better outcomes for our residents and safeguard the Council's limited financial resources. Once understood, these opportunities have been rationalised against all existing transformation and efficiency work to give a holistic view of our opportunities.

The activities that have formed the diagnostic have ranged from time with our front-line teams (over 100 hrs) to the analysis of service user journeys captured in our data. In-depth reviews of 168 individual cases undertaken by our staff have formed the basis of our levels of confidence and have been backed up by surveys, 1:1 conversations, journey mapping, national benchmarking, detailed process mapping, gap analysis to national best practice and bespoke analysis to give a broad and deep understanding of these opportunities that we could not have achieved ourselves within the same short time period.

#### **3.1 What opportunities the diagnostic quantified**

We have opportunities to improve the outcomes for our residents across the service. Our reablement service has the capacity and capability to support an increased number of people as well as supporting and effectively reabling residents with more complex needs using investment recently provided by the NHS.

Within our Adults, Adults and Health Front Door and Learning Disabilities & Mental Health teams, further embedding a strength based independence first working culture, ensuring consistency within our processes and ensuring full use of our enabling and community services would benefit our population.

Through streamlining processes, enabling prevention and reduction of formal support and adopting a culture of controlled high performance, with new supporting data and intelligence tools and products and the functionality of MOSAIC, we will also enable our staff to support more residents, allow them to spend more of their time enabling and supporting the residents of Kirklees and better measure and understand the impact that we are having for people.

#### **3.2 Financial Opportunities:**

The detailed opportunity matrix developed with Newton Europe suggests financial benefits of £10.3m – £14.7m per year by the end of the fourth financial year, with a £9m-£13m cumulative financial benefit by the end of the two-year programme, alongside ongoing financial benefits across future financial years. Delivering a programme of this scale and complexity is not without risk and will require appropriate transformation capacity and capability, without which it is likely

that progress will be slower and fewer benefits realised. Options have been considered about how best to resource this including the continued use of large scale external consultancy support or a more internally resourced approach. As described below, the intention is to develop a primarily internally delivered approach using a combination of capacity deployed from other activities across the Council (which may slow down or cease) and temporary additional capacity. The detail of this is being refined but will need to be funded from existing revenue or by capitalisation transformation related expenditure.

#### **4 2024-2027 Transformation Programme: Refreshing the Vision for Adult Social Care**

As described above adult health and social care has been on a development journey, all of which has evolved against a backdrop of recovery from COVID-19, and underlying demand and cost pressure throughout the health and care system.

There is now an opportunity to pull together the diagnostic findings, the best ways of working we developed in the pandemic, fully deploy the new case management technology, get ready for the national Adult Social Care reform and reframe how we do social care and support in Kirklees.

Directly linked to the delivery of the Vision for Adult Social Care as a system we want to promote wellbeing, independence and safety thereby reducing, delaying and preventing the demand for long term, intensive care. We will build on our work enable people to be experts in their own care and wellbeing, to help them to choose a mixture of support that will achieve the outcomes that matter to them.

Across a two to three year period a significant programme of change would be delivered that will generate cashable and non-cashable efficiencies in line with budget saving proposals and the findings of the Newton Europe diagnostic. The programme of change driven by a new directorate change board, and supported by corporate enabler colleagues and products, will oversee development and change across care pathways, teams and provision.

We want our workforce to be enabled to work effectively and innovatively to deliver strength based personalised, high quality outcomes. This requires refined processes that are responsive, proportionate and reduce duplication, performance data that allows individuals and teams to better track the impact that they are having and continued culture change. Working as part of the wider health and care system, prevention, care and support will be better coordinated with individuals and their carers determining how needs are to be met.

A transformation programme of this size and complexity will require resourcing through a combination of reprioritising existing capacity across the Council and additional temporary capacity and capability. Subject to Cabinet agreeing to progress with the proposed transformation programme, this resourcing requirement will be developed in more detail.

##### **4.1 What the Transformation Programme will do**

The Transformation programme would seek to prevent, reduce and delay demand across the health and social care system in line with the existing Vision for Adult Social Care and the aims of the broader Health and Care Partnership in Kirklees. The approach would be to design services around the user experience to ensure timely and strength based responses that avoid crisis and escalating need. It will seek to reduce duplication of effort, improve coordination both within the Council (including transitions from Children's Social Care services) and with external partners and to embrace digital opportunities where appropriate.

## 4.2 Key areas of focus:

1. Effective resolution at the front door through fair and transparent decision making, timely interventions, signposting and quality advice, information and guidance to avoid driving demand into the system.
2. Increasing the numbers of people benefitting from wellbeing and preventative services will reduce demand for long term care provision.
3. Increasing the numbers of people benefitting from reablement will reduce demand for long term care provision.
4. Maximise the use of technology, equipment and housing adaptations in the delivery and effective management of support.
5. Through new data intelligence products and systems thinking highlight demand failure and design this out by ensuring staff have effective tools and processes that support agile working and productivity.
6. Strengths based practice is effectively deployed and builds on individual's abilities and natural support networks and promoting independence, wellbeing and control, including building on the principles in the co-produced Direct Payments policy.
7. Where working in a strength based way is contested, consistent approaches, processes and decision making are in place to support staff and leaders.
8. Providing as much information and process as possible in self-serve, and where this is not equitable ensure we provide accessible formats so that people and their carers/ advocates can discuss and access a range of support options themselves.
9. A more diverse community asset, care and accommodation market that can meet a broader range of complex support needs, building on the work already underway to develop new supported living and extra care (housing with care) locally and make more effective use of existing capacity and housing stock, both general needs and more specialist accommodation.

## 4.3 Proposed Programme Areas:



## 4.4 How the Transformation Programme will operate

An internal team would be resourced to deliver a change programme that builds on the valuable work with Newton Europe and other work undertaken by the Council. The work with Newton Europe has included the development of delivery plans and tools for the Council to use in the future and which will assist programme planning and delivery. Existing workplans would need to be reviewed, reprioritised and phased to ensure what must be delivered has the capacity it requires, but other work would be paused to ensure the delivery of benefits in this programme.

The change team would be supported by service (frontline) experts to assist in the design and testing of change, work with internal teams to embed and support the ongoing measurement of realised benefits using new data products. There are strong co-productive relationships between service change colleagues and operational teams across a number of projects that have yielded

benefits both financially such as those teams in the demand and capacity programme, and non-financial benefits such as the development of Support Options which improved process and capacity in the system.

The team would use the programme design principles that have been co-developed as part of the diagnostic. Delivery would be driven by the Assess (completed in diagnostic), Design, Implement and Sustain programme approach.

The work of the programme would be centred on having the right workforce, with the right skills in the right part of the pathway in order to deliver the best care and support possible to those requiring support. This will be enabled through deploying appropriate corporate resources to the work, these enabler resources are costed into the proposal but indicatively would consist of corporate intelligence, financial and legal expertise.

Teams would deliver the practice, productivity and performance improvements and innovations across the care and support pathway. The programme will continually measure delivered benefit against trajectories refocussing and redeploying resources to mitigate any divergence from targets or agreed KPI's using new data and insight products that will be developed, alongside work to return to pre-COVID confidence of individuals and teams in using data to inform operational practice.

The products from the Newton Europe diagnostic would reinforce the tenacity of the work. Newton Europe identified that there are a number of resource/skills gaps currently within the service and wider organisation and part of this proposal is to recruit to additional posts on a spend to save basis or utilise the change talent pool to strengthen the project design approaches, change management and improvement skills within the programme.

To accelerate elements of workplan external inputs may be required, this is likely to be in the form of external professional or clinical advice, behaviour change support, practice learning and development, digital development capacity, communications products, and other inputs.

Although some of the change capacity could be through the internal talent pool being developed for cross council change capacity there may also be the need for expertise beyond the council this could be through a contractor or agency approach (inside IR35) rather than a consultancy contract; this will mean expertise is used for specific capability and capacity gaps rather than general change or Project Management Officer support. This has been an effective model in the MOSAIC implementation programme where external contractor and system architecture data and insight capacity has supported the team.

There are also likely to be “off the shelf” products that the programmes of work procure rather than extensive local design work then a failure to deliver because capacity or funding has been used up to fund the design and not the solution.

We will also draw on the lived experience of people who use services and their family carers to ensure that the programme reflects their experiences, insights and aspirations.

## **5 Expected impact/ outcomes & benefits**

### **5.1 Expected impact/ Outcomes**

- The Adults & Health budget is deployed effectively for the long term, cost pressures and risk are well managed through effective data led leadership.
- The Vision for Adult Social Care continues to be delivered.



- Demand is reduced or mitigated across the directorate through effective prevention and delay support such as Community Plus and Reablement.
- The pressure on staff teams is reduced through effective systems and ways of working.
- The existing cared for cohort of people are more independent and shape their care and support with skilled social care staff.

## **5.2 Demand led Benefits:**

- Prevention, reduction and delay of demand across pathways.
- Effective resolution at the front door.
- Increasing the beneficiaries of wellbeing services and reablement.
- Increase in self-serve options.

## **5.3 End user Benefits:**

- A broader range of support opportunities delivered in age friendly communities.
- Growing numbers of end users that are experts in their own care.
- Increased resilience and independence.

## **5.4 Workforce Benefits:**

- Further develop an innovative, empowered and performance driven workforce.
- Make tasks simpler with systems, processes and authorisations that make sense and are dynamic to the needs of the workforce and end users.
- Grow and develop staff to meet the increasing complexity of cases entering ASC.
- Legally compliant and defensible care decisions can be made by a highly skilled staff team.

## **5.5 Costs and Financial Benefits**

The transformation programme has the potential to deliver between £10.3m and £14.7m of financial benefit, per annum, once fully embedded. Achieving the full benefits of the programme will require investment in multi-disciplinary transformation capacity and tools through both re-prioritising the work of existing staff in the organisation and through investing in additional temporary capacity and capability. A delegation to relevant officers and Portfolio Holders is proposed to agree the final scale and cost of this capacity.

## **6 Realistic Delivery Expectations, Risks & Sustainability**

There are recruitment challenges within the directorate and in corporate enabler functions that are critical to the programme delivery and a number of competing demands on capacity both to meet increased demand for services and a number of other change and transformation projects. Building the programme and design teams may present some challenges and initially add to the service pressures described above. There will be a period of skilling up the programme team, so they are able to build sustainable and cost effective ways of working, this may impact full programme start dates and therefore realisation of benefit timeframes.

Change programmes have failed to deliver benefit and fully embed change in some instances in the past, this is largely because the rigour around benefit realisation was weak, it was not easy to see when financial or performance trajectories were faltering, or the change sustainability capacity was diverted to support a service pressure and was lost. As described above, we propose a fixed focussed team that will not have capacity to support other work, roles will be clearly defined so it is clear they are transformation social workers or care/ system how and for how long they are being deployed on the transformation programme. These roles will also support the longer term benefit realisation aspect to the work.

The scale of transformation, alongside other activity such as preparation for and delivery of a CQC inspection and implementation of ICMS represents risk (although also opportunities to see activities as being complementary).

## 6.1 Programme Risks and Mitigations

Risk	Mitigating action
A cross council internal support team cannot be collected together, or staff absence affects achievement.	Recruitment begins early and uses external new appointments or agency to backfill design and delivery staff. Explore secondment and/or development opportunities for staff.
A cross council internal team cannot be held contractually to account for missed or delayed benefit realisation.	The Change Board & Budget Delivery Group act as STAR chamber style challenge to the programme and recovery plans for missed or delayed benefits are developed and monitored by BDG and others.
An internal cross council support team cannot commit to a change programme because of operational change or national policy alterations.	Recruitment begins early and uses external temporary appointments or reprioritised project and delivery staff.
Operational teams do not respond or cannot contribute to co-production of work.	Existing relationships are capitalised upon to co-design change, capacity in teams is freed up by recruiting to a fuller staff compliment.
The work does not realise promised savings and benefits.	Robust governance and benefit realisation monitoring on the work through regular senior level scrutiny, an option to cease and commission external support is built into the work plan.
Lack of sufficient capacity, knowledge and expertise within the team and services to drive forward the programme of work and achieve the programme objectives within the expected performance targets for time, cost, quality, scope, benefits, and risk.	<ul style="list-style-type: none"> <li>• Clear business case/mandate/ measures of success.</li> <li>• Utilise organisational change capacity to support the work.</li> <li>• Defined roles and responsibilities.</li> <li>• Clearly defined structure for accountability, delegation, authority, and communication.</li> <li>• Manage by stages, with clear plans, which outline what each project will deliver, why, when, by whom and for whom and with performance data products that allow robust monitoring of delivery</li> <li>• Investment in training and further development of the team.</li> </ul>

The proposed transformation programme in itself will realise cashable efficiencies as processes, pathways and service delivery options are delivered. These efficiencies will fund the programme of change and leave a significant additional efficiency to help offset future demand and cost pressures in the service, it will also free up resources to further invest in preventative and community options to further mitigate future demand.

## 7 Implications for the Council

### 7.1 Working with People

A great deal is changing in health, social care and housing and there are significant challenges ahead. Budget pressures, demographic pressures, technological change, and changing expectations of people who use services have resulted in a need to re-think the way social care operates. In Kirklees we are seeing the same issues as other areas of the country. The advances over recent decades in medical science, diagnosis, and treatment of progressive disabling conditions, has meant that there are increasing numbers of people with complex support requirements who are living much longer in our communities. The financial pressures on the service remain and with the above predicted population change these pressures will only intensify.

Through this transformation programme we want to reduce, delay and prevent demand for care. People who use services and their carers who do require support should be involved as experts in their own care and wellbeing, and able to choose a mixture of support that will safely deliver their outcomes. They will also be involved in the design and delivery of the transformation programme reflecting the expertise that they have in their own right.

The Council's co-produced Vision for Adult social Care was published in 2019:

**We want every person in Kirklees who needs social care to be able to live the life that matters to them – with the people they value, in the places and communities they call home, and with an equal voice in co-ordinating their care.**

The vision is supported by a set of values and principles which define who we are, how we will work and what people should expect from Adult Social Care in Kirklees. They were informed by lots of contributions from many different people, including people who use our services, carers, front-line staff, managers, and directors.

With the development of this transformation programme to further embed and refresh the Vision, the benefits to people will be wide ranging from increasing the digital offer; supporting even more people to stay independent for longer and streamlining pathways and services to minimise 'hand offs' or delay in the system.

### 7.2 Working with Partners

Adults and Health work with a range of partners to improve outcomes and pathways with a focus on keeping people independent, with an accurate trajectory of demand and complexity and a robust transformation programme we will have positive impacts on the wider system. Our partners include the Integrated Care Partnership (ICP) and the NHS West Yorkshire Integrated Care Board (ICB) arrangements; the acute trusts, the care market (both residential and domiciliary care); Primary Care Networks and across other council services such as Housing, Homes and Neighbourhoods. We will be working with external partners to develop the detailed implementation plans, building on existing integration and joint working with Locala, the ICB, SWYFT, CHFT and MYHT. The ICB has recently committed investment into increasing reablement capacity.

Work with Kirklees Care Association, Voluntary and Community Sector (including Healthwatch), housing provider and other external partners will be critical.

As previously noted, our partnership with existing co-production and carers groups will be pivotal in ensuring we draw on lived experience.

Kirklees Council also works closely with other local authorities across West Yorkshire and Yorkshire and Humber and will draw on these relationships to learn from other councils.

### **7.3 Place Based Working**

The age profile of our local population and the expected needs moving forward will mean a local approach will be required in this work. There are a cohort of people that may require care support who will want to remain very local to where they live now, keeping local support networks active as people move into a care setting is very important. We are more aware of where over time demand is expected to manifest, which will present opportunities and strategic planning implications for the care home market.

Adults and Health is increasingly working in a place-based way, the different locality hubs and the work with primary care networks has led to strong relationships with partners and local providers and led to case level outcome improvements across the range of our provision. The proposals will allow us to build on these already strong relationships to keep staff in the sector, support provider development and foster a culture of local innovation. A more locally focussed approaches to issues like staff development.

### **7.4 Climate Change and Air Quality**

Connected to place-based working as more local care provision is developed there should be less travel by staff, families and carers, some of whom maybe travelling outside Kirklees to visit someone if current models do not adapt. The clearer picture of demand at a local level should mean the council and providers can make better investment in buildings and services, this is expected to be an output of the change programme.

### **7.5 Improving outcomes for children**

Whilst the scope of this proposal is to focus on adult social care, there are pathways in place to support transitions and All Age Disability so children who are being supported to prepare for adulthood within these services are included in the scope of the Transformation Programme. This includes demand modelling to build in the requirements for future years for children who will go on to receive services from Adults and Health and how best this can be managed within the resources available or where services may need to be redesigned to respond to increased volume and complexity. The Council will be working with the Local Government Association to facilitate a programme of work in relation to Transitions between Children's and Adults' social care.

### **7.6 Financial Implications for the people living or working in Kirklees**

If the Change Programme is implemented it is likely to bring opportunities to increase the independence of individuals who use services and reduce their reliance on care services, then this is likely to bring a direct financial benefit to people who live in Kirklees through a reduction in the amount that they have to financially contribute to the cost of their care.

### **7.7 Other (e.g. Integrated Impact Assessment/Legal/Financial or Human Resources)**

### **7.8 Financial**

The findings of the diagnostic have highlighted a financial pressure linked to the introduction of care reform, and the impact of population growth and increased case level acuity. Elements of each is in budget forecasts but there remains a funding gap between budget MTFP and expected demand. This coupled with the inflationary cost pressures across the care economy mean any

efficiency opportunity needs to be delivered as part of existing savings within 2023 budget and for identified savings within 24/25.

## **7.9 Legal**

Social Care Reform could likely lead to a greater demand on Legal Officers for advice and representation that could lead to Court applications. This includes queries arising from financial decisions, and the impending changes to Liberty Protection Standards.

The Care Act 2014 sets out the legal framework for promoting the individual's wellbeing when doing care assessments (section 1), care needs assessments (Section 9) and how services are provided to meet eligible needs (Section 18) together with DHSC statutory care and support guidance (updated 2022). The guidance refers to assessments which must be people-centred throughout and supporting persons to have choice and control.

The charging regime is contained in sections 14,17, 69-70 of the Care Act 2014 and the Care and Support (charging and assessment of Resources Regulations 2014 , Care and Support and Aftercare (Choice of Accommodation) Regulations 2014. Certain services cannot be charged for such as those provided under section 117 of Mental Health Act 1983 or some reablement services. The existing legal basis for fee setting in relation to the cost of care home and domiciliary care is contained in section 5 of the Care Act 2014 and paragraph 4 of the statutory care and support guidance.

The Council will need to comply with its Contract Procedure Rules and Social value considerations under the Public Services (Social Value) Act 2012 as part of any procurement process and specification where relevant if external support is procured.

The Council has a duty under section 3 of the Local Government Act 1999 to continuously improve the way its functions are exercised having regard to economy, efficiency and effectiveness and the statutory Best Value guidance (MHCLG 2015).

S.149 of the Equality Act 2010 requires the Council to have due regard to the following aims when exercising their functions:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not." Protected characteristics" are age, disability, gender reassignment, marriage and civil partnership, pregnancy, maternity, race, religion or belief, sex, and sexual orientation.

## **7.10 Human Resources**

There are recruitment challenges across Adults and Health and the wider social care sector, aspects of the change programme will make capacity as efficient and productive as possible, therefore alleviating some of the demand linked recruitment pressures.

The change programme would require internal staff capacity to fulfil change design and implementation roles, the funding proposal has costed these roles and backfill, or agency use is expected to be considered to cover these roles whilst working on the change programme. A core team will be established to mitigate pressures on staff, a lot of whom are already heavily involved preparing for the new case management system due for phase one deployment in spring 2024.

Alongside process change will be a need for Learning and Organisational Development input to support both the transformation team and the wider body of staff.

### **7.11 Risk**

There is a financial risk to the council should the efficiency benefits not be realised by the change programme, or further cost pressure reduce the impact on the overall budget of any efficiencies.

### **7.12 Integrated Impact Assessment (IIA)**

IAs will be carried out on programme change proposals and development approaches, there will also be due reference to the Integrated Communities Framework assessment process.

The impact of any change on the armed forces community will also be assessed as change options are developed.

## **8 Consultation**

Local authority managers have been working with partners and staff teams on the purpose and scope of the diagnostic and the programme proposals for change that have emerged from the diagnostic.

The Trades Union liaison group for Adults & Health have been briefed on the diagnostic approach and the programme proposals.

Portfolio holders have been briefed on the diagnostic and change proposals.

Legal, Finance, Risk and Procurement colleagues have shaped the requirements associated with the contract for the diagnostic and delivery of a change programme.

Other groups and parties involved in shaping the proposals:

- Council's Executive Team
- Strategic and Service Directors (including Finance)
- Legal services
- Service Directors, Heads of Service , Managers and teams in Adults and Health

Across all consultees there has been support for the need for a diagnostic bringing in expertise to identify the opportunities for change and efficiency, and to help shape a potential change programme.

## **9 Engagement**

The approach taken to reach the proposals before Cabinet has included many frontline staff from teams across the directorate and partner organisations. The service user led Coproduction board has also shaped and engaged in developing the approach and response to the emerging findings of the diagnostic.

Teams have been involved in reviewing cases to identify learning and opportunities for change, teams have also been involved in shadowing and pathway mapping to explore where they identify opportunities and capacity for change which feature in the change programme.

Managers and directors have been heavily involved in shaping opportunities into programme proposals and agreeing the most efficient and effective approach to delivering programme proposals.

Portfolio holders Cllr Ramsay and Cllr Turner have been engaged and briefed on the findings of the diagnostic and proposals for delivery of a new operating model.

## 10 Next steps and timelines

As a service we have learnt much from external viewpoints over the past few years, we have also spent valuable resource on supporting external agencies to reinforce our design ideas and direction of travel. We now request capacity to combine our expertise, experience and skills into creating a mode of operation rather than a short to medium term savings programme.

The Vision for Adult social care continues to drive our approach to supporting the people of Kirklees, we have made considerable progress in changes the way services operate so they are able to better deliver the Vision in reality.

The macro health and care environment has been under pressure for a number of years, and recent policy and budget announcements suggest that further pressure is to be expected. This is being felt across internal teams from both the acute and emergency sectors, and also from commissioned care providers who are experiencing staffing and economic pressures of their own.

Although aspects in this paper present a concerning future for social care locally there are a wide range of examples of progressive change that have improved practice, efficiency and experience for staff teams, those accessing support, carers, and providers of services.

The table below outlines how the programme of work will commence, and when the different programme stages are expected to be completed. Some stages within programmes will run concurrently and iterative design changes identified could affect completion dates.

Activity	Indicative Completion
Cabinet Decision	21 December 2023
Mobilising the transformation team / resource	Jan 24
Foundations for implementation i.e. data pipelining, establishment of governance, benefit monitoring etc	March 24
<b>Design, Test &amp; Piloting, Implementation &amp; Embed Activity</b>	
Front Door	September 24
Reablement	December 24
Adult Social Care	March 25
Learning Disabilities	March 25
<b>New Operating Model in place</b>	<b>March 2025</b>

## 11 Officer recommendations and reasons

The reasons for submitting this report to Cabinet is for members to:

- Note the findings of the diagnostic exercise (appendices B and C). Support the proposed Transformation Programme to deliver operational and practice change in line with the Council's Vision for Adult Social Care
- Delegate authority to the Strategic Director for Adults & Health, in consultation with the Strategic Director of Resources, the S151 officer, the Cabinet Member for Resources and the Cabinet Member for Adult Social Care to agree the final scale and nature of the transformation

team (both re-prioritising the work of existing staff across the organisation and securing additional temporary capacity and capability as required).

## 12 Cabinet Portfolio Holder's recommendations

- Cabinet Portfolio holders Cllr Ramsay and Cllr Turner agree with the officer recommendations outlined in section 11.
- Cllr Ramsay's recommendation:
- I believe the case for change has been clearly articulated within the main body of the report. We all understand the increase in costs, demand and complexity and the pressure these are having, and will continue to have, on Social Care services. I think we can recognise the reason that services changed during the pandemic and understand that we need to 'reset'. In addition, there are the added pressures of the introduction of Care Quality Commission assessments and the Adult Social Care Reforms that need to be prepared for.
- The Newtons Europe work has given us the understanding as to how we can now transform these services so that they can deliver the Vision for Adult Social Care. There are real opportunities to change practice and support staff e.g. through technology, new pathways, and further training, enabling service users to be as independent as possible, maximising the strengths of their individual circumstances.
- I am very supportive of the plan to manage this change programme using resources, as much as is possible, from within the Council, and feel comfortable that the risks can be mitigated. I believe that the robust governance described and the ringfencing of the change team will support the delivery of a transformed service able to survive the pressures described. On that basis I support the officers' recommendations.

## 13 Contact Officer

Richard Parry - Strategic Director for Adults and Health

Tel: 01484 221000

Email: [richard.parry@kirklees.gov.uk](mailto:richard.parry@kirklees.gov.uk)

### List of Appendices:

- APPENDIX A – Vision for Adult Social Care
- APPENDIX B – Programme Approach
- APPENDIX C – Work Programmes – Summary & Detail

## 14 Background Papers and History of Decisions

**Key Decision Notice:** Adults & Health's intention to commission some external consultancy to support a comprehensive diagnostic and subsequent change programme. <https://democracy.kirklees.gov.uk/mglIssueHistoryHome.aspx?Id=29312&PlanId=181&RPID=4528979>

**Cabinet Item:** 17th January 2023 -

<https://democracy.kirklees.gov.uk/documents/s49863/FINAL%202023-01-17%20Cabinet%20Report%20Adults%20External%20Commission.pdf>

**Cabinet Decision:** - <https://democracy.kirklees.gov.uk/ieDecisionDetails.aspx?Id=10749>



**Key Decision Notice:** Implementing the Council's Vision for Adult Social Care

<https://democracy.kirklees.gov.uk/mglIssueHistoryHome.aspx?Id=32066&PlanId=194&RPID=4715580>

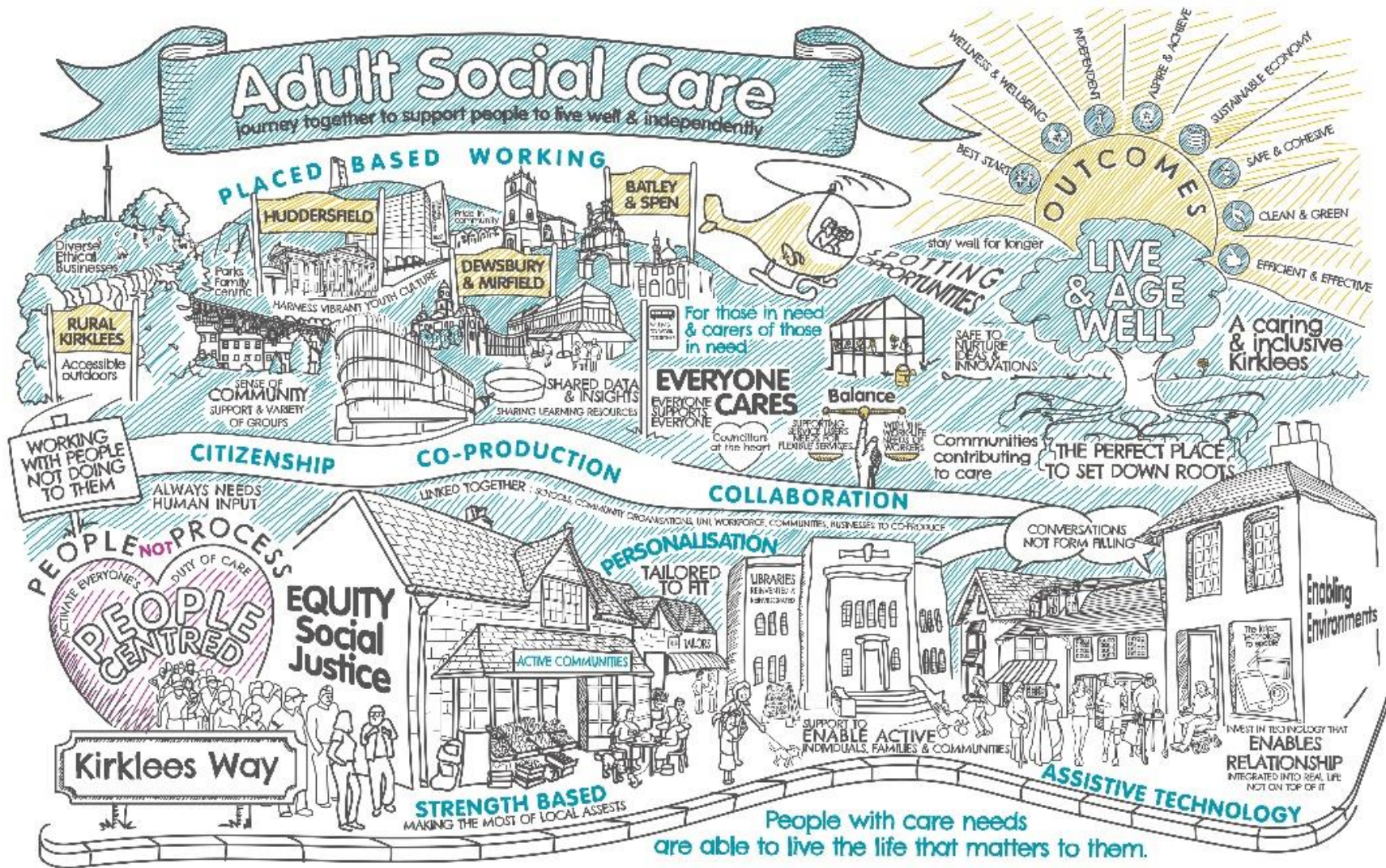
## **15 Strategic Director responsible**

Richard Parry - Strategic Director for Adults and Health

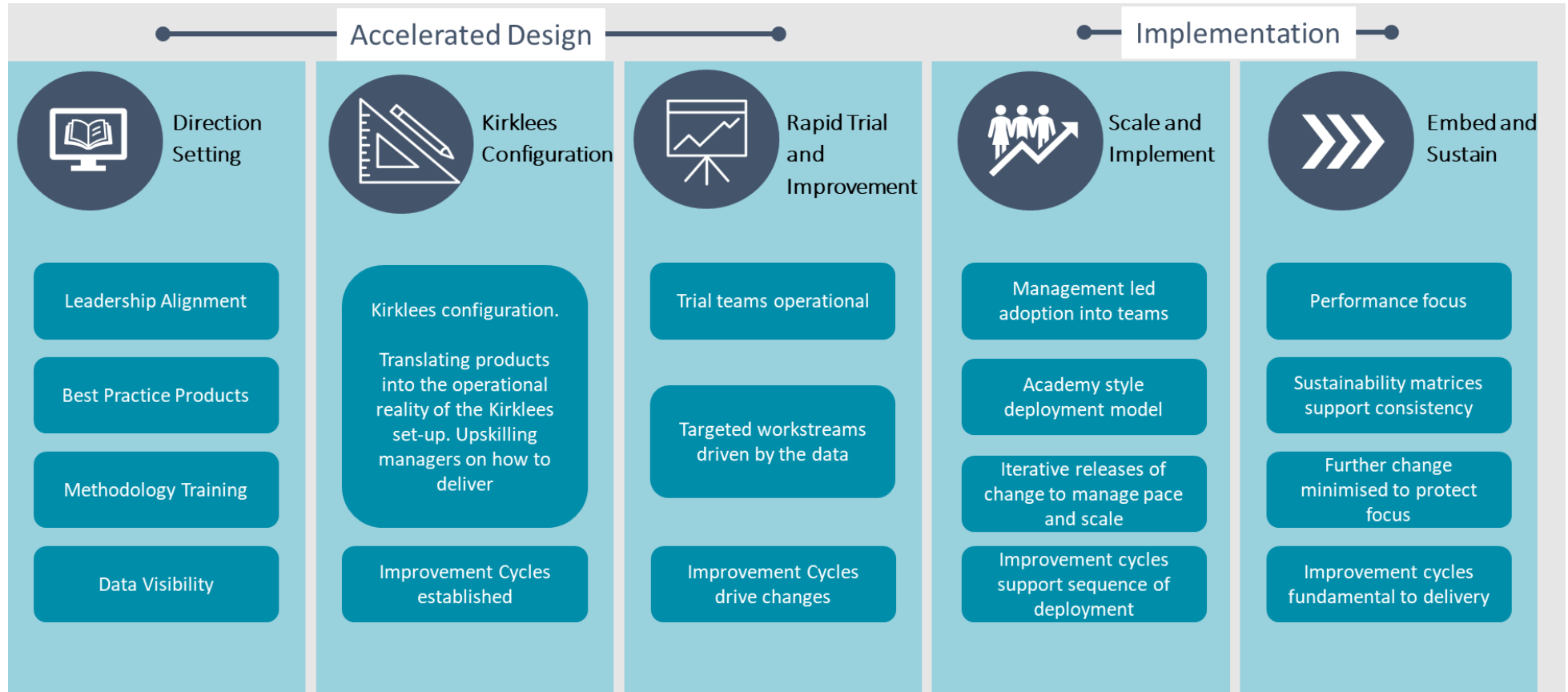
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# APPENDIX A – Vision for Adult Social Care



## APPENDIX B – Programme Approach



## APPENDIX C – Work Programmes – Summary & Detail

### Reablement



Fully utilising our existing capacity, increasing our demand to capture more people who could benefit and aligning our processes to best practice would enable

**1200 people per year to live more independently and have smaller formal packages of care**

### Adults Services and Front Door



Enabling a strengths based working environment, designing a more resident-centric process and collaborating effectively with our community services would enable

**450 more of our adults every year to have a better journey through the social care process and live more independently**

### Learning Disabilities and Mental Health



Challenging our mindset and model around progression, enabling creative and strengths-focussed decision making, utilising enabling services and ensuring we have an effective transitions pathway would enable

**500 of our resident with a learning disability or mental health conditions to live more independently**

### Environment for Change



Having the appropriate capacity to ensure change land sustainably, creating an organisation where collaboration is simple and providing our managers with accurate intelligence will allow Kirklees to

**Take the passion, experience and skill of our workforce and translate this into permanent and impactful transformation**



**Name of meeting:** Cabinet  
**Date:** 21<sup>st</sup> December 2023  
**Title of report:** Yorkshire Purchasing Organisation Management Agreement

**Purpose of report**

To consider approval of changes to the Management Agreement that controls the governance and operation of the Yorkshire Purchasing Organisation, controlled jointly by Kirklees and twelve other local authorities.

Key Decision - Is it likely to result in spending or saving £500k or more, or to have a significant effect on two or more electoral wards?	No
Key Decision - Is it in the <a href="#">Council's Forward Plan (key decisions and private reports?)</a>	NA
The Decision - Is it eligible for call in by Scrutiny?	Yes
Date signed off by Strategic Director and name	07.11.23 Rachel Spencer Henshall
Is it also signed off by the Service Director - Finance?	not applicable
Is it also signed off by the Service Director -Legal Governance and Commissioning?	Julie Muscroft – 30.11.23
Cabinet member <a href="#">portfolio</a>	Cllr Graham Turner Finance & Regeneration

**Electoral wards affected:** N/A

**Ward Councillors consulted:** N/A

**Public or private:** Public

**Has GDPR been considered?** Yes

## **1. Summary**

- 1.1** The Yorkshire Purchasing Organisation, generally known as YPO, is a supply and purchasing consortium owned by Kirklees and twelve other local authorities, formed in 1974.
- 1.2** It is operated as a joint committee with Wakefield Council being the lead authority, although save for oversight by the councils corporate officers, it operates largely independently and has its own management team and governance arrangements
- 1.3** These are controlled by way of a Management Agreement that is refreshed from time to time. All the authorities that are part of the joint committee must approve the Management agreement.
- 1.4** In 2021 the YPO officers undertook a review of governance arrangements with support from the lead authority and a small number of other member authorities. This led to reports to the Management Committee, which in July 2022 led to recommendations from the Management Committee to the owning authorities to request changes to the Management Agreement.
- 1.5** The details of these changes are set out in the report below (s 2.8), but in summary reduced the membership of the joint committee to one member per authority (previously two, though each authority only had one vote), reduced the frequency of meetings and reduced the number of sub committees. There are also other changes to delegations and operating procedures that do not require changes to the Management Agreement.

## **2. Information required to take a decision.**

- 2.1** YPO has operated as a Joint Committee since its inception in 1974 and under the governance structure in the current Management Agreement since 2010. The Management Agreement, and any changes to it, requires the agreement of each member authority through a formal resolution in their own Council, along with a resolution to delegate contracting authority to the functional role of Managing Director of YPO.
- 2.2** In 2021 YPO Management Committee Members agreed a review of the governance structure and operating practices of the YPO Joint Committee to ensure that they are fit for purpose to deliver the recently approved 3-5 Year Strategy and to optimise benefits for member authorities in the future.
- 2.3** YPO operates as a Joint Committee of 13 Founder Member Local Authorities. The same 13 Authorities are also shareholders in an associated company – YPO Procurement Holdings Ltd - which operates a group company structure through which the local authorities can trade where necessary and appropriate to do so. The company structure is governed under a shareholder agreement and an appointed set of local authority councillor directors. The current governance proposals in this report relate only to the joint committee structure. A separate review of company governance is now taking place and if any changes are recommended within the company governance structures that will be the subject of a separate report.
- 2.4** A Working Group of a Founder Member strategic officers was formed to review current joint committee governance structures and documents and, in conjunction with officers from YPO and Wakefield Council as the Lead Authority, to submit proposed changes for consideration by members. This group met a number of times and proposed a number of changes to operating practices and to governance structures and the associated documents in which they are specified.
- 2.5** An external law firm was also commissioned to review the legal operating model. That concluded that there was no compelling rationale to move from the Joint Committee arrangements.

- 2.6** The resulting proposals were submitted to the March 2022 Management Committee for consideration and discussion prior to requesting formal approval. Members were also requested to consult within their own authorities to ensure that any final request for approval captured both the discussion in the March Management Committee and the wider views of the Founder Members.
- 2.7** On 22<sup>nd</sup> July 2022 Management Committee formally approved the proposals and resolved to recommend them for approval at each authority.
- 2.8** Full detail can be found at the YPO website, but these changes are:
- i. A reduction of elected members from two per founder member to one, with substitutes permitted. This will produce a more focused core of members with greater familiarity with the strategic challenges facing the organisation.
  - ii. A reduction in the number of Management Committee and Sub-Committee meetings from three per year to a minimum of two per year. This will enable members to focus on the key strategic issues facing YPO and to take decisions at key points in the annual business cycle (the recommendation to specify a “minimum” number, allowing scope to call additional meetings if required for business reasons, resulted from discussion in the March Management Committee).
  - iii. The removal of the Executive Sub-Committee. This body largely duplicates the function of the Management Committee and has no separate delegated powers for specific decisions.
  - iv. The renaming of the Audit & Scrutiny Sub-Committee to Audit & Governance with a remit to consider all items of risk and governance on behalf of member authorities.
  - v. A revision to the Terms of Reference of the Audit & Governance Sub-Committee, emphasising the role of this body in scrutinising risk and governance issues, holding the Executive Officers to account and reporting back to the full Management Committee.
  - vi. Revisions to the Scheme of Delegation, emphasising the requirement to consider political and reputational implications for members before the powers contained are exercised and reinforcing the role of the Executive Director, Finance in reporting directly to the S151 Officer in the Lead Authority in the case of any suspected breach.
  - vii. Revisions to the Financial Procedure Rules to reflect the commercial nature of YPO’s activities as distinct from Local Government requirements
  - viii. The continuation of the role of Independent Director to give elected members a level of independent assurance on the operational decision-making carried out by the Executive Board and to provide commercial advice to elected members as and when required.
- 2.9** Items i. to iv. require amendments to the Management Agreement which requires approval by all 13 Founder Members.
- 2.10** The choices that this Council can take are to agree the changes (which would align with the expressed views of the Management Committee, and YPO officers), or to disagree and seek alternative changes, or to disagree and seek to leave the YPO.
- 2.11** The revised governance arrangements have already started in practice and are a practical solution recognising poor member attendance at meetings in the past. There would appear to be no strong reasons to request changes.

### **3. Implications for the Council**

#### **3.1 Working with People**

No implications

#### **3.2 Working with Partners**

The YPO is working with other local authorities, and schools, to achieve best value in procurement of goods and services.

#### **3.3 Place Based Working**

No implications

#### **3.4 Climate Change and Air Quality**

No implications

#### **3.5 Improving outcomes for children and young people**

No implications

#### **3.6 Financial Implications for the people living or working in Kirklees**

No implications.

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

The arrangements should aid more effective formal governance of the YPO.

YPO is a Joint Committee constituted under s101 and 102 Local Government Act 1972.

It exercises functions on behalf of the Member authorities relating to procurement which are executive functions. Changes to those arrangements are the responsibility of Cabinet.

The proposed changes include a reduction in nominated members from 2 to 1. Section 15 Local Government & Housing Act 1989 sets out the duty of relevant authorities /committees who make appointments in relation to political balance. The bodies to which S15 applies are defined in Schedule 1 to include ordinary and advisory committees and sub-committees, and by virtue of para 2 (h) a joint committee appointed under S102(1)(b) LGA 1972. However, in relation to joint committees (and other bodies set out in para 2) S15 duty only applies where "at least three seats. fall from time to time to be filled by appointments made by the authority or the committee."

As each Authority is appointing one seat the duty does not apply.

### **4. Consultation**

There is no need for consultation on this administrative topic

### **5. Engagement**

Engagement has taken place with all those with current direct interest.



## **6. Next steps and timelines**

If this change is approved by all the constituent authorities, officers will progress and complete the amendments to the Management Agreement on behalf of the Council

## **7. Officer recommendations**

That Cabinet is asked:

To note and agree the changes recommended by the YPO Management Committee and

To delegate authority to the Director of Legal Governance & Commissioning to sign an updated Management Agreement on behalf of the Council noting that all Member Authorities must also agree before the revisions take effect.

## **8. Cabinet portfolio holder(s) recommendations**

Cllr Graham Turner, Finance & Regeneration portfolio holder states:

As the current Kirklees appointed director on YPO I fully support these changes.

As is noted in the report these changes have already been implemented and this report is retrospective.

The new structure works far more efficiently and has increased attendance as the meetings are less frequent and more meaningful.

The reduction to one member per founding authority is a positive move as it ensures meetings are not over attended and business can be dealt with quicker.

## **9. Contact Officer**

Martin Dearnley, Head of Risk (01484 221000)

## **10. Background Papers and History of Decisions**

Reports (various) to YPO management committee

Report and minutes 22 July 2022 YPO website

## **11. Service Director responsible**

Julie Muscroft, Director of Legal, Governance & Commissioning 01484 221000  
julie.muscroft@kirklees.gov.uk





**Name and date of meeting:** Corporate Governance and Audit Committee  
24 November 2023

**Cabinet**  
12 December 2023

**Council**  
13 December 2023

**Title of report:** Half Yearly Monitoring report on Treasury Management activities 2023/24

### Purpose of report

The Council has adopted the CIPFA Code of Practice on Treasury Management. It is a requirement of the Code that regular reports be submitted to Members detailing treasury management operational activity. This report is the mid-year for 2023/24 covering the period 1 April to 30 September 2023.

<b>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?</b>	<b>No</b>
<b>Key Decision - Is it in the <a href="#">Council's Forward Plan (key decisions and private reports?)</a></b>	<b>Key Decision: Yes</b> <b>Private Report/Private Appendix: N/A</b>
<b>The Decision - Is it eligible for call in by Scrutiny?</b>	<b>No</b>
<b>Date signed off by Strategic Director and name</b>	<b>N/A</b>
<b>Date signed off by Service Director</b>	<b>Isabel Brittain – 15 November 2023</b>
<b>Is it also signed off by the Service Director Legal Governance and Monitoring?</b>	<b>Julie Muscroft – 15 November 2023</b>
<b>Cabinet member <a href="#">portfolio</a></b>	<b>Corporate</b> <b>Cllr Graham Turner</b>

**Electoral wards affected:** N/A

**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.

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## 1 Summary

- 1.1 The report gives assurance that the Council's treasury management function is being managed prudently and pro-actively. External investments, including the £10.0 million Local Authority Property Fund (LAPF), averaged £44.5 million during the period at an average rate of 4.43%. Investments have ranged from a peak of £76.1 million in April to a low of £25.8 million in August.
- 1.2 All treasury management activities undertaken during the period complied fully with the principles in the Treasury Management Code and the Council's approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in Appendix 1.
- 1.3 The treasury management revenue budget is £33.4 million. This is covered in more detail at paragraph 2.19 later in this report.
- 1.4 This report includes the new requirement in the 2021 Code, mandatory from 1<sup>st</sup> April 2023, of quarterly reporting of the treasury management prudential indicators – shown in Appendix 4. The non-treasury prudential indicators are now incorporated in the Council's normal quarterly revenue reports along with the treasury management indicators.

## 2 Information required to take a decision:

- 2.1 The treasury management strategy for 2023/24 was approved by Council on 8 March 2023. The over-riding policy continues to be one of ensuring the security of the Council's balances. The Council aims to invest externally balances of around £30.0 million, largely for the purpose of managing day-to-day cash flow requirements, with any remaining balances invested "internally", offsetting borrowing requirements.
- 2.2 The investment strategy is designed to minimise risk, with investments being made primarily in instant access accounts or short-term deposits, with Money Market Funds, the Debt Management Office (DMO), Local Authorities and major British owned banks and building societies. Diversification amongst counterparties is key.

### **Economic Context**

- 2.3 *The following economic update has been provided via our external advisors Arlingclose (paragraphs 2.4 to 2.11 below):*
- 2.4 UK inflation remained stubbornly high over much of the period compared to the US and euro zone, keeping expectations elevated of how much further the Bank of England (BoE) would hike rates compared to other regions. However, inflation data published in the latter part of the period undershot expectations, causing financial markets to reassess the peak in BoE Bank Rate. This was followed very soon after by the BoE deciding to keep Bank Rate on hold at 5.25% in September, against expectation for another 0.25% rise.
- 2.5 Economic growth in the UK remained relatively weak over the period. In calendar Q2 2023, the economy expanded by 0.4%, beating expectations of a 0.2% increase. However, monthly GDP data showed a 0.5% contraction in

July, the largest fall to date in 2023 and worse than the 0.2% decline predicted which could be an indication the monetary tightening cycle is starting to cause recessionary or at the very least stagnating economic conditions.

- 2.6 July data showed the unemployment rate increased to 4.3% (3mth/year) while the employment rate rose to 75.5%. Pay growth was 8.5% for total pay (including bonuses) and 7.8% for regular pay, which for the latter was the highest recorded annual growth rate. Adjusting for inflation, pay growth in real terms were positive at 1.2% and 0.6% for total pay and regular pay respectively.
- 2.7 Inflation continued to fall from its peak as annual headline CPI declined to 6.7% in July 2023 from 6.8% in the previous month against expectations for a tick back up to 7.0%. The largest downward contribution came from food prices. The core rate also surprised on the downside, falling to 6.2% from 6.9% compared to predictions for it to only edge down to 6.8%.
- 2.8 The Bank of England's Monetary Policy Committee continued tightening monetary policy over most of the period, taking Bank Rate to 5.25% in August. Against expectations of a further hike in September, the Committee voted 5-4 to maintain Bank Rate at 5.25%. Each of the four dissenters were in favour of another 0.25% increase.
- 2.9 Financial market Bank Rate expectations moderated over the period as falling inflation and weakening data gave some indication that higher interest rates were working. Following the September MPC meeting, Arlingclose, the Council's treasury adviser, modestly revised its interest forecast to reflect the central view that 5.25% will now be the peak in Bank Rate. In the short term the risks are to the upside if inflation increases again, but over the remaining part of the time horizon the risks are to the downside from economic activity weakening more than expected.
- 2.10 The lagged effect of monetary policy together with the staggered fixed term mortgage maturities over the next 12-24 months means the full impact from Bank Rate rises are still yet to be felt by households.
- 2.11 Financial market sentiment and bond yields remained volatile, with the latter generally trending downwards as there were signs inflation, while still high, was moderating and interest rates were at a peak. Gilt yields fell towards the end of the period. The 5-year UK benchmark gilt yield rose from 3.30% to peak at 4.91% in July before trending downwards to 4.29%, the 10-year gilt yield rose from 3.43% to 4.75% in August before declining to 4.45%, and the 20-year yield from 3.75% to 4.97% in August and then fell back to 4.84%.

### **Investment Performance**

- 2.12 The Council invested an average balance of £34.5 million externally (excluding the LAPF) during the period (£59.7 million in the first six months of 2022/23), generating £789k in investment income over the period (£285k in 2022/23). The LAPF investment of £10.0 million generated £198k of dividend income during the period (£174k in the first six months of 2022/23).

- 2.13 Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk on incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 2.14 Balances were invested in instant access accounts such as Money Market Funds, short term deposits, Debt Management Office (DMO), Local Authority fixed term deposits and the LAPF. Appendix 1 shows where investments were held at the start of April, the end of June and September by counterparty, by sector and by country.
- 2.15 As demonstrated by the liability benchmark in this report (Appendix 4), the Council expects to be a long-term borrower and treasury investments are therefore primarily made to manage day-to-day cash flows using short-term low risk instruments. The existing portfolio of strategic pooled funds will be maintained to diversify risk into different asset classes and boost investment income.
- 2.16 The Bank Rate increased by 1%, from 4.25% at the beginning of April to 5.25% by the end of September. Short-dated cash rates rose proportionately, with 3-month rates rising to around 5.25% and 12-month rates to nearly 6%. The rates on Debt Management Account Deposit Facility (DMADF) also rose, ranging between 4.8% and 5.4% by the end of June and Money Market Rates between 4.6% and 4.9%.
- 2.17 The Council's average investment rate for the period was 4.43%. This is higher than the average in the same period in 2022/23 of 1.32%, as the base rate rose rapidly during the previous year. Returns on liquid cash balances were 4.57% and 3.97% on the LAPF (after deducting charges). The actual gross dividend yield quoted from the fund on Net Asset Value was 4.66% at the end of September for the last 12 months, and the fund size was £1,186.3 million (3.40% and £1,451.4 million respectively for the 12 months to September 2022).
- 2.18 Appendix 3, provided by Arlingclose, compares the Council's performance against other Local Authorities at the end of September. In order to gain better rates of return, the majority of Local Authorities with a higher rate of return have further external investments creating a more diverse portfolio.

### **Revenue Budget Monitoring**

- 2.19 The treasury management budget is £33.4 million. Forecasted outturn is currently over budget by £2.3 million. This reflects increased borrowing costs as a result of the in-year overspend along with the depletion of reserves beyond the assumptions made in the budget, resulting in the requirement for extra borrowing and the resulting interest charges. The change in Minimum Revenue Provision (MRP) policy allowed for a planned release of £9.1 million MRP budget over provision in 2023/24. The budget strategy update report 2024/25 re-affirmed the decision taken in the annual budget report in March 2023 to forward profile the release of the MRP over-provision with an additional £4.6 million. The MRP policy is to provide for MRP on the basis of the asset life to which external



## Treasury Management Summary

	<b>31.03.23 Balance £m</b>	<b>Movement £m</b>	<b>30.09.23 Balance £m</b>
<i>Long-term borrowing:</i>			
PWLB	379.0	31.0	410.0
LOBOs	61.5	0	61.5
Other	91.3	9.3	100.6
Short-term borrowing	82.0	(3.9)	78.1
<b>Total borrowing</b>	<b>613.8</b>	<b>36.4</b>	<b>650.2</b>
Long-term investments	10.0	0	10.0
Short-term investments	15.0	17.6	32.6
Cash and cash equivalents	19.0	2.4	21.4
<b>Total investments</b>	<b>44.0</b>	<b>20.0</b>	<b>64.0</b>
<b>Net borrowing</b>	<b>569.8</b>	<b>16.4</b>	<b>586.2</b>

### **Borrowing strategy and activity**

- 2.23 CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decisions that will increase the Capital Financing Requirement, and so may lead to new borrowing, unless directly and primarily related to the functions of the Council. The Council has not invested in assets primarily for financial return or that are not primarily related to the functions of the Council. It has no plans to do so in the future.
- 2.24 The Council's chief objective when borrowing is to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required. The Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.
- 2.25 There was a substantial rise in the cost of both short and long-term borrowing over the last 18 months. Bank Rate rose by 1% from 4.25% at the beginning of April to 5.25% at the end of September. Bank Rate was 2% higher than at the end of September 2022.
- 2.26 UK gilt yields were volatile, mainly facing upward pressure since early April following signs that UK growth had been more resilient, inflation stickier than expected, and that the Bank of England saw persistently higher rates through 2023/24 as key to dampening domestic demand. Gilt yields, and consequently PWLB borrowing rates, rose and broadly remained at elevated levels. On 30 September, the PWLB certainty rates for maturity loans were 5.26% for 10-year loans, 5.64% for 20-year loans and 5.43% for 50-year loans. Their equivalents on 31<sup>st</sup> March 2023 were 4.33%, 4.70% and 4.41% respectively.
- 2.27 A new PWLB HRA rate which is 0.4% below the certainty rate was made available from 15 June 2023. Initially available for a period of one year, this discounted rate is to support local authorities borrowing for the Housing Revenue Account.



## **Borrowing performance**

- 2.28 Long-term loans at the end of September totalled £562.1 million (£531.8 million 31 March 2023) and short-term loans £96.7 million (£80.7 million 31 March 2023).
- 2.29 Fixed rate loans account for 89.5% of total long-term debt giving the Council stability in its interest costs. The maturity profile for long-term loans is shown in Appendix 2 and shows that no more than 6.5% of debt is due to be repaid in any one year. This is good practice as it reduces the Council's exposure to a substantial borrowing requirement in future years when interest rates might be at a relatively high level.
- 2.30 The mid-year forecasted liability benchmark (shown in Appendix 4), based on updated capital plans, highlights that there is an expectation of additional long-term borrowing of £106.0 million for the year. In July a £10.0 million EIP loan was arranged and further EIP loans of £30.0 million were arranged from the PWLB in September. These loans provide some longer-term certainty and stability to the debt portfolio. A mixture of medium-term loans and further PWLB will be taken during the remainder of the year to fund the additional borrowing required.
- 2.31 Appendix 5 sets out in year repayments on long-term borrowing and further repayments for the next 6 months.
- 2.32 The Council's borrowing costs has continued to increase with the rise in Bank Rate and short-dated market rates. The Council's borrowing decisions are not predicated on any one outcome for interest rates and a balanced portfolio of short, medium and long-term borrowing was maintained.

## **Future Treasury Management Strategy**

- 2.33 The Council's overall Treasury Management Strategy will continue to maintain a relatively low risk strategy giving priority to security and liquidity, and as such invest an average of around £20.0 million externally in relatively short-term, liquid investments through the money markets, for the purpose of managing day-to-day cash flow requirements. Any remaining balances, net of investment in the LAPF, will be used internally, offsetting borrowing requirements.
- 2.34 There remains a strong argument for diversifying funding sources, particularly if rates can be achieved on alternatives which are below gilt yields +0.8%. The Council will evaluate and pursue these lower cost solutions and opportunities with its advisor, Arlingclose.
- 2.35 The UK Infrastructure bank is one alternative source of funding which offers funding at gilt yields +0.40% (0.40% below the PWLB certainty rate) and the possibility of more flexible funding structures than the PWLB. Funding from UKIP is generally only available for certain types of projects that meet its criteria of green energy, transport, digital, water and waste. The minimum loan size is £5.0 million.

2.36 On 1 April 2023 the Council held £61.5 million of 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 and terms or to repay the loan at no additional cost.

2.37 As market interest rates rose, there was increased probability of call options on the LOBOs being exercised by lenders. No LOBO loans were called during the 6 month period to September 2023.

2.38 All the Council LOBO loans could be called within the next 12 months. If the option is exercised and an increased rate proposed, the Council plans to repay the loan at no additional cost as accepting the revised terms would mean the Council would still have refinancing risk in later years. If required, the Council will repay the LOBO's by borrowing from other local authorities or the PWLB.

### **Risk and Compliance issues**

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

### **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 the people living or working in Kirklees: N/A

3.7 Other (e.g. Legal/Financial or Human Resources):  
Treasury management budget forecast will continue to be reported as part of the overall quarterly financial monitoring reporting cycle to Cabinet, through the remainder of the year.

### **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**

Following consideration at Corporate Governance and Audit Committee, this report will be presented to Cabinet on 12 December 2023 and Council on 13 December 2023.

### **6 Officer recommendations and reasons**

6.1 Note the half-year treasury management performance in 2023/24 as set out in the report.

### **7 Contact Officer**

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

**8 Background Papers and History of Decisions**

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

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

CIPFA's Treasury Management in the Public Services – Guidance notes

The treasury management strategy report for 2023/24 - Council 8 March 2023

Council Budget Strategy Update Report 2024/25 – Council 13 September 2023

Annual Report on Treasury Management 2022/23 - Annual Financial Outturn Report 2022/23; Council 12 July 2023

**9 Service Director (Interim) responsible**

Isabel Brittain            01484 221000

## Appendix 1

<b>Kirklees Council Investments 2023/24</b>													
Counterparty		Approved Strategy Limit £m	Approved Strategy Credit	Credit Rating Sept 2023*	1 April 2023 (opening)			30-Jun-23			30-Sep-23		
					£m	Interest Rate	Type of Investment	£m	Interest Rate	Type of Investment	£m	Interest Rate	Type of Investment
<b>Specified Investments</b>													
LAPF	Property Fund	10.0	-	-	10.0	-	***	10.0	-	***	10.0	-	***
DMD	Central Government	Unlimited	-	F1+/AA-	-	-	Fixed Deposit	5.8	4.88%	Fixed Deposit	-	-	Fixed Deposit
North Northamptonshire Council	Local Authority	10.0	-	F1+/AA-	5.0	4.50%	Fixed Deposit	0.0	-	Fixed Deposit	-	-	Fixed Deposit
PCC for West Mercia	Local Authority	10.0	-	F1+/AA-	3.0	4.60%	Fixed Deposit	0.0	-	Fixed Deposit	7.0	5.40%	Fixed Deposit
PCC for Warwickshire	Local Authority	10.0	-	F1+/AA-	2.0	4.60%	Fixed Deposit	0.0	-	Fixed Deposit	-	-	Fixed Deposit
PCC for West Yorkshire	Local Authority	10.0	-	F1+/AA-	5.0	4.65%	Fixed Deposit	5.0	5.00%	Fixed Deposit	-	-	Fixed Deposit
Wakefield MDC	Local Authority	10.0	-	F1+/AA-	-	-	Fixed Deposit	5.0	4.75%	Fixed Deposit	5.0	5.35%	Fixed Deposit
Manchester City Council	Local Authority	10.0	-	F1+/AA-	-	-	Fixed Deposit	5.0	4.80%	Fixed Deposit	-	-	Fixed Deposit
PCC for Hertfordshire	Local Authority	10.0	-	F1+/AA-	-	-	Fixed Deposit	6.0	5.00%	Fixed Deposit	-	-	Fixed Deposit
Eastleigh Borough Council	Local Authority	10.0	-	F1+/AA-	-	-	Fixed Deposit	-	-	Fixed Deposit	3.0	5.40%	Fixed Deposit
Uttlesford District Council	Local Authority	10.0	-	F1+/AA-	-	-	Fixed Deposit	-	-	Fixed Deposit	4.5	5.40%	Fixed Deposit
Cheltenham Borough Council	Local Authority	10.0	-	F1+/AA-	-	-	Fixed Deposit	-	-	Fixed Deposit	1.1	5.38%	Fixed Deposit
Leeds City Council	Local Authority	10.0	-	F1+/AA-	-	-	Fixed Deposit	-	-	Fixed Deposit	5.0	5.40%	Fixed Deposit
Central Bedfordshire Council	Local Authority	10.0	-	F1+/AA-	-	-	Fixed Deposit	-	-	Fixed Deposit	5.0	5.35%	Fixed Deposit
Dover District Council	Local Authority	10.0	-	F1+/AA-	-	-	Fixed Deposit	-	-	Fixed Deposit	2.0	5.40%	Fixed Deposit
Barclays Deposit Account	Bank	3.0	-	F1A+	0.5	3.57%	Fixed Deposit	0.0	-	Fixed Deposit	0.2	3.57%	Fixed Deposit
Aberdeen Standard	MMF**	10.0	AAA-A	AAA	0.2	4.06%	MMF	6.7	4.84%	MMF	10.0	5.29%	MMF
Aviva	MMF**	10.0	Aaa-A2	Aaa*	8.3	4.12%	MMF	2.3	4.84%	MMF	10.0	5.32%	MMF
Deutsche	MMF**	10.0	AAA-A	AAA	10.0	4.16%	MMF	0.3	4.80%	MMF	0.0	5.23%	MMF
Goldman Sachs	MMF**	10.0	AAA-A	AAA	0.0	4.01%	MMF	0.0	4.70%	MMF	1.2	5.22%	MMF
					<b>44.0</b>			<b>46.1</b>			<b>64.0</b>		
<b>Sector analysis</b>													
Property Fund		10.0			10.0	23%		10.0	22%		10.0	16%	
Local Authorities		10.0			15.0	34%		21.0	46%		32.6	51%	
Bank		3.0			0.5	1%		0.0	0%		0.2	0%	
MMF**		50.0			18.5	42%		9.3	20%		21.2	33%	
Central Government		Unlimited			0.0	0%		5.8	12%		0.0	0%	
					<b>44.0</b>	<b>100%</b>		<b>46.1</b>	<b>100%</b>		<b>64.0</b>	<b>100%</b>	
<b>Country analysis</b>													
UK					25.5	58%		36.8	80%		42.8	67%	
MMF**					18.5	42%		9.3	20%		21.2	33%	
					<b>44.0</b>	<b>100%</b>		<b>46.1</b>	<b>100%</b>		<b>64.0</b>	<b>100%</b>	

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

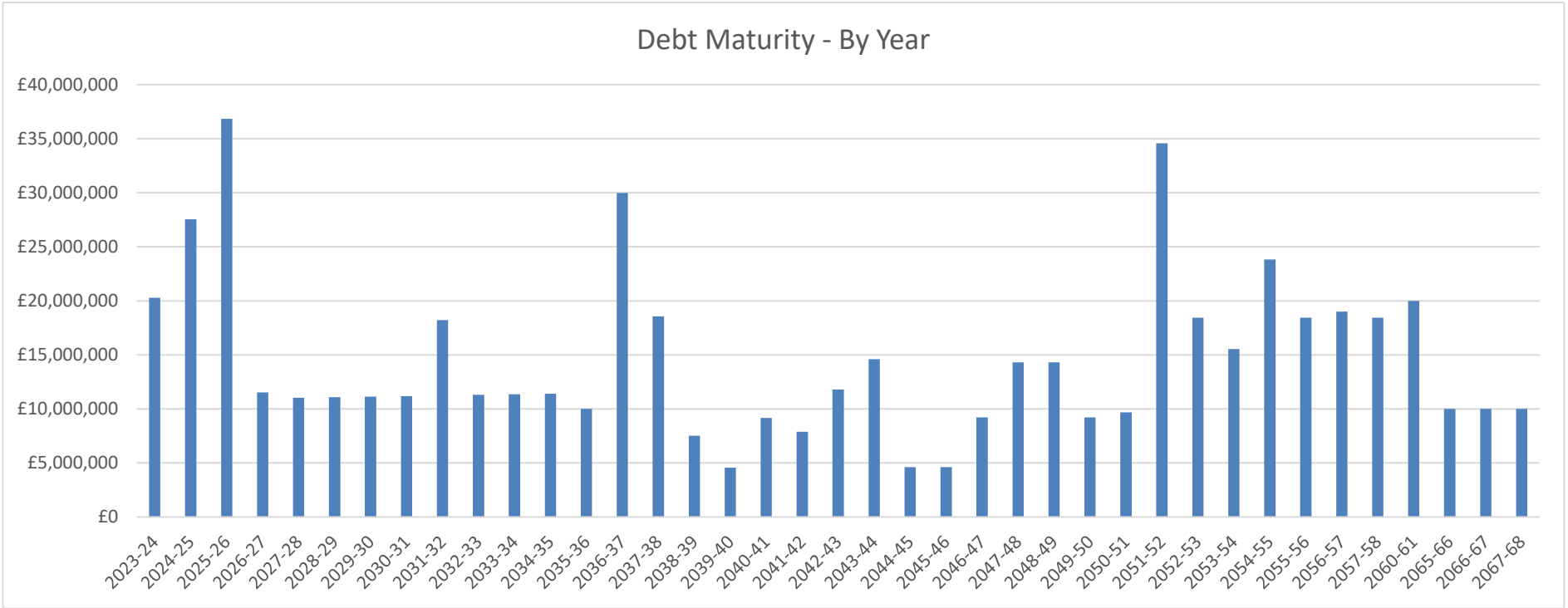
\*\*MMF – Money Market Fund. These funds are domiciled in Ireland for tax reasons, but the funds are made up of numerous diverse investments with highly rated banks and other institutions. The credit risk is therefore spread over numerous countries, including the UK. The exception to this is the Aviva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

\*\*\*Specialised property fund available for Local Authority investors.

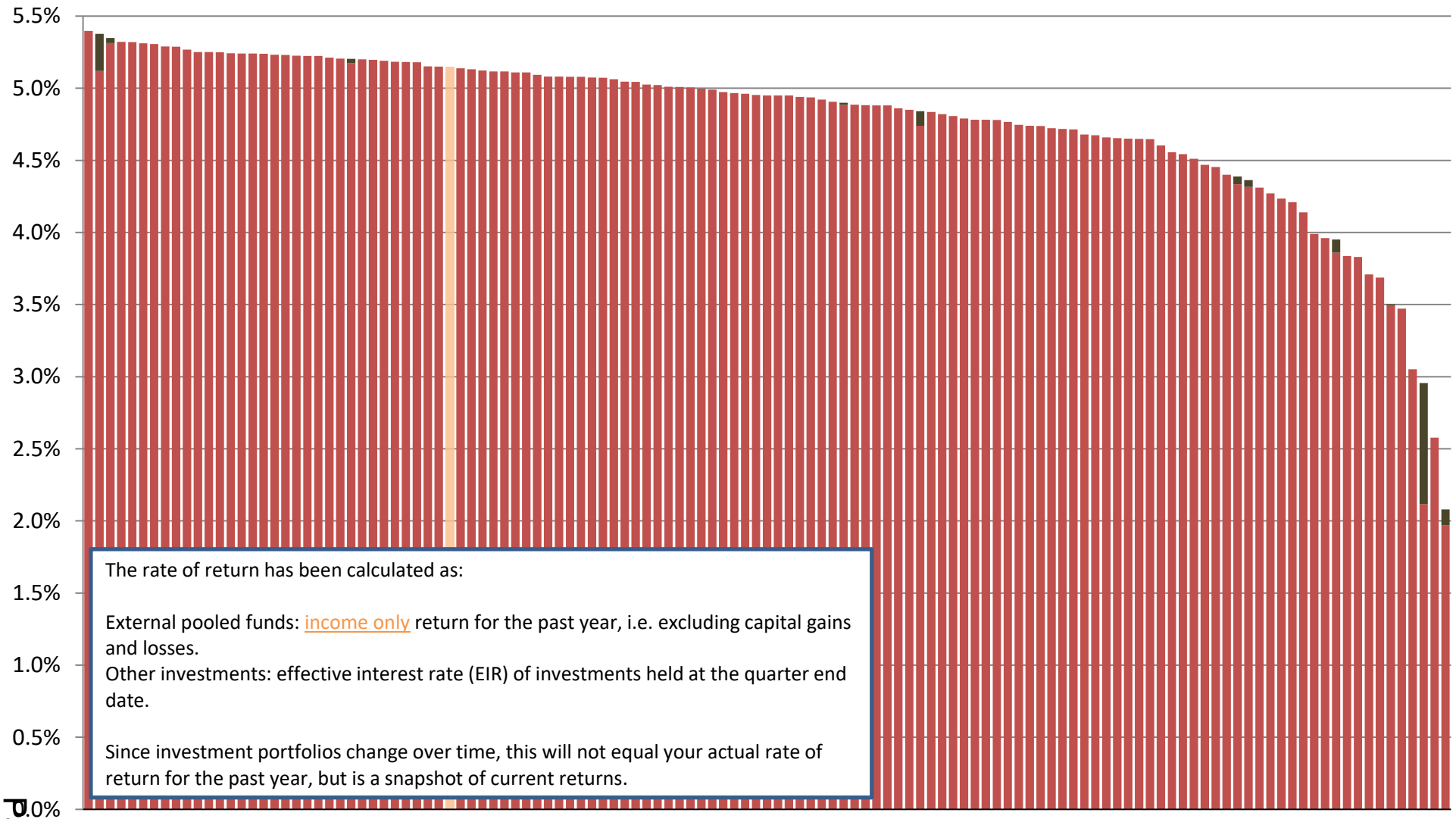
**Key – Fitch’s credit ratings:**

**Appendix 1 Continued**

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



### Income Only Return on Total Investments (Internal & External Funds)



The rate of return has been calculated as:

- External pooled funds: income only return for the past year, i.e. excluding capital gains and losses.
- Other investments: effective interest rate (EIR) of investments held at the quarter end date.

Since investment portfolios change over time, this will not equal your actual rate of return for the past year, but is a snapshot of current returns.

■ Average income on internal investments      ■ Over-performance of external funds      ■ Kirklees - 30/09/23



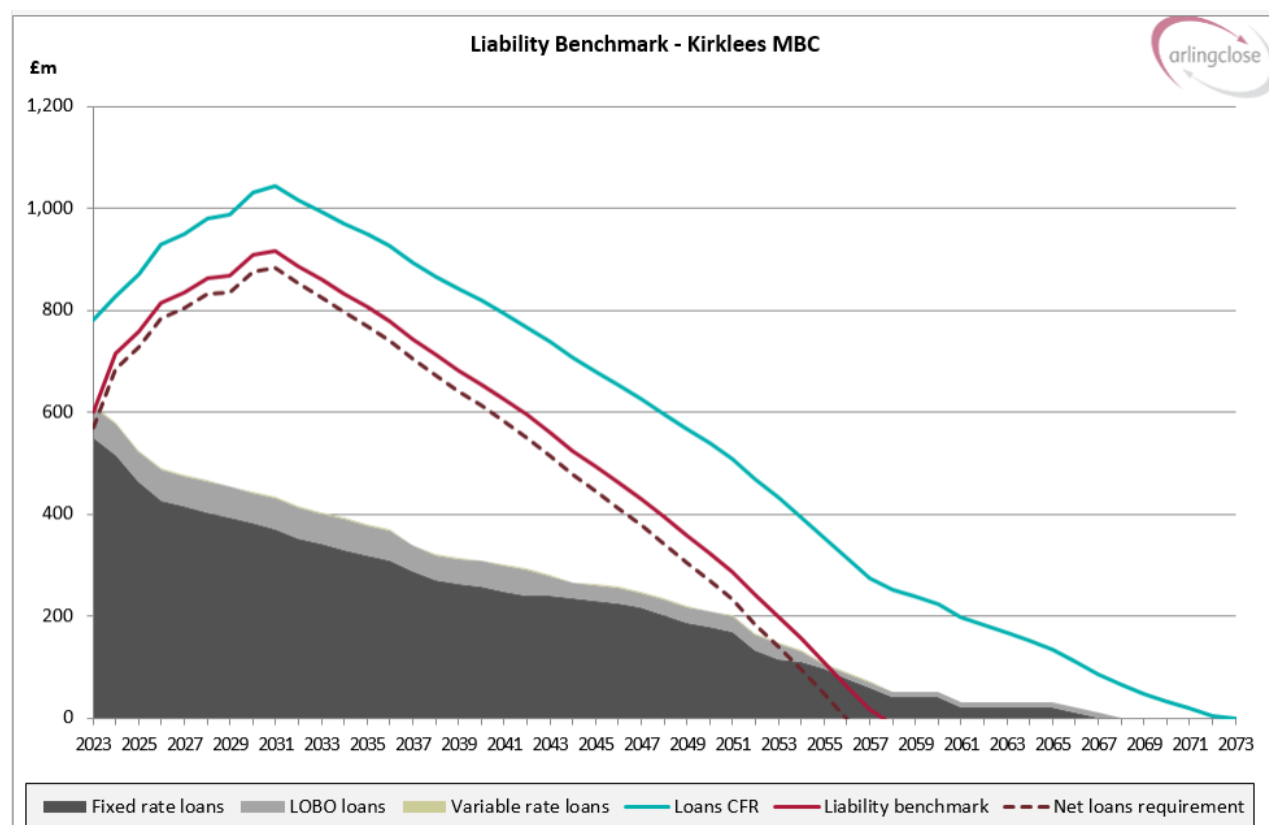
**Treasury Management Prudential Indicators**

**Liability Benchmark**

This new indicator compares the Council’s actual existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing. 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. It 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 of £30.0 million required to manage day-to-day cash flow.

	31.03.23 actual £m	31.03.24 forecast £m	31.03.25 forecast £m	31.03.26 forecast £m
Loans CFR	781.5	833.6	883.5	947.5
Less: Balance sheet resources	210.6	143.8	143.8	143.8
<b>Net loans requirement</b>	<b>570.9</b>	<b>689.8</b>	<b>739.7</b>	<b>803.7</b>
Plus: Liquidity allowance	30.0	30.0	30.0	30.0
<b>Liability benchmark</b>	<b>600.9</b>	<b>719.8</b>	<b>769.7</b>	<b>833.7</b>
<b>Existing borrowing</b>	<b>613.8</b>	<b>578.1</b>	<b>526.0</b>	<b>489.1</b>

Following on from the medium term forecast above, the long the long-term liability benchmark assumes capital expenditure funded by borrowing of £57.0 million in 2023/24, minimum revenue provision on new building capital expenditure based on a 50-year asset life and reduction in balance sheet resources of £67.0 million.



The total liability benchmark is shown in the chart above 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.

### Maturity Structure of Borrowing

This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing were:

	Upper limit	Lower limit	30.09.23 actual	Complied
Under 12 months	20%	0%	23%	No
12 months and within 24 months	20%	0%	5%	Yes
24 months and within 5 years	60%	0%	8%	Yes
5 years and within 10 years	80%	0%	8%	Yes
10 years and above	100%	20%	55%	Yes

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment. LOBO options of £61.5 million have a potential repayment date during 2023/24 and have been included in the under 12 months line.

### 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 limits are:

	2023/24	2024/25	2025/26	No fixed date
Limit on principal invested beyond year end	n/a	n/a	n/a	n/a
Actual principal invested beyond year end	£10.0m	£10.0m	£10.0m	£10.0m
Complied	Yes	Yes	Yes	Yes

Long-term investments with no fixed maturity date include strategic pooled funds, real estate investment trusts and directly held equity but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term.

### Interest Rate Exposures

Bank Rate rose by 1.25% from 4.25% on 1st April to 5.25% by 30th September. For context, the changes in interest rates during the quarter were:

	31.03.23	30.09.23
Bank Rate	4.25%	5.25%
1-year PWLB certainty rate, maturity loans	4.78%	5.69%
5-year PWLB certainty rate, maturity loans	4.31%	5.22%
10-year PWLB certainty rate, maturity loans	4.33%	5.26%
20-year PWLB certainty rate, maturity loans	4.70%	5.64%
50-year PWLB certainty rate, maturity loans	4.41%	5.43%

Long-term loans repaid during the period 01/04/23 to 30/09/23

	<b>Amount £000s</b>	<b>Rate %</b>	<b>Date repaid</b>
Salix - Annuity	490	0.00%	01-Apr-23
PWLB (Maturity) 480127	4,889	6.63%	15-Apr-23
PWLB (EIP) 340221	250	1.63%	27-Apr-23
PWLB (EIP) 439173	250	1.66%	17-May-23
PWLB (EIP) 373440	250	1.46%	12-Jul-23
PWLB (EIP) 594601	500	4.10%	31-Jul-23
PWLB (EIP) 594848	536	3.99%	01-Aug-23
PWLB (EIP) 538379	500	2.60%	09-Aug-23
PWLB (EIP) 487385	250	2.28%	21-Aug-23
Salix - Annuity	186	0.00%	01-Sep-23
PWLB (EIP) 313112	250	1.64%	04-Sep-23
PWLB (EIP) 493145	250	1.98%	11-Sep-23
PWLB (EIP) 608189	667	4.15%	21-Sep-23
PWLB (Annuity) 496956	423	4.58%	29-Sep-23
<b>Total</b>	<b>9,691</b>		

Long-term loans to be repaid during the period 01/10/23 to 31/03/24

	<b>Amount £000s</b>	<b>Rate %</b>	<b>Date to be repaid</b>
Salix - Annuity	490	0.00	02-Oct-23
PWLB (Maturity) 480128	4,613	6.63%	15-Oct-23
PWLB (EIP) 340221	250	1.63%	27-Oct-23
PWLB (EIP) 439173	250	1.66%	17-Nov-23
PWLB (EIP) 373440	250	1.46%	12-Jan-24
PWLB (EIP) 643579	278	5.01%	29-Jan-24
PWLB (EIP) 594601	500	4.10%	31-Jan-24
PWLB (EIP) 594848	536	3.99%	01-Feb-24
PWLB (EIP) 538379	500	2.60%	09-Feb-24
PWLB (EIP) 487385	250	2.28%	21-Feb-24
WYCA	200	2.02%	28-Feb-24
WYCA	109	0.00%	28-Feb-24
Salix - Annuity	186	0.00%	01-Mar-24
PWLB (EIP) 313112	250	1.64%	04-Mar-24
PWLB (EIP) 493145	250	1.98%	11-Mar-24
PWLB (EIP) 608189	667	4.15%	21-Mar-24
PWLB (EIP) 659904	333	5.06%	21-Mar-24
PWLB (EIP) 660447	333	5.08%	22-Mar-24
PWLB (EIP) 661522	357	5.00%	27-Mar-24
<b>Total</b>	<b>10,602</b>		

Medium and Long-term loans taken during the period 01/04/23 to 30/09/23

	<b>Loan Period</b>	<b>Amount £m</b>	<b>Rate %</b>	<b>Date to be repaid</b>
PWLB 643579 – EIP	18 years	10.0	5.01%	27/07/2041
PWLB 659904 – EIP	15 years	10.0	5.06%	21/09/2038
PWLB 660447 – EIP	15 years	10.0	5.08%	22/09/2038
PWLB 661522 – EIP	14 years	10.0	5.00%	27/09/2037
<b>Total</b>		<b>40.0</b>		

**TREASURY MANAGEMENT PRACTICES**

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

1. **TMP 1 Risk management**

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

(i) **Credit and counterparty risk management**

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

(ii) **Liquidity risk management**

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

(iii) **Interest rate risk management**

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

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

(iv) **Exchange rate risk management**

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

(v) **Refinancing risk management**

The Council will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and

as favourable to the organisation as can reasonably be achieved in the light of market conditions prevailing at the time.

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

(vi) Legal and regulatory risk management

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

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

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

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

(viii) Market risk management

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

2. **TMP2 Performance measurement**

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

Accordingly, the treasury management function will be the subject of ongoing analysis of the value it adds in support of the Council's stated business or service objectives. It will be the subject of regular examination of alternative methods of service delivery and of other potential improvements. The performance of the treasury management function will be measured using the criteria set out in the schedule to this document.

3. **TMP3 Decision-making and analysis**

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

4. **TMP4 Approved instruments, methods and techniques**

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

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

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

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

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

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

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

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

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

6. **TMP6 Reporting requirements and management information arrangements**

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

As a minimum, the Council will receive:

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

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

7. **TMP7 Budgeting, accounting and audit arrangements**

The Service Director - Finance will prepare, and the Council will approve and, if necessary, from time to time amend, an annual budget for treasury management, which will bring together all of the costs involved in running the treasury management function, together with associated income. The matters to be included in the budget will at a minimum be those required by statute or regulation, together with such information as will demonstrate compliance with the TMPs. Budgeting

procedures are set out in the schedule to this document. The Service Director - Finance will exercise effective controls over this budget, and will report any major variations.

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

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

8. **TMP8 Cash and cash flow management**

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

9. **TMP9 Money laundering**

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

10. **TMP10 Training and qualifications**

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

The Service Director - Finance will ensure that Members of the committee providing a scrutiny function have access to regular training relevant to their responsibilities.

11. **TMP11 Use of external service providers**

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

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

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



arrangement's rests with the Service Director - Finance, and details of the current arrangements are set out in the schedule to this document.

12. **TMP12 Corporate governance**

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

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

**Management Practices for Non-Treasury Investments**

The Council recognises that investment in other financial assets and property primarily for financial return, taken for non-treasury management purposes, requires careful investment management. Such activity includes loans supporting service outcomes, investments in subsidiaries, and investment property portfolios.

The Council will ensure that all investments are covered in the Capital and Investment Strategies, and will set out where appropriate, the Councils risk appetite and specific policies and arrangements for non-treasury investments. It will be recognised that the risk appetite for these activities may differ from that of treasury management.

The Council will maintain a schedule setting out a summary of existing material investments, subsidiaries, joint ventures and liabilities including financial guarantees and the organisations risk exposure.

<b>PWLB Borrowing Rates %</b>							
	<b>29/09/2023</b>	<b>31/03/2023</b>	<b>30/09/2022</b>	<b>31/03/2022</b>	<b>30/09/2021</b>	<b>31/03/2021</b>	<b>30/09/2020</b>
<b>Annuity</b>							
15 years	5.39	4.46	5.17	2.54	1.87	1.74	2.09
20 years	5.54	4.60	5.14	2.67	2.07	1.97	2.27
30 years	5.81	4.87	5.15	2.84	2.31	2.26	2.58
50 years	5.80	4.83	4.80	2.79	2.38	2.38	2.76
<b>Maturity</b>							
15 years	5.70	4.78	5.15	2.81	2.28	2.22	2.56
20 years	5.83	4.90	5.11	2.86	2.38	2.35	2.72
30 years	5.84	4.86	4.85	2.78	2.36	2.37	2.74
50 years	5.61	4.61	4.41	2.59	2.17	2.20	2.60
<b>EIP</b>							
15 years	5.36	4.45	5.20	2.54	1.86	1.72	2.09
20 years	5.46	4.54	5.14	2.65	2.04	1.95	2.26
30 years	5.71	4.79	5.15	2.82	2.28	2.22	2.56
50 years	5.86	4.90	4.99	2.83	2.39	2.39	2.77

## Glossary of Treasury Terms

<b>Authorised Limit</b>	The affordable borrowing limit determined in compliance with the Local Government Act 2003 (English and Welsh authorities) and the Local Government in Scotland Act 2003. This Prudential Indicator is a statutory limit for total external debt. It is set by the Authority and needs to be consistent with the Authority's plans for capital expenditure financing and funding. The Authorised Limit provides headroom over and above the <i>Operational Boundary</i> to accommodate expected cash movements. Affordability and prudence are matters which must be taken into account when setting this limit.
<b>Balances and Reserves</b>	Accumulated sums that are maintained either earmarked for specific future costs or commitments or generally held to meet unforeseen or emergency expenditure.
<b>Bank Rate</b>	The official interest rate set by the Bank of England's Monetary Policy Committee and what is generally termed at the "base rate". This rate is also referred to as the 'repo rate'.
<b>Basis Point</b>	1/100th of 1%, i.e. 0.01%
<b>Bill</b>	A certificate of short-term debt issued by a company, government or other institution, tradable on the financial market
<b>Bond</b>	A certificate of debt issued by a company, government, or other institution. The bond holder receives interest at a rate stated at the time of issue of the bond. The price of a bond may vary during its life.
<b>Capital Expenditure</b>	Expenditure on the acquisition, creation or enhancement of capital assets.
<b>Capital Financing Requirement (CFR)</b>	The Council's underlying need to borrow for capital purposes representing the cumulative capital expenditure of the local authority that has not been financed.
<b>Capital gain or loss</b>	An increase or decrease in the capital value of an investment, for example through movements in its market price.
<b>Capital growth</b>	Increase in the value of the asset (in the context of a collective investment scheme, it will be the increase in the unit price of the fund).
<b>Capital receipts</b>	Money obtained on the sale of a capital asset.
<b>Certainty Rate</b>	The government has reduced by 20 basis points (0.20%) the interest rates on loans via the Public Works Loan Board (PWLb) to principal local authorities who provide information as specified on their plans for long-term borrowing and associated capital spending.
<b>CIPFA</b>	Chartered Institute of Public Finance and Accountancy
<b>Collective Investment Schemes</b>	Funds in which several investors collectively hold units or shares. The assets in the fund are not held directly by each investor, but as part of a pool (hence these funds are also referred to as 'Pooled Funds'). Unit Trusts and Open-Ended Investment Companies are types of collective investment schemes/pooled funds.
<b>Corporate Bonds</b>	Corporate bonds are bonds issued by companies. The term is often used to cover all bonds other than those issued by governments in their own currencies and includes issues by companies, supranational organisations and government agencies.
<b>Corporate Bond Funds</b>	Collective Investment Schemes investing predominantly in bonds issued by companies and supranational organisations.
<b>CPI</b> <i>Also see RPI</i>	Consumer Price Index. (This measure is used as the Bank of England's inflation target.)
<b>Cost of carry</b>	When a loan is borrowed in advance of requirement, this is the difference between the interest rate and (other associated costs) on the loan and the income earned from investing the cash in the interim.
<b>Counterparty List</b>	List of approved financial institutions with which the Council can place investments.
<b>Credit Default Swap (CDS)</b>	A Credit Default Swap is similar to an insurance policy against a credit default. Both the buyer and seller of a CDS are exposed to credit risk. Naked CDS, i.e. one which is not linked to an underlying security, can lead to speculative trading.
<b>Credit Rating</b>	Formal opinion by a registered rating agency of a counterparty's future ability to meet its financial liabilities; these are opinions only and not guarantees.

<b>Debt Management Office (DMO)</b>	The DMO is an Executive Agency of Her Majesty's Treasury and provides direct access for local authorities into a government deposit facility known as the Debt Management Account Deposit Fund (DMADF). All deposits are guaranteed by HM Government and therefore have the equivalent of a sovereign triple-A credit rating.
<b>Diversification / diversified exposure</b>	The spreading of investments among different types of assets or between markets in order to reduce risk.
<b>Derivatives</b>	Financial instruments whose value, and price, are dependent on one or more underlying assets. Derivatives can be used to gain exposure to, or to help protect against, expected changes in the value of the underlying investments. Derivatives may be traded on a regulated exchange or traded 'over the counter'.
<b>ECB</b>	European Central Bank
<b>Fair Value</b>	Fair value is defined as a sale price agreed to by a willing buyer and seller, assuming both parties enter the transaction freely. Many investments have a fair value determined by a market where the security is traded.
<b>Federal Reserve</b>	The US central bank. (Often referred to as "the Fed")
<b>Floating Rate Notes</b>	A bond issued by a company where the interest rate paid on the bond changes at set intervals (generally every 3 months). The rate of interest is linked to LIBOR and may therefore increase or decrease at each rate setting.
<b>GDP</b>	Gross domestic product – also termed as "growth" in the economy. The value of the national aggregate production of goods and services in the economy.
<b>General Fund</b>	This includes most of the day-to-day spending and income. (All spending and income related to the management and maintenance of the housing stock is kept separately in the Housing Revenue Account).
<b>Gilts (UK Govt)</b>	Gilts are bonds issued by the UK Government. They take their name from 'gilt-edged': being issued by the UK government, they are deemed to be very secure as the investor expects to receive the full face value of the bond to be repaid on maturity.
<b>Housing Revenue Account (HRA)</b>	A ring-fenced account of all housing income and expenditure, required by statute.
<b>IFRS</b>	International Financial Reporting Standards.
<b>Income Distribution</b>	The payment made to investors from the income generated by a fund; such a payment can also be referred to as a 'dividend'.
<b>Local Authority Property Fund (LAPF)</b>	A pooled property collective investment scheme for Churches, Charities and Local Authorities. (See Collective Investment Scheme).
<b>Liability Benchmark</b>	Term in CIPFA's Risk Management Toolkit which refers to the minimum amount of borrowing required to keep investments at a minimum liquidity level (which may be zero).
<b>LOBOs</b>	LOBO stands for 'Lender's Option Borrower's Option'. The underlying loan facility is typically long term and the interest rate is fixed. However, in the LOBO facility the lender has the option to call on the facilities at pre-determined future dates. On these call dates, the lender can propose or impose a new fixed rate for the remaining term of the facility and the borrower has the 'option' to either accept the new imposed fixed rate or repay the loan facility.
<b>Maturity</b>	The date when an investment or borrowing is repaid.
<b>Maturity profile</b>	A table or graph showing the amount (or percentage) of debt or investments maturing over a time period. The amount or percent maturing could be shown on a year-by-year or quarter-by-quarter or month-by-month basis.
<b>MiFID II</b>	MiFID II replaced the Markets in Financial Instruments Directive (MiFID I) from 3 January 2018. It is a legislative framework instituted by the European Union to regulate financial markets in the bloc and improve protections for investors.
<b>Minimum Revenue Provision (MRP)</b>	An annual provision that the Authority is statutorily required to set aside and charge to the Revenue Account for the repayment of debt associated with expenditure incurred on capital assets.
<b>Money Market Funds (MMF)</b>	Pooled funds which invest in a range of short term assets providing high credit quality and high liquidity.

<b>Net Asset Value (NAV)</b>	A fund's net asset value is calculated by taking the current value of the fund's assets and subtracting its liabilities.
<b>Operational Boundary</b>	This is the limit set by the Authority as its most likely, i.e. prudent, estimate level of external debt, but not the worst case scenario. This limit links directly to the Authority's plans for capital expenditure, the estimates of the Capital Financing Requirement (CFR) and the estimate of cashflow requirements for the year.
<b>Pooled funds</b>	See Collective Investment Schemes (above).
<b>Premiums and Discounts</b>	<p>In the context of local authority borrowing, (a) the premium is the penalty arising when a loan is redeemed prior to its maturity date and (b) the discount is the gain arising when a loan is redeemed prior to its maturity date. If on a £1 million loan, it is calculated* that a £100,000 premium is payable on premature redemption, then the amount paid by the borrower to redeem the loan is £1,100,000 plus accrued interest. If on a £1 million loan, it is calculated that a £100,000 discount receivable on premature redemption, then the amount paid by the borrower to redeem the loan is £900,000 plus accrued interest. PWLB premium/discount rates are calculated according to the length of time to maturity, current market rates (plus a margin), and the existing loan rate which then produces a premium/discount dependent on whether the discount rate is lower/higher than the coupon rate.</p> <p>*The calculation of the total amount payable to redeem a loan borrowed from the Public Works Loans Board (PWLB) is the present value of the remaining payments of principal and interest due in respect of the loan being repaid prematurely, calculated on normal actuarial principles. More details are contained in the PWLB's lending arrangements circular.</p>
<b>Private Finance Initiative (PFI)</b>	Private Finance Initiative (PFI) provides a way of funding major capital investments, without immediate recourse to the public purse. Private consortia, usually involving large construction firms, are contracted to design, build, and in some cases manage new projects. Contracts can typically last for 30 years, during which time the asset is leased by a public authority.
<b>Investment Property</b>	Property (land or a building or part of a building or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both.
<b>Prudential Code</b>	Developed by CIPFA and introduced on 01/4/2004 as a professional code of practice to support local authority capital investment planning within a clear, affordable, prudent and sustainable framework and in accordance with good professional practice.
<b>Prudential Indicators</b>	Indicators determined by the local authority to define its capital expenditure and asset management framework. They are designed to support and record local decision making in a manner that is publicly accountable; they are not intended to be comparative performance indicators between authorities.
<b>PWLB</b>	Public Works Loans Board. It is a statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury. The PWLB's function is to lend money from the National Loans Fund to local authorities and other prescribed bodies, and to collect the repayments.
<b>Revenue Expenditure</b>	Expenditure to meet the continuing cost of delivery of services including salaries and wages, the purchase of materials and capital financing charges.
<b>Risk</b>	<p><b>Credit and counterparty risk</b> The risk of failure by a counterparty to meet its contractual obligations to the organisation under an investment, borrowing, capital, project or partnership financing, particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the organisation's capital or current (revenue) resources.</p> <p><b>Liquidity risk</b> The risk that cash will not be available when it is needed, that ineffective management of liquidity creates additional unbudgeted costs, and that the organisation's business/service objectives will be thereby compromised.</p> <p><b>Refinancing risk</b> The risk that maturing borrowings, capital, project or partnership financings cannot be refinanced on terms that reflect the provisions made by the organisation for those refinancings, both capital and current (revenue), and/or that the terms are inconsistent with prevailing market conditions at the time.</p> <p><b>Interest Rate risk</b></p>

	<p>The risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately.</p> <p><b>Legal risk</b> The risk that the organisation itself, or an organisation with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the organisation suffers losses accordingly.</p> <p><b>Operational risk</b> The risk that an organisation fails to identify the circumstances in which it may be exposed to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings, and fails to employ suitable systems and procedures and maintain effective contingency management arrangements to these ends. It includes the area of risk commonly referred to as operational risk.</p> <p><b>Market Risk</b> The risk that, through adverse market fluctuations in the value of the principal sums an organisation borrows and invests, its stated treasury management policies and objectives are compromised, against which effects it has failed to protect itself adequately.</p>
<b>RPI</b>	Retail Prices Index. A monthly index demonstrating the movement in the cost of living as it tracks the prices of goods and services including mortgage interest and rent. Pensions and index-linked gilts are updated using the CPI index.
<b>SORP</b>	Statement of Recommended Practice for Accounting (Code of Practice on Local Authority Accounting in the United Kingdom).
<b>Specified Investments</b>	Term used in the CLG Guidance and Welsh Assembly Guidance for Local Authority Investments. Investments that offer high security and high liquidity, in sterling and for no more than 1 year. UK government, local authorities and bodies that have a high credit rating.
<b>Supported Borrowing</b>	Borrowing for which the costs are supported by the government or third party.
<b>Temporary Borrowing</b>	Borrowing to cover peaks and troughs of cash flow, not to fund spending.
<b>Term Deposits</b>	Deposits of cash with terms attached relating to maturity and rate of return (interest).
<b>Treasury (T) -Bills</b>	Treasury Bills are short term Government debt instruments and, just like temporary loans used by local authorities, are a means to manage cash flow. Treasury Bills (T-Bills) are issued by the Debt Management Office and are an eligible sovereign instrument, meaning that they have a AAA-rating.
<b>Treasury Management Code</b>	CIPFA's Code of Practice for Treasury Management in the Public Services. The current Code is the edition released in 2021.
<b>Treasury Management Practices (TMP)</b>	Treasury Management Practices set out the manner in which the Council will seek to achieve its policies and objectives and prescribe how it will manage and control these activities.
<b>Unsupported Borrowing</b>	Borrowing which is self-financed by the local authority. This is also sometimes referred to as Prudential Borrowing.
<b>Usable Reserves</b>	Resources available to finance future revenue and capital expenditure.
<b>Variable Net Asset Value (VNAV)</b>	A term used in relation to the valuation of 1 share in a fund. This means that the net asset value (NAV) of these funds is calculated daily based on market prices.
<b>Working Capital</b>	Timing differences between income/expenditure and receipts/payments
<b>Yield</b>	The measure of the return on an investment instrument.

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