

# Public Document Pack



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Monday 2 February 2026

## Notice of Meeting

Dear Member

### **Cabinet**

The **Cabinet** will meet in the **Council Chamber - Town Hall, Huddersfield** at **1.30 pm** on **Tuesday 10 February 2026**.

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 cursive script, appearing to read "S Lawton".

**Samantha Lawton**

**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:-**

Councillor Carole Pattison	Leader of the Council / Culture and Change
Councillor Moses Crook	Deputy Leader of the Council / Transport and Housing
Councillor Beverley Addy	Cabinet Member – Public Health
Councillor Nosheen Dad	Cabinet Member – Adult Social Care and Corporate
Councillor Viv Kendrick	Cabinet Member - Children (Statutory Responsibility for Children)
Councillor Tyler Hawkins	Cabinet Member – Highways and Waste
Councillor Amanda Pinnock	Cabinet Member – Communities and Environment
Councillor Jane Rylah	Cabinet Member – Education
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 any apologies for absence.

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**2: Minutes of Previous Meeting**

1 - 10

To approve the Minutes of the Meeting of the Cabinet held on 12 January 2026.

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**3: Declaration of Interests**

11 - 12

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

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**4: Admission of the Public**

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

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**5: Deputations/Petitions**

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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## **6: 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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## **7: 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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## **8: Our Council Plan 2026-2029 (Reference to Council) 13 - 60**

To consider the approval of the 2026/2027 – 2028/2029 Council Plan.

Contact: Stephen Bonnell, Policy Partnerships and Corporate Planning

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## **9: Council Annual Budget Report 2026-2027 and following years, incorporating Capital, Treasury Management, General Fund, Revenue and Housing Revenue Account (Reference to Council) 61 - 226**

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

Contact: Kevin Mulvaney, Finance

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**10: Kirklees' School Funding Arrangements for the Financial Year 2026/2027** 227 - 252

To consider approval for funding arrangements for the Dedicated Schools Grant for the financial year 2026/2027.

Contact: John Bartlett, Accountancy / Martin Wilby, Education Places and Access

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**11: Consideration to Establish an Alternative Provision Free School** 253 - 262

To consider approval of the progression of the project to establish a 125 place Alternative Provision School.

Contact: Jo-Anne Sanders, Learning and Inclusion

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**12: CQC's Inspection Report and Rating for Adult Social Care** 263 - 284

To receive and note the CQC's Inspection Report and Rating for Adult Social Care.

Contact: Alexia Gray, Quality Standards and Safeguarding Partnerships (Adults and Health)

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**13: Homes and Neighbourhoods Annual Report 2024/2025** 285 - 310

To receive the Annual Housing Report for the Homes and Neighbourhoods Service for the year 2024–2025.

Contact: Erran Taylor, Housing Governance and Assurance

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**14: Local Transport Plan Approval** 311 - 318

To consider approval of the West Yorkshire Combined Authority (WYCA) Local Transport Plan (LTP4).

Contact: Ilyas Ramjan, Major Projects

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Contact Officer: Andrea Woodside

## KIRKLEES COUNCIL

### CABINET

**Tuesday 13th January 2026**

Present: Councillor Carole Pattison (Chair)  
Councillor Beverley Addy  
Councillor Moses Crook  
Councillor Nosheen Dad  
Councillor Viv Kendrick  
Councillor Amanda Pinnock  
Councillor Jane Rylah  
Councillor Graham Turner

Observers: Councillor Masood Ahmed  
Councillor Andrew Cooper  
Councillor Hanifa Darwan  
Councillor Cathy Scott  
Councillor Habiban Zaman

Apologies: Councillor Tyler Hawkins

**76 Membership of Cabinet**

Apologies for absence were received on behalf of Councillor Hawkins.

**77 Minutes of Previous Meeting**

**RESOLVED –**

That the Minutes of the Meeting held on 2 December 2025 be approved as a correct record.

**78 Declaration of Interests**

No interests were declared.

**79 Admission of the Public**

It was noted that Agenda Item 12 (Minute No. 87 refers) contained exempt information.

**80 Deputations/Petitions**

No deputations or petitions were received.

**81 Questions by Members of the Public**

No public questions were received.

**82 Questions by Elected Members (Oral Questions)**

Cabinet received the following questions in accordance with Executive Procedure Rule 2.3;

**Question from Councillor Scott**

“In a BBC report on 2 December 2025, the Leader said that Officers would bring forward options for new burial spaces in the next few weeks, at a time when burial provision was described as being at a critical point. Given that there is no effective burial space in Dewsbury, where do you believe families should be burying their loved ones right now?”

A response was provided by the Leader of the Council (Councillor Pattison).

**Question from Councillor H Zaman**

“In regards to burial land, what practical interim arrangements are currently in place to support families from Dewsbury who cannot access burial plots nearby?”

A response was provided by the Leader of the Council (Councillor Pattison).

**Question from Councillor Darwan**

“You have said there are sufficient burial plots in Kirklees for several years, whilst also confirming that Dewsbury cemetery for Muslim burials is effectively full. Families in Dewsbury are already being directed elsewhere. Given that reality were do you believe families from Dewsbury should be burying their loved ones right now?”

A response was provided by the Leader of the Council (Councillor Pattison).

**Question from Councillor Cooper**

“All party groups on the Council get a budget for sending letters to constituents. It has been common practice by the Labour Group to send mass mailouts promoting their Councillors in wards that they represent to 1000s of voters just before the pre election period. Will you be doing this again this year and if so which wards will you be sending letters to?”

A response was provided by the Leader of the Council (Councillor Pattison).

**Question from Councillor Safdar**

“I’ve received numerous messages from residents regarding an increase in fly tipping and problems surrounding overflowing bins. Many residents think this is linked to missed bin collections, which is causing a lot of issues in the community. I believe that Councillor Hawkins and Officers have been in communications with my ward colleagues but can the Cabinet have conversations with the ward councillors about reversing waste collection arrangements over festive periods and can we potentially have the odd swap of grey bin collections just after Christmas, and then go back to the normal routine?”

A response was provided by the Leader of the Council (Councillor Pattison).

**Question from Councillor Scott**

“Residents are telling us that they did not want the permit parking removed. They want the cost reduced to nothing, or a minimal cost, yet people were encouraged to support the removal so they don’t have to pay. Does the Leader accept that this

misrepresents what residents are actually asking for? People are now not using the car parks in the town centre and are parking on the streets in the Eastborough area.”

A response was provided by the Leader of the Council (Councillor Pattison).

**Question from Councillor H Zaman**

“If enforcement levels are below what residents where led to expect will the Council consider refunds, credits or fee reductions for these that have already paid?”

A response was provided by the Leader of the Council (Councillor Pattison).

**Question from Councillor Safdar**

“I welcome the comments from Councillor A U Pinnock recently regarding drug enforcement and awareness, especially regarding the problems with nitrous oxide. I'd like there to be a further conversation with Cabinet, and maybe a walkabout, to see how we can work with different agencies, organisations and the voluntary sector about how we can challenge this scourge of drug related waste being tipped?”

A response was provided by the Cabinet Member for Environment and Communities (Councillor A U Pinnock).

**Question from Councillor Darwan**

“In regards to parking permits, residents are furious as they feel that it has been framed as them not wanting permit parking when in reality they objected to the price, not the scheme. Why was reducing the cost not properly explored before encouraging removal?”

A response was provided by the Leader of the Council (Councillor Pattison).

**Question from Councillor Scott**

“In regards to parking permits, do you accept that the burden has been put on families? Its another burden per car, plus visitor permits to pay for on top of that.”

A response was provided by the Cabinet Member for Housing and Transport (Councillor Crook).

**83 Annual RIPA Update**

Cabinet received the annual RIPA (Regulation of Investigatory Powers Act) update, which advised that there had been no incidents which required RIPA to be used since the previous report to Cabinet in 2024.

It was noted that the number of RIPA authorisations granted since the previous annual report was zero and that the Council would be subject to an IPCO (Investigatory Powers Commissioners Office) inspection during 2026.

**RESOLVED** - That the Annual RIPA report be received and noted.

**84 Kirklees Tourism Strategy 2026-2029**

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

Cabinet gave consideration to a report which sought approval of the Kirklees Tourism Strategy 2026-2029. The report advised that the strategy sought to develop the current offer in the district, link activity with the emerging Kirklees cultural and heritage strategies and plans and guide future activity, investment decisions and partnership working in the visitor economy.

Cabinet noted that, in 2026, local delivery plans for culture would be co-developed with communities, which would support the shaping of tourism related actions. The report advised that the strategy would give direction to promoting the district to residents, visitors and businesses and would connect to improved infrastructure and regeneration schemes, forming part of the region wide activity to deliver a Local Visitor Economy Partnership Destination Management Plan, in conjunction with other West Yorkshire Local Authorities and WYCA.

It was noted that, during 2026, Local Cultural Delivery Plans would be developed with communities through a programme of work led by the Council, the University of Huddersfield and cultural organisations.

**RESOLVED** - That the Kirklees Tourism Strategy 2026-2029 be adopted.

**85 Admission Arrangements for Community and Voluntary Controlled Schools in 2027/2028**

(Under the provision of Council Procedure Rule 36(1), Cabinet received representations from Councillors Darwan, Scott and H Zaman).

Cabinet received a report which presented the results of this year's consultation and sought to determine admission arrangements for all Kirklees community and voluntary controlled schools for 2027/2028. It was noted that arrangements must be determined by 28 February 2026 in order to comply with the national School Admissions Code.

The report explained that the proposed arrangements for 2027/2028 were similar to the arrangements agreed for 2026/27, with the exception of (i) three proposed reductions in Published Admission Numbers (PAN) detailed in section 2.4 of the report and (ii) updates to Appendix 1C for tie-break arrangements, the wording around how oversubscription criteria is applied, admission requests for out of normal year group (including summer born requests). It was noted that these changes intended to bring clarity to parents and schools and ensure compliance with the national School Admission Code.

**RESOLVED** –

- 1) That the Kirklees co-ordinated admission schemes for 2027/28, including in-year admissions, as set out in Appendix 2, be approved.
- 2) That admission arrangements for Kirklees community and voluntary controlled schools, as detailed in Appendix 1C, including the updated

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sections related to tie-break arrangements and admission requests for out of normal year group (including summer born requests), be approved.

- 3) That approval be given to the Published Admission Numbers (PAN) for each community and voluntary controlled school, as set out in appendix 1D, including: Birkby Junior School – PAN decrease from 150 to 120 in 2027/28, Dalton School – PAN decrease from 70 to 60 in 2027/28 and Roberttown CE (VC) J & I School – PAN decrease from 34 to 30 in 2027/28.

### 86 **Half Yearly Monitoring on Treasury Management activities 2025/2026**

(Under the provision of Council Procedure Rule 36(1), Cabinet received representations from Councillors Darwan, Scott and H Zaman).

Cabinet received a report which set out the treasury management performance during the first half of 2025/2026, prior to its submission to Council.

The report provided assurance that the Council's treasury management function was being managed prudently and pro-actively and that the Council complied with its treasury management prudential indicators in the year, as set out at Appendix 4.

The report advised that external investments, including the £10.0 million Local Authority Property Fund (LAPF), averaged £98.8 million during the period at an average rate of 4.21% and that investments ranged from a peak of £139.2m million in July 2025 to a low of £58.0 million in April 2025. It advised that the Council's net borrowing increased by £10.2 million in the 6 month period, from £715.4 million at 31 March 2025 to £725.6 million at 30 September 2025. It was noted that the treasury management revenue budget for 2025/26 was £36.1 million.

Cabinet noted that 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.

**RESOLVED** - That the half yearly treasury management activity 2025-2026 be noted and that the report be referred to the meeting of Council on 21 January 2026.

### 87 **Special Educational Needs and Disabilities (SEND) - Capital Plan Investment for the new build Woodley School and College**

(The report included exempt information in accordance with Schedule 12A of the Local Government Act 1972 (Access to Information) (Variation) Order 2006, namely it contains information relating to financial and business affairs of third parties (including the Authority holding that information)).

(The report included exempt information in accordance with Schedule 12A of the Local Government Act 1972 (Access to Information) (Variation) Order 2006, namely that it contains information relating to financial and business affairs of third parties (including the Authority holding that information)). It was considered that the disclosure of the information would not be in the public interest as disclosure could adversely affect overall ability to obtain value for money, compromise the commercial confidentiality of organisations mentioned in the report, which is considered to outweigh the public interest in disclosing information including, greater

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accountability, transparency in spending public money, and openness in Council decision-making).

(Under the provision of Council Procedure Rule 36(1), Cabinet received a representation from Councillors Darwan and Scott).

Cabinet gave consideration to a report which sought approval to draw down capital allocations, primarily from the Children's and Families section of the Capital Plan, approved by Council on 16th July 2025, in order to enable the construction and completion of the new build Woodley School and College, which would expand special school provision to replace the existing school sites.

The report advised that the anticipated start on site date for the new build Woodley School and College was during Summer 2026, with completion scheduled during Autumn 2027, and that these dates aligned to the most recent report issued by Children's Services colleagues in relation to the DfE safety valve targets/funding.

The report sought permission to draw down capital funds to enable a building contract to be awarded for the construction of the new build Woodley School and College, within the budget as set out in Appendix 3. It was noted that, subject to approval, a robust procurement exercise would take place to appoint a construction partner to deliver the new build school in line with the estimated programme stated in this report. Appendix 2 included images to illustrate what the new building and site.

### **RESOLVED –**

- 1) That approval be given to the draw down of capital funds as detailed in Appendix 3 of this report to enable the procurement and appointment of a building contractor to construct a 180 place new build Communication & Interaction / Autism school to replace the existing Woodley School and College site at Dog Kennel Bank, Huddersfield and to facilitate the completion of this project, in line with procurement regulations and the Council's Contract Procedure Rules.
- 2) That in order to manage the successful delivery of the new build Woodley School and College site at Fernside Avenue without the need to return to Cabinet should any further unexpected costs arise that exceed the approved budget as stated in Appendix 3, authority be delegated, if required, to the Service Directors for Development and for Learning and Early Support in consultation with the Service Director for Finance (S151 Officer) to use the provisions within the Council's Financial Procedure Rules dated June 2025, specifically paragraphs 3.9 to 3.10.
- 3) That authority to the Executive Director of Place to authorise the award of the contract to ensure that a construction contract can be signed for the proposed new build school and the project completed so that the required additional SEND school places can be successfully delivered.
- 4) That authority be delegated to the Service Director – Legal, Governance and Commissioning to enter into any necessary legal agreements or instruments to facilitate the recommendations.

**88 Homes and Neighbourhoods Service Governance Review**

(Under the provision of Council Procedure Rule 36(1), Cabinet received representations from Councillors Darwan, Scott and H Zaman).

Cabinet received a report which set out the outcome of a review of the governance arrangements for the Homes and Neighbourhoods Service. The report outlined a process of review that had assessed (i) the current format of governance, considering strengths and gaps (ii) the requirements of the regulator, reflecting upon the changing environment and implications for the service, and (iii) the current service risk register. Cabinet noted that the proposals sought to evolve the model of governance, while maintaining a critical focus on tenant scrutiny, and the role of the Tenant Led Panel.

It was also noted that strategic and key decisions would be referred to Cabinet, along with new policies and significant changes to policy. The report set out information on the approach to the review, service risks, the existing and proposed structures and the role of corporate and operational governance.

It was noted that the review process had sought to amend and develop the Homes and Neighbourhoods structure to ensure control over areas of significant risk and provide assurance to tenants.

**RESOLVED –**

- 1) That the service risks as set out at paragraph 2.12 of the report be noted.
- 2) That the proposed structure as set out at paragraph 2.14 of the report be noted.
- 3) That it be noted that the proposal includes (i) the change of title for Homes and Neighbourhoods Improvement Board to Homes and Neighbourhood Assurance Board (ii) delegation of the decision for timing of the name change to Portfolio Holder for Transport and Housing and Executive Director of Place (iii) the broadening scope of Homes and Neighbourhood Assurance Board to cover all areas of regulation (iv) the continued importance of the Tenant Led Panel as a bridge between the service and our tenant base (v) the addition of two new officer operational boards (Housing Capital and Revenue Investment Board and Service Quality Assurance Board) to cover risks as identified in section 4.3 and (vi) the broadening of scope of the Transformation Board to include data, and service culture workstreams.

**89 Response to Awaab's Law - Interim Policy Updates, Repairs, and Maintenance Policy and Damp, Mould and Condensation Policy**

(Under the provision of Council Procedure Rule 36(1), Cabinet received representations from Councillors Darwan, Scott and H Zaman).

Cabinet received a report which set out proposed interim policy updates that would ensure meeting the requirements of Awaab's law and build upon the work carried out in recent months to reduce the significant backlog of damp, mould and condensation cases, and provide a proactive repairs service to Council tenants. It was noted that Awaab's Law introduced new statutory duties for social landlords to address damp,

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mould and condensation hazards, and other hazards, within strict timescales.

The report set out the detail of the proposed policy updates and proposed an intention to embark on a meaningful programme of tenant engagement which would allow tenants to inform the services provided. It was noted that the proposals to engage with tenants on related policies sought to provide meaningful opportunities for tenants to influence and scrutinise the Council's strategies.

Cabinet noted that, for 2025-2026, there was a budget for repairs and maintenance works of £31.3m, increasing to £32.7m in 2026- 2027, which included a budget of £12.6m for responsive repairs and damp and mould. The report advised that a budget of £3.1m had been provided to carry out stock condition surveys over the next three years.

### **RESOLVED –**

- 1) That the Repairs and Maintenance Policy: Interim Update be noted and approved.
- 2) That the Damp, Mould and Condensation (DMC) Policy: Interim Update be noted and approved.
- 3) That the intention to consult further with tenants on the detail and effectiveness of these policies, which may lead to subsequent policy amendments be noted.
- 4) That the intention to develop further supporting policies and procedures in consultation with tenants.

### **90 Huddersfield Station Gateway Masterplan**

(Under the provision of Council Procedure Rule 36(1), Cabinet received representations from Councillors Darwan and Scott).

Cabinet received a report which provided an update on the development of a Masterplan for Huddersfield Gateway Station and sought approval of the proposed next steps.

The report advised that the Huddersfield Station Gateway Masterplan provided a strategic framework designed to drive regeneration and investment in Huddersfield town centre and set out a vision to transform the Station Gateway into a dynamic and inclusive transport hub, enhancing connectivity, supporting economic growth, and inspiring wider regeneration.

Cabinet were advised that the proposals centred around opportunities presented by the Transpennine Route Upgrade (TRU), and integrated key assets including Huddersfield Railway Station, St George's Warehouse, The George Hotel, and St George's Square, and that it also aligned with other major initiatives such as the

Huddersfield Blueprint, Our Cultural Heart, and the Station to Stadium Enterprise Corridor.

The report explained that approval of the masterplan would establish a clear framework for future project development, partnership working, and stakeholder engagement, and that the ambition was for the masterplan to guide the preparation of business cases and funding strategies for individual projects, ensuring readiness to capitalise on future opportunities and deliver long-term benefits for Huddersfield and the wider district.

**RESOLVED –**

- 1) That the report and Masterplan document be received and noted.
- 2) That approval be given to the Masterplan.
- 3) That authority be delegated to the Executive Director for Place, in consultation with the Cabinet Member (Finance and Regeneration), to adopt the plan and publish it on the Council's website to form the basis for funding bids and investment decisions in the masterplan area.
- 4) That authority be delegated to the Executive Director for Place, in consultation with the Service Director for Legal Governance, and Commissioning, Service Director for Finance and the Cabinet Member for Finance and Regeneration to (i) progress continued engagement with partners to explore funding opportunities (ii) engage with partners, progress market engagement and explore development partner options, and (iii) enter any appropriate agreements with WYCA and other partners to further develop the masterplan in line with the Council's policies and constitution.
- 5) That authority be delegated to the Service Director Legal, Governance and Commissioning to enter into, on behalf of the Council, any external funding agreements or legal agreements related to the Masterplan as appropriate and in accordance with the Contract and Finance Procedure Rules.
- 6) That it be noted that authority related to the procurement of a development partner, and specific projects which emerge from the Masterplan, and associated details regarding funding and delivery, will return to Cabinet for approval as required.

**91 Adoption of Moving Traffic Enforcement Powers**

(Under the provision of Council Procedure Rule 36(1), Cabinet received representations from Councillors Ahmed, Cooper, Darwan, Scott and H Zaman).

Cabinet received a report which provided an update on the results of the Council's application to the Department for Transport to apply for trial Moving Traffic Enforcement (MTE) powers, including the outcome of public consultation, and sought approval to progress with enforcement.

Cabinet noted that the Council had applied to the DfT for trial powers at sites at Armitage Bridge, Barnsley Road (Flockton) and Heckmondwike Bus Station, following a six week public consultation period and that approval had been received in October 2025.

The report advised that the trial would be supported by WYCA, and that,

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after 6-12 months after the start of the trial, a review would be undertaken as to whether the use of MTE powers should continue. It was proposed that, subject to approval, the trial would commence during summer/autumn 2026 and that, 12 months after this period, consideration would be given to new future sites.

### **RESOLVED –**

- 1) That approval be given to the introduction and trial of MTE powers (introduction would be subject to receiving external funding) using Automatic Number Plate Recognition (ANPR) cameras now that the Council has been granted powers from the Secretary of State – per DfT approval in October 2025.
- 2) That authority and the decision to begin enforcement be delegated to the Executive Director for Place, in consultation with the Service Director for Finance and the Portfolio Holder for Transport, once necessary financial and operational matters on implementation are in place.
- 3) That authority be delegated to the Service Director for Legal, Governance and Commissioning to enter into on behalf of the Council any associated legal formalities including any external funding agreements.
- 4) That authority to the Executive Director of Place, in consultation with the Service Director for Finance and the Portfolio Holder for Transport, the introduction, implementation and enforcement in relation to MTE power (including authority to continue with the MTE powers following any trial, discretion over; future site selection, review periods, relocation of cameras, cost, procurement of equipment, key decisions involving ticketing and disputes, entering into funding agreements and spending of surplus revenue generated by ticketing, in line with strict DfT mandate on appropriate use of surplus, as outlined herein).
- 5) That approval be given to the trial of the civil enforcement powers coming into place at the three proposed locations, as submitted within the Kirklees application to DfT in July 2025. The three locations being (i) Armitage Bridge – HGV weight limit no entry through the village (ii) Barnsley Road, Flockton – one way (eastbound) HGV weight limit and (iii) Heckmondwike Bus Station – no stopping 2 yellow boxes, at the bus station entrance.
- 6) That approval be given to the proposed approach (as set out in section 2.3 of the report) for the introduction and use of moving traffic enforcement at appropriate future locations as identified in accordance with the same process as the trial.

<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.



## Our Council Plan – 2026/2027 – 2028/2029

<b>Meeting</b>	<b>Cabinet</b>
<b>Date</b>	<b>10 February 2026</b>
<b>Cabinet Member</b> (if applicable)	<b>Cllr Carole Pattison, Leader of the Council</b>
<b>Key Decision Eligible for Call In</b>	<b>Yes Yes</b>
<p><b>Purpose of Report</b>            Our 2026/27 – 28/29 Council Plan (provided at <b>Appendix 1</b>) sets out the overarching ambitions, and strategic direction for the Council. It applies to all directorates and service delivery areas.</p> <p>The new three-year financial settlement now means we can set a Council Plan with a longer-term planning horizon, and as such, the Council Plan presents delivery activity over the next three financial years.</p> <p>It sets out our key priorities, goals, and specific activities and milestones to support the achievement of those goals over that period.</p> <p>The Council Plan goes hand in hand with the budget. Together, these documents set out the strategy, and the resources required to deliver on our ambitions. The Council Plan will be considered alongside the annual budget for decision at Council on the 25 February 2026.</p> <p>Cabinet is asked to consider and approve the contents of the plan, noting the feedback provided by the Overview and Scrutiny Management Committee at their meeting on 16 January 2026.</p>	
<p><b>Recommendations</b></p> <ul style="list-style-type: none"> <li>• For Cabinet to consider and approve the contents of the Council Plan, as presented at <b>Appendix 1</b> of this report.</li> <li>• For Cabinet to note the feedback provided by the Overview and Scrutiny Management Committee, and our response, as provided in <b>section 5</b> of this report.</li> <li>• For Cabinet to recommend adoption of the Council Plan (subject to any further changes) at Council on 25 February 2026.</li> </ul> <p><b>Reasons for Recommendations</b></p> <ul style="list-style-type: none"> <li>• The Council Plan is included in the Policy Framework for the Council, and as such must be approved by Council to become adopted as part of that framework.</li> <li>• The Council Plan sets the overarching ambitions, and strategic direction for the services and activities relating to the business of the council, across all directorates and service delivery areas. As such, it is an important document providing strategic direction to all other plans, activities and services delivered by the Council.</li> </ul>	
<p><b>Resource Implication:</b> The Council Plan sets out the strategic framework for the council’s budget and is to be considered alongside the council’s budget for decision at Council on the 25 February 2026.</p>	

<b>Date signed off by <u>Executive Director</u> &amp; name</b>	Rachel Spencer-Henshall – Deputy Chief Executive and Executive Director for Public Health and Corporate Resources 23.01.2026
<b>Is it also signed off by the Service Director for Finance?</b>	Kevin Mulvaney 19.01.2026
<b>Is it also signed off by the Service Director for Legal and Commissioning (Monitoring Officer)?</b>	Samantha Lawton 19.01.2026

**Electoral wards affected:** All

**Ward councillors consulted:** Not applicable

**Public or private:** Public

**Has GDPR been considered?** No personal data is included in this report.

## 1. Executive Summary

- 1.1 The Council Plan sets out the overarching ambitions, and strategic direction for the Council. It applies to all directorates and service delivery areas.
- 1.2 The new three-year financial settlement now means we can set a Council Plan with a longer-term planning horizon, and as such, presents delivery activity over the next three financial years. The Plan sets out our key council priorities, goals, and specific activities and milestones to support the achievement of those goals over that period.
- 1.3 The Council Plan goes hand in hand with the budget. Together, these documents set out the strategy, and the resources required to deliver on those ambitions. The Council Plan will be considered alongside the annual budget for decision at Council on the 25 February 2026.
- 1.4 The Council Plan retains the longer-term cross-directorate principles which we work alongside our partners to achieve, including our vision, our shared outcomes, and our key partnership strategies. However, following feedback from the Local Government Association during our Corporate Peer Challenge in 2024, these elements of the Council Plan will be separated out into a revised Partnership Framework, and will be reviewed, developed and agreed with partners during 2026.
- 1.5 The Council Plan also retains a set of key indicators we use to measure and understand the challenges and opportunities faced by people, communities and organisations in the borough. The indicators are aligned to the shared outcomes, and we report on these indicators on a quarterly basis. Alongside our shared outcomes, these will also be reviewed with our partners during 2026.
- 1.6 Following the recommendations made to us by the Local Government Association in November 2024, we developed and launched the ‘Our Council’ initiative in April 2025, to refresh and strengthen our organisations culture. It guides the way we work as an organisation and has seven key principles that can be applied to every team and service across the council. Work to embed the principles as part of everything that we do is ongoing and has already made a difference in re-shaping and strengthening how the

council operates. These principles will help teams and services across the council to deliver on the ambitions set out within the Council Plan.

- 1.7 The Council Plan retains existing internal principles and ways of working, including our People Strategy, and associated organisational values and supporting behaviours (values of Kindness, Inclusion and Pride) which have now been brought in as a key principle within the 'Our Council' initiative.

## 2. Information required to take a decision

- 2.1 The Council Plan sets out the overarching ambitions, and strategic direction for the Council. It applies to all directorates and service delivery areas.
- 2.2 The plan is part of the Council's Policy Framework as set out in Article 4 of the council's constitution. As such, it is approved at Full Council.
- 2.3 The plan doesn't attempt to list all the council's services and programmes. It summarises the council's role alongside partners in delivering our vision and shared outcomes. It sets out the way in which the council operates and the priorities, goals and activities that will help us to deliver on those priorities.
- 2.4 The plan has been developed alongside the budget in line with our Annual Business Planning Cycle and will go to Council alongside the budget in February for decision. The new three-year financial settlement now means we can set a Council Plan with a longer-term planning horizon, and as such, presents delivery activity over the next three financial years. The Council Plan goes hand in hand with the budget – together, these documents set out the strategy, and the resources required to deliver on our ambitions.
- 2.5 The plan will continue to be reviewed and updated as necessary on an annual basis, so that the three-year plan remains current, and reflective of progress and delivery planning.
- 2.6 Progress reporting on the goals and associated activities and milestones, will continue through 'Council Plan and Performance' reporting, which is shared with Cabinet on a quarterly basis. A final progress update on the delivery activity outlined in the current 2025/26 Council Plan, will be included within the 2025/26 quarter four 'Council Plan and Performance Report'.
- 2.7 **Developing a Partnership Framework**

The Council Plan retains our long-term cross-directorate principles, which we have been working towards achieving for several years, alongside our partners across the district. These include:

- **Vision** - Our vision for Kirklees is "to be a district that combines a strong, sustainable economy with a great quality of life - leading to thriving communities, growing businesses, high prosperity and low inequality where people enjoy better health throughout their lives."
- **Shared Outcomes** – These eight outcomes describe the impact the council and our partners are looking to have. These are summarised as: Healthy and Well, Best Start, Independence, Aspire and Achieve, Sustainable Economy, Shaped by People, Safe and Cohesive, and Clean and Green. It also includes an outcome we have chosen for ourselves: a commitment to be 'Efficient and Effective'.

- **Our Key Partnership Strategies:** Environment Strategy, Inclusive Economy Strategy, Health and Wellbeing Strategy, and the Inclusive Communities Framework.
- **Indicators which help us measure our shared impact:** a set of performance indicators, aligned to our shared outcomes, which help us understand the challenges and opportunities faced by people, communities and organisations in the borough. These indicators are reported on through the council's quarterly performance reporting.

However, following feedback from the Local Government Association during our Corporate Peer Challenge in 2024, these elements of the Council Plan will be separated out into a revised Partnership Framework.

During 2025, we engaged strategic partners and key strategic partnership boards in initial discussions on the development of a Partnership Framework. Partner engagement on the framework continued in November at the annual Picture of Kirklees event, held at Dewsbury Town Hall. Now that the initial phase of engagement is complete, the development of a new framework will be discussed and agreed with partners during 2026. Discussions will also include what collaborative actions will need to take priority, how the framework will be supported, and what governance arrangements could be established to support implementation.

## 2.8 **Our Priorities**

The 2026/27 – 28/29 Council Plan priorities build on the priorities in the current (2025/26) Council Plan.

Underneath each of the four broad priorities, further details cover specific goals for the next three years, and activities and milestones to support the achievement and delivery of those goals over that period.

The four strategic priorities are:

### **Getting the basics right**

We will continue to ensure that essential services are available and effectively provided to all. This is also about being a well-run organisation and enabling continuous improvement. Over the next three years we want residents and customers to see and feel a difference from the organisational improvements we're making.

### **Protecting the vulnerable**

We will support and protect those in our community who are most in need, including the elderly, children, and those with disabilities. This also includes tackling the barriers and disadvantage faced by many in our communities as well as a focus on early intervention and prevention, which can be more efficient for the council but also means better outcomes for communities.

### **Enabling everyone to thrive and have successful lives**

We will help to build a borough with opportunities for all, fostering an environment where everyone has the chance to succeed. This includes working alongside partners and communities to ensure all residents have the foundations of a good life, for example in housing, education, health, and the environment.

## **Economic growth**

Building on the tangible progress being made across Kirklees, we will create further economic growth by working alongside our partners to support jobs and investment opportunities. Our aim is for this to translate to better livelihoods and prosperity for people across Kirklees.

### **2.9 Our Council**

Following the recommendations made to us by the Local Government Association in November 2024, we developed and launched the 'Our Council' initiative in April 2025, to refresh and strengthen our organisations culture. It guides the way we work as an organisation and has seven key principles that can be applied to every team and service across the council. Work to embed the principles as part of everything that we do is ongoing and has already made a difference in re-shaping and strengthening how the council operates.

These principles will help teams and services across the council to deliver on the ambitions set out within the Council Plan. They describe areas where we already have existing strengths across our services and where we need to focus further development.

Since launching in April, we've worked to embed these principles through internal events, leadership conversations and internal communications. Teams in the council are holding conversations about what the principles mean to them. We're now working to extend and deepen this engagement and integrate the principles as part of wider internal processes, for example through new employee induction. The seven principles have been included below:

Our Council:

- Gets the basics right
- Focuses on customers
- Lives within its means
- Is kind, inclusive and proud (or organisational values)
- Collaborates and connects
- Takes responsibility
- Listens and responds

### **2.10 Our People**

Our People Strategy sets out how we will achieve our shared outcomes by having people with the right skills, values, and behaviours, and by working in partnership in our places.

Our People Strategy has our values and behaviours at its heart. The Strategy has four outcomes, supported by our People Pledge and a programme of work that supports working towards achieving the outcomes for all our staff. These outcomes are: Healthy and Well; Inclusive Employer of Choice; Effective and Compassionate Leadership; and Skilled, Flexible, and Engaged.

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

### 3.1 Council Plan

The new 2026/27 – 28/29 Council Plan (provided at **Appendix 1**) will replace the current (2025/26) version of the [Council Plan](#).

### 3.2 Financial Implications

The Council Plan provides the overarching strategic framework for the Budget, which sets out the resources available for delivering upon the priorities contained with the Council Plan.

### 3.3 Legal Implications

The Council Plan is included in the Policy Framework for the Council, as set out in Part 2, Article 4 of the Council's Constitution, and as such, it is the decision of Full Council whether to adopt any Council Plan.

### 3.4 Other (e.g. Risk, Integrated Impact Assessment or Human Resources)

Our Council Plan restates our commitment to our People Strategy, which sets out how we will achieve our shared outcomes with the support of healthy, motivated and flexible staff with the right skills, values and behaviours.

## 4 Consultation

Results from the public consultation on the associated draft budget have also been considered as part of the development of the Council Plan, ahead of consideration at Cabinet and Full Council.

## 5 Engagement

The existing vision, shared outcomes and partnership strategies are products of partner engagement and will need partnership engagement to review and develop these as part of a new Partnership Framework. Initial engagement with partners, and at key partnership boards has already taken place during 2025 and will continue during 2026.

All four council directorates have been engaged in developing the areas of focus in the plan.

In December 2025 and January 2026, Overview & Scrutiny Management Committee (OSMC) received presentations on the Council Plan, including the approach to developing the Plan, the new priorities, and a list of suggested goals associated for each priority. The Committee welcomed having a three-year plan, as this would assist the council in planning over a longer-term period, and provide clarity on how activity would build on progress made during that timeframe. Committee members also asked a series of questions including how the priorities had evolved from the last plan, links with partnership working, and how the plan will be reviewed and monitored. It was clarified with OSMC that:

- The priorities in the plan build upon the priorities in the existing plan.
- A separate process is underway for developing a Partnership Framework.

- Initial engagement with partners on the Partnership Framework has already taken place, and further collaborative work with partners will lead to finalising the framework in 2026.
- The Council Plan will continue to be reviewed and updated as necessary, so that the three-year plan remains current, and reflective of progress and delivery planning.
- Progress reporting on the goals and associated activities and milestones, will continue through 'Council Plan and Performance' reporting, which is shared with Cabinet on a quarterly basis.

## 6 Options

### 6.1 Options Considered

Cabinet may either choose to approve the plan as presented or indicate any amendments or changes they may wish to make.

Our recommendations to Cabinet are:

- For Cabinet to consider and approve the contents of the Council Plan, as presented at **Appendix 1** of this report.
- For Cabinet to note the feedback provided by the Overview and Scrutiny Management Committee, and our response, as provided in **section 5** of this report.
- For Cabinet to recommend adoption of the Council Plan (subject to any further changes) at Council on 25 February 2026.

### 6.2 Reasons for recommended Option

- The Council Plan is included in the Policy Framework for the Council, and as such must be approved by Council to become adopted as part of that framework.
- The Council Plan sets the overarching strategic direction for the services and activities relating to the business of the Council, across all directorates and service delivery areas. As such, it is an important document providing strategic direction to all other plans, activities and services delivered by the Council.

## 7. Next steps and timelines

The 2026/27 – 28/29 Council Plan will be considered for adoption by Council on 25 February 2026.

If the Council Plan is adopted by Council, it will be published on the council website, replacing the current version of the Council Plan. It will then be used by all services across the Council, to guide and prioritise activities and work relating to the delivery of services.

## 8. Contact officers

Stephen Bonnell, Head of Policy, Partnerships and Corporate Planning  
[Stephen.bonnell@kirklees.gov.uk](mailto:Stephen.bonnell@kirklees.gov.uk)

Michelle Hope, Corporate Planning and Coordination Manager, Policy, Partnerships and Corporate Planning  
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Nick Howe, Policy and Partnerships Manager, Policy, Partnerships and Corporate Planning

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

The current Council Plan (2025/26), approved by Council on 5 March 2025.

[Agenda for Council on Wednesday 5th March 2025, 5.30 pm | Kirklees Council](#)

**10. Appendices**

Appendix 1: 2026/27 - 2028/29 Council Plan

**11. Service Director responsible**

Andy Simcox, Service Director Strategy and Innovation



Kirklees Council

# Our Council Plan

2026/27–28/29



Kirklees Council

# Our Council Plan

2026/27–28/29

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# Introductions



## Introduction from the Leader

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Our Council Plan marks an important moment for Kirklees. Over the past year, we've invested in new schools, better housing, cleaner streets, improved transport, and renewal in our town and village centres. Residents, businesses, and communities are beginning to see how this work is helping to shape a brighter future. This plan sets out how we will build on that progress over the coming years.

Alongside investment in our places, we've been transforming our services – finding better ways of working and, crucially, getting the basics right. In the years ahead, we will stay focused on ensuring residents understand what we do, feel well informed, and know they are listened to when things go wrong. We can't always provide everything people want, but we want every interaction with the council to feel constructive and positive.

There is more to do, both now and over the long term. That's why this year's Council Plan sets out a clear three year journey, made possible by the government's commitment to longer term financial settlements. While financial challenges remain for all councils, this stability allows us to plan more confidently with our partners and communities.

This plan sets out the action we will take to help everyone thrive, support the most vulnerable, and grow a strong local economy. It builds on real progress already underway and reflects our commitment to working alongside communities and partners to shape a brighter future for the people of Kirklees.

**Cllr Carole Pattison**  
Leader of the Council



## Introduction from the Chief Executive

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After several years of financial challenges, we have reached an important turning point in our responsibility to deliver reliable, quality services for people across the borough. Our finances are more stable thanks to our work to review our spend and decide our investments. As well as this, we have been transforming our services to make them more efficient, data led and customer focused services. When the Local Government Association (LGA) visited late last year, they celebrated our renewed stability, focus, and sense of momentum.

We are making significant progress, but demand and costs continue to rise in some areas due to the level of need in our communities. This is particularly true in children's and adults' services. This means we need to remain disciplined and realistic whilst still being forward looking.

In visiting services and places across the borough, I've seen teams taking responsibility for addressing financial challenges and supporting service improvement. Taking responsibility is fundamental to change. That's why it sits at the heart of the 'Our Council' principles set out in this Plan for the first time. These set out a framework for all of us over the coming years, building on what works and being honest about where we need to do better.

As well as service transformation, the sustainability of our services is supported by our longer-term regeneration plans. The investments we are continuing to make in our towns and neighbourhoods will make Kirklees an even better place to live, work, and invest for all. This will in turn create the conditions for prosperity, prevention, and reduced demand over time.

The next three years are therefore a period of opportunity and responsibility for Kirklees. This Council Plan sets out how we will balance meeting immediate needs with safeguarding our ability to serve Kirklees in the years ahead. Working together, we can face our challenges with confidence, take responsibility, and deliver better outcomes for the people and communities we serve.

**Steve Mawson**  
Chief Executive



# Our Council Plan – Summary

This diagram shows how Our Council Plan contributes to our vision for Kirklees and shared outcomes alongside our partnership strategies. Note the vision, shared outcomes, and key strategies are under review by our partnerships and scheduled to change during 2027/28.





# Our Council Priorities for 2026/27–28/29



## Getting the basics right

We will continue to ensure that essential services are available and effectively provided to all. This is also about being a well-run organisation and enabling continuous improvement. Over the next three years we want residents and customers to see and feel a difference from the organisational improvements we're making.



## Goals

### Customers feel better about their experiences and interactions with the council.

#### Year 1 (2026/27)

- Implement changes in key ('deep dive') areas - including Highways, Waste, Council Tax, Planning, and Homes and Neighbourhoods - to ensure processes to support customer demand are inclusive, efficient and are designed around the customer's needs.
- Launch and embed new tools and guidance to support teams across the council looking to improve the customer experience of their services in a measurable way.
- Continue to work with all political groups to determine areas of improvement.
- Refresh our Customer and Access Strategy.

#### Year 2 (2027/28)

- Identify additional 'deep dive' areas across the council where we can make process changes to enhance the customer experience.
- Evaluate the impact of customer focus guidance and tools and develop further as required.

#### Year 3 (2028/29)

- Delivering on the Customer and Access Programme outputs by ensuring transparency and clear expectations—customers understand what services are available and when, so they know exactly what to expect.

### Reliable bin collections, continuing our improvement journey.

#### Year 1 (2026/27)

- Improve missed bin collection performance by strengthening fleet resilience and introducing backup capacity.
- Further embed area-based working model for waste crews to improve accountability and local responsiveness.

#### Year 2 (2027/28)

- Complete procurement of specialist vehicles and narrow-track fleet for hard-to-access areas.

#### Year 3 (2028/29)

- Achieve and maintain target levels for missed collections, while embedding changes linked to Simpler Recycling reforms.



## People notice that streets and open spaces are cleaner.

### Year 1 (2026/27)

- Review street cleansing, including routes / rounds, and focus resources on high-demand areas.
- Implement initial operational adjustments as result of Keep Britain Tidy fly tipping and litter strategy and roadmap.
- Build a business case for further development of our litter enforcement model.
- Establish additional resources in the Greenspace Action Team to increase levels of service provision, especially around fly tipping.
- Deploy initial proven public awareness interventions around fly tipping.

### Year 2 (2027/28)

- Implement operational adjustments from Keep Britain Tidy strategy.
- Develop fly-tipping strategy, including additional public awareness interventions.

### Year 3 (2028/29)

- Evaluate impact of new Greenspace Action Team resources and enforcement.
- Adjust street cleansing and enforcement based on outcomes.
- Deal more effectively with fly-tipping.

## A well-maintained road network across Kirklees, building on improvements in recent years.

### Year 1 (2026/27)

- Improve road conditions and transport links through targeted investment by delivering second year of Highways Capital Plan 2025-27. This will include optimising delivery and accelerating investment where appropriate on the City Regional Sustainable Transport Settlement (CRSTS) and the two-year forward programme.
- Develop next Highways Capital Plan for 2027 onwards.

### Year 2 (2027/28)

- Advance the delivery of the Highways Capital Plan, aligning priorities with the increased national funding for local road maintenance—up to £2bn by 2029-30 – and integrating insights from earlier implementation stages to enhance efficiency and impact. This phase will place greater emphasis on consolidating previous improvements, responding to evolving infrastructure needs, and setting the foundations for sustained investment in Kirklees' road network.

### Year 3 (2028/29)

- Continue to implement the Highways Capital Plan, making best use of national funding commitments to maximise improvements in road condition and network resilience, while preparing for future investment cycles.

## Everyone playing a role in supporting environmental sustainability and tackling the climate emergency.

### Year 1 (2026/27)

- Increase the roof space available for solar panels on Council Buildings.
- Develop plans for investing in fossil fuel alternatives.
- Launch procurement for replacement waste recycling and disposal contract to support Simpler Recycling and the waste transformation programme.
- Launch food waste collections for Schools and Trade Customers.

### Year 2 (2027/28)

- Reduce the council's electricity and gas use.

### Year 3 (2028/29)

- Develop more heat decarbonisation plans.
- Increase the number of Electric Vehicles in the fleet.
- Decrease use of gas as a heat source.
- Implement Simpler Recycling and mobilise new recycling and waste disposal contract in time for the government deadline.

## People in Kirklees understand the services available to them and how to access them, including digital services.

### Year 1 (2026/27)

- Begin embedding the new Digital Strategy and implementation plan, ensuring clear priorities and governance.
- Continue to implement the digital accessibility programme, delivering improvements to the accessibility of the council's website and other online channels.
- Deliver accessible documents training to ensure all documents that are produced can be read by everybody in the community and the council.
- Continue to raise awareness of accessibility best practice and guidance externally and to other partners including the voluntary sector.
- Upgrade the telephone system and ensure new digital options are available in Kirklees Direct (the Council's customer contact centre) to improve signposting to support for customers and to resolve technical issues.

### Year 2 (2027/28)

- Deliver rollout of priorities identified in the Digital Strategy and implementation plan, making it easier for residents to complete tasks online, while retaining alternative options.
- Enhance governance around digital accessibility through the Kirklees Digital Accessibility Group, including expanding our approach and boosting engagement with wider partners.

### Year 3 (2028/29)

- Introduce a continuous improvement cycle to strengthen our position as a more modern, digitally focused organisation, using analytics and resident feedback to refine services and remove remaining barriers.
- Strengthen our approach to digital accessibility and inclusion by deepening governance, embedding good practice more widely, and working with partners to keep accessibility at the heart of service design and delivery. Our focus will be on maintaining momentum and moving towards a more inclusive digital environment for everyone.

## Being an inclusive organisation.

### Year 1 (2026/27)

- Continue to implement the Action Plan for our Inclusion and Diversity Strategy 2024-27.
- Identify priority actions for improving Integrated Impact Assessment (IIA) quality and compliance.
- Continue to implement Phase Four of the People Strategy, including the outcome to be 'an inclusive employer of choice'.
- Incorporate inclusion objectives into the next phase of development of the employee appraisal 'My Conversation'.
- Finalise and implement an annual action plan for the Social Care Workforce Race Equality Standard.

### Year 2 (2027/28)

- Make sure Integrated Impact Assessments (IIAs) are used in all key decisions.
- Continue to train staff to do IIAs well, supporting them to use the results to guide decisions and actions, and helping them to track outcomes to keep improving.
- Finalise the next Inclusion and Diversity Strategy (from 2028 onwards), engaging widely with staff, partners, and communities, and drawing on learning from previous years and emerging best practice.
- Develop more sophisticated ways to collect, analyse, and use data on workforce diversity and inclusion, supporting evidence-based decision-making.
- Review inclusion projects associated with the People Strategy.
- Finalise and implement annual action plan for Social Care Workforce Race Equality Standard.

### Year 3 (2028/29)

- Demonstrate clear improvements in Integrated Impact Assessment (IIA) quality and impact, showing how earlier work has influenced key Cabinet and service decisions and improved outcomes for residents.
- Ensure the new Inclusion and Diversity Strategy (from 2028) is shaping organisational priorities, with progress tracked through strengthened reporting to senior leadership and workforce groups.
- Use enhanced workforce and inclusion data to target specific disparities in recruitment, progression, and retention—especially in under represented groups.
- Finalise and implement annual action plan for Social Care Workforce Race Equality Standard.



## Supported, skilled, and motivated employees and teams.

### Year 1 (2026/27)

- Continue to deliver the 'Our Council' programme to fully embed the culture reset across the whole organisation.
- Continue with implementation of phase four of the People Strategy, including:
  - Embed and extend workforce planning activity and associated strategies.
  - Further develop our approach to strengthening leadership and management.
- Continue work to improve sickness management and reduce sickness absence across the council.
- Deliver an action plan based on the results of our most recent 'Our Conversation' employee survey, including continuing to deliver targeted conversations with groups of staff to fully explore the feedback from our 'employee voice groups'.

### Year 2 (2027/28)

- Review the 'Our Council' programme of work and plan for next steps to continue delivery of the programme.
- Prepare for and deliver the next employee survey 'Our Conversation'.
- Review projects associated with the People Strategy to ensure continued alignment with the Council Plan and its associated priorities.
- Understand the impact of the Digital Strategy on the workforce and different roles across the council, including developments with Artificial Intelligence technology.

### Year 3 (2028/29)

- Deliver an action plan based on the previous year's 'Our Conversation' employee survey, including delivery of targeted conversations with groups of staff to fully explore the feedback ('employee voice groups').
- Embed and integrate digital and technical developments across the workforce, linked to the work around the Digital Strategy.

## A well-managed budget enabling value for money services and transformational investment, building on the strong foundation built in recent years.

### Year 1 (2026/27)

- Continue to rebuild unallocated reserves as part of the budget delivery and development process.
- Review and strengthen cross party and public budget engagement to continue improvements in transparency and involvement, including production of a 'budget book' for the 2026-27 financial year.
- Continue to develop and implement a corporate approach to benchmarking services to help identify further transformation opportunities, support improvements to the customer experience, and deliver better value for money.

### Year 2 (2027/28)

- Continue to rebuild unallocated reserves as part of the budget delivery and development process.
- Continue to review our Capital Plan so that it remains affordable.

### Year 3 (2028/29)

- Achieve a healthy balance of unallocated reserves, reaching £29m by 2028-29.
- Achieve sustainable position with our revenue budgets.
- Continue to review our Capital Plan so that it remains affordable.



## Protecting the vulnerable

We will support and protect those in our community who are most in need, including the elderly, children, and those with disabilities. This also includes tackling the barriers and disadvantage faced by many in our communities as well as a focus on early intervention and prevention, which can be more efficient for the council but also means better outcomes for communities.



## Goals

### Children and families are safeguarded from harm and supported to thrive.

#### Years 1 (2026/27)

- Implement Families First programme locally, helping to support children to be cared for in their birth family wherever possible.

#### Year 2 (2027/28)

- Introduce dedicated standing multi-agency teams in which skilled practitioners support decision-making for children when concerns escalate.
- Introduce new multi-agency teams to deliver integrated, wrap-around family support, providing early, coordinated help that prevents escalation and improves outcomes.

#### Year 3 (2028/29)

- Review services to children to ensure that they and their families are effectively supported through the changes associated with the Families First programme and have improved outcomes.



## Adults requiring care and support are safeguarded from harm and supported to thrive.

### Year 1 (2026/27)

- Clear backlogs by reducing waiting lists for assessments and overdue reviews, while empowering individuals through strength-based approaches to shape their own support plans.
- Embed anti-racist practice, aligning with the Social Care Workforce Race Equality Standard. Begin preparations for the new Liberty Protection Safeguards, ensuring compliance with national standards.
- Start giving people more choice and control over their care through Home First and Direct Payments.
- Strengthen local delivery through Integrated Neighbourhood Health (INH) and Integrated Neighbourhood Teams (INTs), bringing care closer to communities and improving coordination.

### Year 2 (2027/28)

- Work with partners to refresh the Health and Wellbeing Strategy, creating a shared vision for people of all ages.
- Fully embed Home First and Direct Payments, giving individuals independence and dignity.
- Better integrate safeguarding with health systems through the Integrated Care Board Blueprint, leading to a deeper commitment to prevention and early intervention.
- Expand role of INH and INTs, ensuring that care is proactive and community-based, reducing hospital admissions and supporting independence.

### Year 3 (2028/29)

- Embed safeguarding as a cornerstone of dignity, choice, and thriving lives. Our systems will be led effectively, inclusive in design, and resilient in practice—ensuring that every adult who needs support receives it promptly, fairly, and with respect.
- Integrate INH and INT into local planning, delivering health, safety, and community wellbeing as a unified approach.

## Protecting the vulnerable from the impact of poverty, including council tax reduction and emergency food support.

### Year 1 (2026/27)

- Prepare and implement local arrangements for the new Crisis and Resilience Fund (CRF) in line with national guidance, establishing approach to governance and delivery.
- Continue to develop and deliver activities through the Tackling Poverty Partnership – which includes representation from key local voluntary sector organisations.

### Year 2 (2027/28)

- Continue delivery of the CRF locally and refine processes based on early learning. Ensure integration with wider local support services.

### Year 3 (2028/29)

- Embed the CRF as part of the council's ongoing approach to crisis support and resilience. Review outcomes and contribute to national learning.

## People have access to housing at a time of need.

### Year 1 (2026/27)

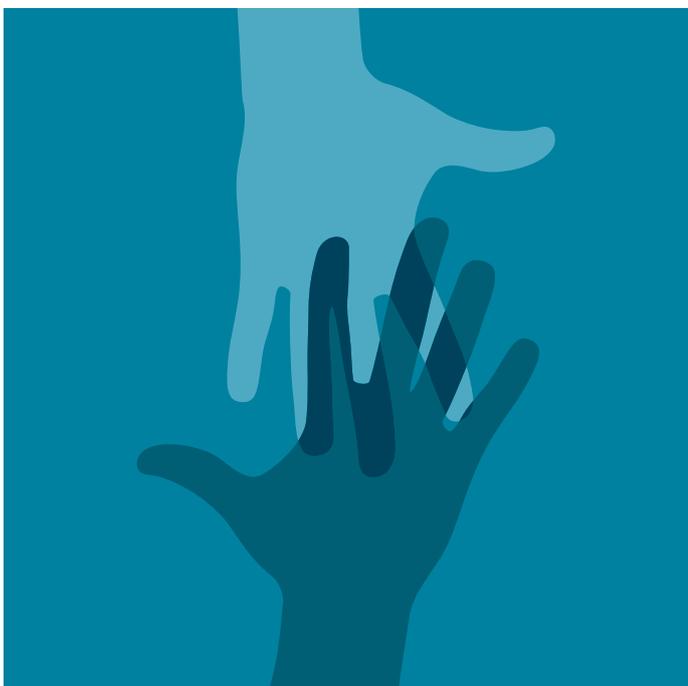
- Continue to deliver Kirklees Preventing Homelessness and Rough Sleeping Strategy 2024-29.
- Ensure we are compliant with immediate requirements from the government's national plan to end homelessness and tackling child poverty plan and create detailed action plans relating to both.
- Finalise and launch the refreshed Housing Strategy for Kirklees
- Improve the way people get help earlier by strengthening our first points of contact and making sure people at risk of homelessness are identified and supported sooner.
- Strengthen joint working across services, partners, and relevant Boards so that partners are better able to spot risks, share concerns, and connect people quickly to the right housing support.
- Improve temporary accommodation pathways and options so people experience clearer routes in, more suitable temporary accommodation, and quicker routes out.
- Continue to work with residents regarding their needs for home adaptations, improving their customer journey and maintaining positive outcomes.

### Year 2 (2027/28)

- Continue to deliver Kirklees Preventing Homelessness and Rough Sleeping Strategy 2024-29.
- Continue to implement and embed actions from the government's national plan to end homelessness and tackling child poverty plan.
- Broaden access to longer term housing options, including through stronger relationships with local landlords and housing providers.
- Develop more consistent tenancy sustainment support, helping people keep their homes through earlier and more coordinated help when difficulties arise.
- Strengthen local responses to rough sleeping, with a clearer focus on preventing repeat homelessness and reducing the need for emergency placements.
- Continue to monitor government allocations for home adaptations (Disabled Facilities Grants) and ensure we are making best use of resources.

### Year 3 (2028/29)

- Develop new Preventing Homelessness and Rough Sleeping Strategy for 2029 onwards.
- Continue to embed actions from the government's national plan to end homelessness and tackling child poverty plan, ensuring audits are used to gain assurances.
- Increase the number of suitable long term homes available to people in need, using all appropriate tools to acquire, build or support others to develop more homes and to bring more properties into use.
- Embed a more coordinated prevention system so that risks are identified earlier and people receive support before crisis point.
- Ensure temporary accommodation is consistently safe, appropriate, and used for the shortest possible time, with continued improvements to quality and standards.
- Continue to monitor government allocations for home adaptations (Disabled Facilities Grants) as in Year 2.





## Enabling everyone to thrive and have successful lives

We will help to build a borough with opportunities for all, fostering an environment where everyone has the chance to succeed. This includes working alongside partners and communities to ensure all residents have the foundations of a good life, for example in housing, education, health, and the environment.



## Goals

### Communities and places where people feel safe, listened to, and where they feel they belong.

#### Year 1 (2026/27)

- Launch regular listening events in key neighbourhoods, creating spaces for dialogue, collaboration and strengthening trusted relationships with faith and belief groups.
- Refresh the Community Safety Partnership Plan, setting out bold new priorities for tackling harm and promoting cohesion.
- Deliver targeted campaigns on hate crime and domestic abuse that raise awareness and empower communities to act, with the 'Safe People, Safe Places' programme beginning to lay the foundations for a proactive, partnership-driven approach to prevention and resilience.

#### Year 2 (2027/28)

- Co-develop impactful campaigns with communities to tackle violence against women and girls, domestic abuse and hate crime, ensuring these efforts reflect local voices and priorities.
- Implement the 'Safe People, Safe Places' programme, moving from concept to practice, with it becoming a cornerstone of prevention and resilience.
- Expand community participatory grant-making to create new opportunities for grassroots organisations, enabling them to deliver projects that reduce isolation, strengthen belonging, and build trust across our communities.
- Begin annual reporting on the Inclusive Communities Framework (ICF), providing transparency and accountability.

#### Year 3 (2028/29)

- Launch and maintain an innovative digital platform, enabling residents and partners to report concerns and share updates quickly and securely. This will make engagement easier, more transparent, and sustainable, while strengthening trust and responsiveness.
- Streamline community safety reporting, using clear data insights to inform action. Provide annual ICF reports with trend analysis and practical learning, embedding cohesion as a shared responsibility across sectors.



## Children and young people are healthy and well.

### Year 1 (2026/27)

- Implement new healthy Child Programme contract (from 1 April 2026) including mobilisation of key contract changes:
  - 3–4-month checks
  - Universal School Nursing
  - 2 ½ year check
  - system-wide integration.

### Year 2 (2027/28)

- Fully implement contract requirements and continued monitoring of new service, specifically:
  - mandated contacts
  - key service changes
  - first full year of performance monitoring and reporting.
- Refresh the Health and Wellbeing Strategy working with partners, setting out our shared ambitions for health and wellbeing of people of all ages in Kirklees.

### Year 3 (2028/29)

- Continue to monitor new service, specifically:
  - mandated contacts
  - key service changes
  - Year 2 performance and monitoring report.

## Children and young people have access to educational opportunities that help them to thrive, with schools supported to unlock their potential.

### Year 1 (2026/27)

- Plan and implement reforms anticipated to be set out in the government's Schools White Paper, particularly around support for children and young people with Special Educational Needs and/or Disabilities (SEND).
- Deliver new statutory duties from the forthcoming Children's Wellbeing and Schools Act by expanding virtual school head responsibilities to all children in need (including kinship care), establishing and enforcing a register for children not in school, and ensuring robust responses to elective home education requests—especially for children on protection plans.
- Agree and implement a Future Plan for Schools in line with upcoming legislative changes.
- Complete construction of new Joseph Norton Academy buildings, ensuring more places for children with SEND.

### Year 2 (2027/28)

- Embed reforms anticipated to be set out in the government's Schools White Paper, particularly around support for children/young people with SEND.
- Complete construction of new Woodley School and College ensuring more places for children with SEND.

### Year 3 (2028/29)

- Understand and plan for the implications of the new 2028 Curriculum across all key stages, ensuring schools are supported to adapt provision and unlock the potential of every child and young person.

## Children and young people receive early support that delivers positive outcomes.

### Year 1 (2026/27)

- Continue to develop the new Best Start Family Hub programme locally, allowing families to visit a 'one stop shop' where they can access a range of services.
- Strengthen access to early years education, childcare, and wraparound care by mapping current provision, identifying gaps, and working with partners to increase availability for families.
- Embed youth voice and co-production into Special Educational Needs and Disabilities (SEND) planning and preparation for adulthood, ensuring that young people and parents actively shape services and share insights on 'what works' for SEND.

### Year 2 (2027/28)

- Embed the new Best Start Family Hub programme as a core part of the council's early help and prevention approach.
- Expand inclusive early years and childcare provision through targeted investment and partnership support, ensuring more children enter Reception with a Good Level of Development.
- Enhance the scale of youth voice and co-production in SEND by integrating feedback into service improvement to inform transition planning and best practice.

### Year 3 (2028/29)

- Further develop and integrate an inclusive education offer that identifies and meets the needs of children and young people as early as possible, ensuring equitable access and positive outcomes, working with partners.
- Embed sustainable models for early years education and wraparound care across the local area, using data and best practice to continuously improve outcomes for children.



## People have access to opportunities to lead healthy lifestyles, including public leisure provision and other community sports, health, and wellbeing activities.

### Year 1 (2026/27)

- Commission options appraisal and feasibility study for the delivery of a new leisure centre in Dewsbury (including exploring opportunities to be able to secure additional resources through external funding).
- Submit full award bid to Sport England for the Place Partnership programme.
- Develop a new Everybody Active strategy for Kirklees.
- Continue to support the delivery of Community Champions to promote health and wellbeing and access to relevant services in communities.
- Develop and deliver physical activity sessions in community settings in Dewsbury and Batley to support people to become more active, working with Kirklees Active Leisure.
- Pilot a places based public health approach, taking a more focused approach to working with partners to improve health and wellbeing outcomes and reduce inequalities in Dewsbury.

### Year 2 (2027/28)

- Design and procure the development of a new leisure centre in Dewsbury.
- Fully activate Sport England Place Partnership programme.
- Implementation of new Everybody Active Strategy for Kirklees.
- Develop the new Health and Wellbeing Strategy.
- Continue to deliver and evaluate the impact of the place based public health approach to working with partners to improve health and wellbeing outcomes and reduce inequalities in Dewsbury.

### Year 3 (2028/29)

- Begin works on a new leisure centre in Dewsbury, subject to preceding project stages progressing as planned.
- Identify the next local places to extend the trial for a place based public health approach to improving health and wellbeing outcomes and reducing health inequalities (if evaluation evidences significant advantages).

## A more sustainable environment with a focus on low carbon energy sources and warm homes as well as care for our natural environment.

### Year 1 (2026/27)

- Continue to support White Rose Forest and Landscapes for Water projects in flood-prone areas, including continuing the £76,000 investment in the Dewsbury Country Park scheme.
- Progress towards 21% canopy cover target for 2050.
- Continue to support community led tree planting projects.
- Deliver £128,000 of flood risk management levy funding from the Environment Agency.

### Year 2 (2027/28)

- Increase woodland connectivity; monitor biodiversity gains.
- Increase the number of publicly accessible charge points.

### Year 3 (2028/29)

- Manage woodlands sustainably; expand nature recovery zones.

*Kirklees Council staff tree-planting volunteers*





## Economic growth

Building on the tangible progress being made across Kirklees, we will create further economic growth by working alongside our partners to support jobs and investment opportunities. Our aim is for this to translate to better livelihoods and prosperity for people across Kirklees.



## Goals

### Thriving town and village centres across Kirklees, through delivery of: our Huddersfield blueprint, our Dewsbury blueprint, and our blueprints and masterplans across our wider towns and villages.

#### Year 1 (2026/27)

- Complete Phase 1 of Our Cultural Heart with a new food hall, public square, and library hub.
- Present Investment Zone Gas Works site development opportunity to the market and submit planning.
- Complete Dewsbury Arcade refurbishment.
- Begin construction on Dewsbury Market refurbishment.
- Secure approval and funding for the Dewsbury Regeneration Plan from the government, unlocking £20m of Pride in Place funding over 10 years.
- Use the first round of expected grant funding to drive delivery of the Dewsbury Regeneration Plan, working with the Neighbourhood Board to finalise the public-facing version and shape interventions in line with available resources.
- Deliver a conservation project at Oakwell Hall to carry out essential repairs and safeguard its structural integrity, ensuring it continues to serve as a cultural, educational, and community asset.
- Complete the full renovation of Dewsbury Bus Station increasing accessibility, providing cycle parking, and improving energy savings.
- Start work to implement the Masterplan for Batley, including £12m of improvements to Commercial Street.
- Complete Holmfirth works, creating a more accessible town centre for residents, businesses, and visitors.
- Secure planning approval for New Mills and start on-site work as part of delivering the Marsden Masterplan.
- Complete Heckmondwike Bus Hub, a new state of the art bus station with new waiting and welfare facilities, increasing bus stands from four to six.

#### Year 2 (2027/28)

- Reopen Huddersfield Market following refurbishment.
- Open Dewsbury Market refurbishment, creating improved traditional market offer, as well as more areas for eating, drinking, socialising and events, alongside new Dewsbury Town Park.
- Deliver plans and projects through Dewsbury Regeneration Plan funding, working with Dewsbury Neighbourhood Board.
- Complete Masterplan works in Batley, including £12m of improvements to Commercial Street.

#### Year 3 (2028/29)

- Finalise renovations of George Hotel ahead of reopening.
- Final stages of our new Huddersfield Town Park and Museum as part of Our Cultural Heart.
- Deliver plans and projects through Dewsbury Regeneration Plan funding, working with Dewsbury Neighbourhood Board.

## People have access to more housing and higher quality housing.

### Year 1 (2026/27)

- Make further progress on planning and development of key sites at Dewsbury Riverside and Bradley Park. This includes up to 4,000 new homes at Dewsbury Riverside and 2,000 (20% affordable) at Bradley Park.
- Make further progress on planning and development of town centre living schemes.
- Unlock housing sites and secure funding, including opportunities through the national £39bn Social and Affordable Homes Programme, by working collaboratively with partners.
- Support the delivery of a range of housing, working with partners and in places (subject to planning) including:
  - 319 homes at Soothill Estate (Batley), including 116 affordable homes
  - around 150 homes at Fenay Lane (Almondbury), with around half of these being affordable
  - 80 affordable rent homes for older people at Kenmore Drive (Cleckheaton)
  - 40 homes at Highmore Lane (Cleckheaton)
  - 40 homes at Main Avenue (Cowlersley).
- Refresh the Local Plan in line with the revised National Planning Policy Framework, preparing for submission to government in 2028 to prioritise housing need.
- Increase access to long term homes, including continuing to buy back Council housing lost through Right to Buy and identify and engage with owners of empty properties.
- Implement the immediate requirements of the Renters' Rights Act, including greater powers to investigate landlords and enforce compliance. This includes staff training and planning other resource requirements.

### Year 2 (2027/28)

- Progress towards delivery on our key sites at Dewsbury Riverside and Bradley Park.
- Increase housing supply within our town centres whilst supporting local retail and leisure economies.
- Continue to collaborate with partners to unlock housing sites and secure funding.
- Continue to support the delivery of a range of housing to meet housing needs in Kirklees, including market housing and affordable housing, general needs housing and specialist accommodation.
- Finalise the refresh of the Local Plan.

### Year 3 (2028/29)

- Begin preparatory stages for Local Plan housing allocations.
- Support and advise on compliance with local and national policy guidance for housing developments, exceeding targets where possible.

## People in Kirklees of all ages can access employment and skills support.

### Year 1 (2026/27)

- Deliver an Employment & Skills Plan that will establish a clear framework of partnership-based actions, guided by a collaborative approach.
- Strengthen collaboration with local employers to build workforce skills and champion inclusive recruitment by expanding apprenticeships, delivering targeted Skills Bootcamps, and scaling the Employment Kirklees programme.
- Implement tailored employment programmes that enable economically inactive residents to secure and sustain good work, delivered in partnership with the Department for Work and Pensions and the West Yorkshire Combined Authority.
- Attract and develop top talent through initiatives such as Project Search and nontraditional apprenticeship opportunities, including roles in areas like Legal.

### Year 2 (2027/28)

- Implement Employment & Skills Plan. Work collaboratively with partners to expand Level 3 skills provision across the district, while ensuring a robust and tailored learning curriculum that meets the diverse needs of learners and aligns with local employer demand.
- Continue to deliver the milestones and priorities to be an inclusive employer as identified in our people strategy for workforce strategy and workforce planning activities.

### Year 3 (2028/29)

- Embed the Employment & Skills Plan as a core part of economic growth activity, deepening collaboration with employers and education partners to respond to emerging skills needs. Focus on sustaining inclusive employment practices and scaling programmes that support residents into good work.



## People can get around the borough easily and safely, including roads, rail, buses, and active travel.

### Year 1 (2026/27)

- Complete major transport and active travel improvements, including:
  - Lockwood Bar works as part of the Huddersfield Southern Corridors scheme
  - A638 Dewsbury–Cleckheaton Sustainable Travel Corridor upgrades to improve walking, cycling, and public transport links
  - A629 Halifax–Huddersfield improvements, including a new slip road at Ainley Top and junction changes at Cavalry Arms
  - Dewsbury Walking and Cycling links on the ring road and in the town centre
  - Huddersfield Rail Station Connections to enhance walking and cycling routes
  - Huddersfield Bus Station upgrades, including public realm improvements, a new cycle hub, and canopy enhancements.
- Develop the Penistone Line Outline Business Case, supported by £1.5m of government funding, to progress plans for improved rail connectivity.
- Develop and deliver transport and active travel schemes in collaboration with WYCA and funded via Transport for City Regions.
- Continue to support the £11.5bn Transpennine Route Upgrade.

### Year 2 (2027/28)

- Complete Bradford Road section of the Dewsbury–Batley–Chidswell scheme introducing new cycle links.
- Continue to develop and deliver a range of transportation and active travel schemes in collaboration with WYCA and funded via Transport for City Regions.
- Prepare and submit the Full Business Case for the Penistone Line upgrade, requesting £3m from government to enable delivery in 2026/27.
- Continue to support Transpennine Route Upgrade, which will see completion of Huddersfield and Deighton rail station rebuilds.

### Year 3 (2028/29)

- Begin delivery of the Penistone Line upgrade (£43.3m from government), including track improvements, signal enhancements, and station upgrades to improve journey times and accessibility.
- Deliver transport and active travel schemes funded through Transport for City Regions in collaboration with WYCA.
- Continue to support Transpennine Route Upgrade, which will see completion of Ravensthorpe Rail Station, incorporating a new station with a footbridge containing lifts for step-free access, a new forecourt and drop-off facilities and longer platforms.



*Transpennine Route Upgrade*





# Our people



## Our people strategy

**Our People Strategy sets out how we will achieve our shared outcomes by having people with the right skills, values and behaviours, and by working in partnership in our places.**

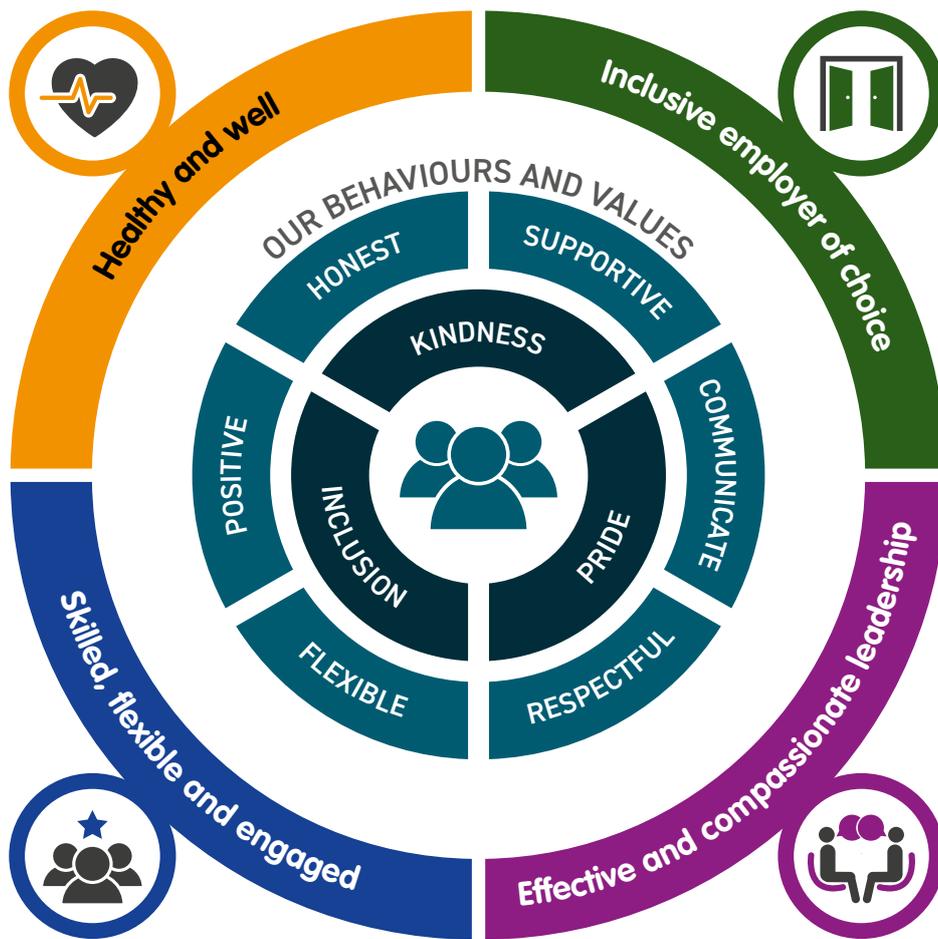
Our People Strategy has our values and behaviours at its heart. The Strategy has four outcomes, supported by our People Pledge and a programme of work that supports working towards achieving the outcomes for all our staff. These outcomes are: Healthy and Well; Inclusive Employer of Choice; Effective and Compassionate Leadership; and Skilled, Flexible, and Engaged'. These outcomes will be implemented through a number of actions across the priorities included in this three year plan.

**We want healthy, motivated, and flexible staff with the right skills, values and behaviours to work in partnership with people and places.**

Our three values are: kindness, pride and inclusion. Our six behaviours are: supportive, communicate, respectful, flexible, positive and honest.



## Our people strategy





## Our culture, 'Our Council'

'Our Council' is an initiative to refresh and strengthen our organisation's culture. It is a way of guiding the way we work as an organisation. It has seven key principles, which can be applied to every team and service across the council.

### Our Transformation Vision

The council has recently been through a period of challenge and change. It has meant that a lot of our services have changed, and we've had to adapt to some difficult circumstances. We have introduced this initiative, to support us to move forward now that we are in a more stable financial position. This will help us look positively towards the future and deliver on the improvements we need to make, helping us deliver on the ambitions we have set out in this Council Plan, and the recommendations made to us in the recent LGA (Local Government Association) Corporate Peer Challenge.



#### Gets the basics right

- Residents have access to reliable, high-quality services.
- We communicate effectively with residents.
- Employees understand how they contribute to the bigger picture and what outcomes their work helps to achieve.
- Services manage budgets, performance, contracts and staff effectively and efficiently. We celebrate our successes, internally and externally.



#### Focuses on customers

- Residents understand what we can and can't do.
- We communicate honestly and openly with customers.
- We set and communicate expectations for high customer experience standards.
- We clearly define and understand who our customers are.
- Services are designed from the viewpoint and experience of the customer.
- We seek and respond to customer feedback, using data and insight to understand the needs of customers now, and in the future.



## Lives within its means

- Employees understand that the money we spend is public money and must be spent wisely.
- The council does not spend more money than it has.
- Services understand their budgets and have the right skills to manage them effectively.
- Services have a good understanding of current and future pressures on budgets, and this understanding is supported by clear information and analysis.
- Services spend money effectively and efficiently, demonstrating value for money.



## Is kind, inclusive and proud

- We are kind so that our behaviour makes each other feel included, happy and well.
- We work with each other and are friendly, considerate and appreciative.
- We 'do with, not to' showing kindness to each other and to our citizens.
- We recognise, and embrace the unique identities of colleagues, citizens and our local places, and actively work to remove barriers to inclusion where they exist.
- We recognise and celebrate our individual and collective achievements.
- We are proud of Kirklees, its places and its people.



## Collaborates and connects

- Employees communicate openly and honestly with each other on a regular basis, both within and across different teams, services and organisations.
- We work together as one council, with services regularly sharing information about issues that cross different service boundaries.
- We make use of the restorative practice approach and provide each other with 'high support' and 'high challenge'.
- We share both challenges, and successes with each other on a regular basis.
- We work effectively together with members, partners and other stakeholders.
- We make the most of the opportunities for collaboration that in-person working brings.



## Takes responsibility

- We identify and deal with problems quickly, with clear communication along the way.
- When it isn't clear who owns a problem, we talk to each other and establish ownership.
- We set out clear, specific and time bound actions to resolve problems moving forward.
- We proactively identify opportunities for communities to take ownership of things the council may not be able to deliver going forward.
- We support communities in taking ownership but know when to get out of the way, so things can be shaped and led by the people that will benefit.
- The council makes informed, timely and effective decisions.



## Listens and responds

- We listen and respond to feedback from colleagues, customers, councillors and partners.
- We listen and respond to the feedback we receive about our individual performance.
- We seek open and honest feedback from the people and organisations we work with.
- Services develop specific, measurable, and achievable actions for the feedback we receive. We communicate our response to feedback in a timely manner.
- We understand how to use consultation and engagement methods effectively and seek creative and engaging ways to get the feedback we need.

## Our shared impact

To understand the challenges and opportunities faced by people and organisations in the borough, we use a set of key indicators agreed with partners. The measures are influenced by regional, national, and even international events, but we can use them to help us understand the impact of local actions across our partnerships. The Council reports on these as part of its quarterly performance reporting.

As part of our ongoing partnership review, we are hearing how important measuring our impact is, and so we will continue to report on this information for the benefit of council services and partners. We have heard, however, that the outcome categories should be updated, as most were agreed eight years ago. This will be done in consultation with partners through the year.



### Places shaped by people

- % people who agree that (in the last 12 months) they got involved in their community and something positive came out of it.
- % people who agree that people in their local area pull together to improve the local area.
- % people who agree that they personally can influence decisions affecting their local area.
- % people who agree that their local area is a place where people trust each other.



### Children have the best start in life

- Healthy birth weight.
- School readiness.
- Children in poverty.
- Emotional wellbeing at age 13-14 years.



### People in Kirklees are as well as possible for as long as possible

- Healthy life expectancy.
- Confidence managing health (with multiple conditions).
- Emotional wellbeing (adults).



### People in Kirklees live independently and have control over their lives.

- Overall life satisfaction.
- Loneliness / isolation.
- Suitable housing.
- Proportion of people who live without social care support.



## People in Kirklees aspire to achieve their ambitions through education, training, employment, and lifelong learning.

- Educational achievement (reading, writing, maths) at age 11 (KS2).
- People qualified to level 2, level 4, level 6 and level 7.



## Kirklees has sustainable economic growth and provides good employment for and with communities and businesses.

- Disposable income per household (£).
- Start-up businesses/ businesses exporting.
- Productivity per hour worked (£) - Gross Value Added (GVA).
- Median earnings.



## People in Kirklees live in cohesive communities, feel safe and are protected from harm.

- % of adults who agree that people from different backgrounds get on well together in their local area.
- % of adults who say they feel safe.
- Recorded crime rate.



## People in Kirklees enjoy a high quality, clean and green environment

- Overall satisfaction with local area.
- Greenhouse gas emissions (CO2 equivalent).
- Waste recycling rate.
- Proportion (%) of mortality attributable to particulate pollution.



## Kirklees Council works smart and delivers efficiently and effectively

- % employees who agree they are happy in their job.
- Staff sickness absence.
- Local spend.
- Overall efficiency and effectiveness of delivering the council plan areas of focus.





Our beautiful borough



**Report title:** Council Budget Report 2026/27 and 2027/28; incorporating Capital, Treasury Management, General Fund Revenue and Housing Revenue Account.

<b>Meeting:</b>	<b>Cabinet</b>
<b>Date:</b>	<b>10 February 2026</b>
<b>Cabinet Member (if applicable)</b>	<b>Cllr Graham Turner</b>
<b>Key Decision Eligible for Call In</b>	<b>Yes No – Report is a recommendation on the Cabinet’s proposed budget to full Council on 25 February 2026</b>
<p><b>Purpose of Report</b> The purpose of this report is for Cabinet to receive information to enable them to consider and recommend a budget to Council for General Fund revenue, Capital and Housing Revenue Account (HRA) and approve the Council Treasury Management strategy.</p>	
<p><b>Recommendations</b> Cabinet is asked to recommend the following for approval by Council:</p> <p><u>General Fund Revenue</u></p> <ul style="list-style-type: none"> <li>• That the Revenue Budget for 2026/27 to deliver a balanced position, be approved (Appendix A);</li> <li>• That the forecast spending and funding plans for the 2026/27 and 2027/28 period be noted (Appendix A);</li> <li>• That the forecast levels of statutory and other Council reserves as set out at Appendix C be noted;</li> <li>• That the strategy for the use of balances and reserves, is approved; (section 2.17);</li> <li>• That members approve the Council’s flexible capital receipts policy for 2026/27 (section 2.14 and Appendix G);</li> <li>• Approve the Council Tax requirement for 2026/27 (Appendix M, budget motion);</li> <li>• Note the Council’s Statutory s151 Officer’s positive assurance statement as to the robustness of the forecasts and estimates and adequacy of financial reserves; (section 2.22);</li> </ul>	

- That the Council's Statutory s151 Officer be given delegated authority to amend how the finally approved precepts are recorded in the Council's revenue budget in line with the final notifications received following decisions by the West Yorkshire Mayor Police and Crime Commissioner, the Fire & Rescue Authority and Parish/Town Councils should these be received after 25 February 2026 (paragraph 3.1.3);

### Treasury Management

- Approve the following recommendations set out in the 2026/27 Treasury Management report at Appendix J:
- The borrowing strategy outlined in paragraphs 2.15-2.27 of the appended report;
- The investment strategy outlined in paragraphs 2.28 - 2.36 of the appended report, including Appendices A and B of said report;
- The policy for provision of repayment of debt (minimum revenue provision or MRP) outlined in paragraphs 2.37 - 2.38 of the appended report including Appendix C of said report;
- The treasury management prudential indicators in the appended report, Appendix D of said report;
- The Investment Strategy (Non-Treasury Investments) in the appended report, at Appendix F of said report;

### Capital

- That the updated Capital Plan for 2025-33, be approved; (Appendix F)
- That the Capital Strategy (including Prudential Indicators), set out at Appendix I, be approved;

### Housing Revenue Account (HRA)

- That the HRA Budget for 2026/27 be approved; (Appendix K)
- That the strategy for the use of HRA reserves, as set out at Appendix K be approved;

### Other

- To consider the feedback from Overview and Scrutiny Management Committee on 16 January 2026, summarised at paragraph 5 of this report, in reaching decisions regarding the final budget recommendations for 2026/27 within this report.
- To note the feedback from the Budget Consultation at paragraph 4 of this report and in more detail at Appendix L.

**Reasons for Recommendations**

- The Council has a statutory duty to set a balanced budget each year before 11 March.
- The section 151 Officer has a duty under section 25 of the Local Government Act 2003 to report to full Council on the robustness of the forecasts and estimates and adequacy of the financial reserves.

**Resource Implications:**

This report sets the budget resource allocations for 2026/27 and indicative for 2027/28 and 2028/29 details of which are included in the following pages and appendices.

**Date signed off by Executive Director & name**

**Rachel Spencer-Henshall – 2 February 2026**

**Is it also signed off by the Service Director for Finance?**

**Kevin Mulvaney – 2 February 2026**

**Is it also signed off by the Service Director for Legal Governance and Commissioning?**

**Sam Lawton – 2 February 2026**

**Electoral wards affected:** All

**Ward Councillors consulted:** All

**Public or private:** Public

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

**RESTRICTIONS ON VOTING**

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

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

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

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

## 1. Overview

- 1.1 The structure of this report begins with an executive summary, followed by a range of Appendices.

A	General Fund Summary
B	Movement in Budgets by Directorate
C	Reserves
D	Savings proposals
E	Grants Within Services
F	Capital Plan
G	Flexible Capital Receipts Strategy
H	General Fund Working Balance
I	Capital Strategy
J	Treasury Management Strategy
K	HRA
L	Budget Consultation exercise – summary
M	Council Tax Motion

### **Integrated Impact Assessments**

- 1.2 Members' attention is drawn to the information and advice in section 3.6 of this report which makes reference to the Council's Public Sector Equality Duty.

1.3 Cabinet are asked to:-

- (i) Approve the budget proposals contained in this report in the context of the existing medium term financial strategy (MTFS), to achieve a balanced General Fund revenue budget in 2026/27, and indicative revenue budget forecast for 2027/28 and 2028/29;
- (ii) Note the incorporation of the Government's announcement on the provisional Local Government Finance Settlement for 2026/27, made on 17 December 2025;
- (iii) review the current levels of General Fund revenue reserves and balances and make recommendations on the level of reserves;
- (iv) incorporate Housing Revenue Account (HRA) budget proposals to achieve a balanced HRA in 2026/27, informed by the HRA 30 year business plan;
- (v) review the current levels of Housing Revenue Account reserves, and make recommendations on the level of reserves (Appendix K);
- (vi) consider the 2026/27-2032/33 plan for Capital Investment. The Cabinet is required under Financial Procedure Rules to recommend to the Council a multi-year Plan for Capital Investment;
- (vii) review and approve the 2026/27 Treasury Management Strategy, Investment Strategy and Capital Strategy, which the Council must consider before the start of the financial year to comply both with the Chartered Institute of Public Finance & Accountancy (CIPFA) Prudential Code and Treasury Management Code and with the Ministry of

Housing, Communities and Local Government (MHCLG) statutory guidance;

- (viii) make recommendations on the Council Tax requirement for 2026/27; and
- (ix) incorporate a statement of assurance from the Council's statutory s151 officer in relation to the robustness of budget estimates and adequacy of General Fund and HRA reserves (Section 25 Statement).

### **Executive Summary**

- 1.4 The council's draft budget provides a stable financial platform to fund and improve vital local services across Kirklees in 2026/27. It also represents a continuation of the ambitious programme to invest in the Kirklees economy and infrastructure over the coming five years.
- 1.5 Funding decisions within the budget are in line with the council's priorities. This means that spending aims to improve services that residents and businesses rely on as well as supporting local people who need the council's help the most. At the same time, budget decisions aim to bring communities together and invest in towns and villages across Kirklees.
- 1.6 Many local authorities in England have faced severe financial challenges. In the past two years, around 50 councils have required Emergency Financial Support (EFS) from central government. By delivering on its Medium-Term Financial Strategy and taking difficult funding decisions in previous years, Kirklees has avoided this fate and the negative impact on services that follows intervention. In line with the council's strategy, the budget for 2026/27 is therefore balanced, with budget provided for the additional cost of services balanced with increased funding.
- 1.7 A major part of the pressure on council budgets has been due to increased demand for services, especially for social care for both adults and children. This is an ongoing national issue. The draft budget addresses these demands with an additional £15.2m for adult social care and an extra £5.2m for children who need extra support. These decisions are essential to maintain financial stability for any local authority but also mean residents in Kirklees can continue to receive some of the council's most important services.
- 1.8 By stabilising the council's finances and benefiting from changes to central government support to councils like Kirklees, the budget provides additional revenue funding in 2026/27 for priorities identified by residents and businesses. This means additional revenue funding to tackle fly-tipping (£215k) as well as extra resources for local street cleansing across Kirklees (£230k) and managing local trees (£93k). The planning service will benefit from increased funding (£160k) which means the council can address unlawful development more effectively and enforce planning conditions that protect the quality of life for residents. Additional funding will also be made available to speed up ongoing improvements to local play areas (£96k) and extra resources are included in the budget to make local roads safer (£250k) There is also extra funding to support for community organisations whose external funding is due to end (£242k).

- 1.9 Alongside the revenue budget, the capital programme maintains the momentum behind the major economic investment coming into Kirklees in recent years. In total, the plan represents a £1.4bn commitment to economic, transport and housing investment in all parts of Kirklees. Despite the ambition of the council's investment, the capital programme has been reviewed to make sure it is both affordable and deliverable. As a result of that work, the plans can now include £35m in capital funding for a new sports facility for Dewsbury and the wider North Kirklees community.
- 1.10 To deliver the financial stability upon which services rely, and in line with the council's legal responsibilities, the draft budget is balanced so that planned spending matches the council's assessment of available income. The council must also maintain a prudent level of reserves to protect services in case of the kind of economic shocks the country has seen in recent years. The budget achieves those aims by identifying efficiency savings across services. The plans include £7.3m in new revenue savings. This is the lowest savings requirement for the last three years and demonstrates the increasing sustainability of the budget. Savings are primarily focused on reducing the management and administration costs of services and retaining posts that are already vacant. This approach minimises any impact on frontline services and Kirklees residents.
- 1.11 Changes to central government funding are benefiting Kirklees with an increase in un-ringfenced funding of c£13m in 2026/27. In part, this is due to the implementation of 100% Council Tax equalisation through the Fair Funding review 2.0. This increase to full equalisation means that councils with a relatively low taxbase, such as Kirklees, are fully compensated through the Settlement Funding Assessment for the fact they are less able to raise resources locally in comparison to many councils across England. In line with predicted council tax increases across the country, the draft budget proposes a 2.99% increase for 2026/27 with an additional 2% dedicated to services for older residents who need social care and local people with disabilities. In total, this equates to £1.88 each week for a typical Band D property.
- 1.12 A draft budget, published by the council in December 2025, was subject to public consultation before being finalised. This year, a budget book including details of individual lines of proposed spending, was also published alongside the draft budget to add an additional layer of transparency to the budget setting process.
- 1.13 Overall, the budget balances the council's ambition to transform and improve services for residents while focusing funding on local people and services that need support the most. It builds on the significant investment already coming into Kirklees through the council and its partners while setting a stable and prudent platform for service and economic development for future years.

## 1.14 Overall Budget Position

1.15 The following table summarises the updated balanced budget position for 2026/27 with movements from the 2025/26 base budget.

	2026/27 £m
<b>Opening Position Balanced 2025/26 Budget</b>	-
Funding Changes	(29.2)
Contribution to Reserves Changes	6.1
Additional Budgeted Spend	40.7
Superannuation Rate Reduction	(7.1)
Savings Proposals (total inc previously approved)	(10.5)
<b>Balanced Budget</b>	<b>0.0</b>

### Information required to make a decision.

## 2 BACKGROUND

### 2.1 Financial Strategy

2.1.1 The 2026/27 Medium Term Financial Strategy (MTFS) reported to Council on 17<sup>th</sup> September 2025 is a five-year financial plan, which sets out the Council's commitment to provide value for money services to deliver the vision and shared outcomes for Kirklees, and our priorities for the Council, within the overall resources available to it. The MTFS shows how our Council's finances will be structured and managed to ensure that this fits with, and supports, the delivery of our Council Plan priorities, which will drive delivery of the work.

2.1.2 The overarching principles of the Financial Strategy are:

2.1.3 A sustainable financial plan is required to help ensure the Council is well placed to achieve its ambitions as set out in the Council Plan

- The Council will become more sustainable by reducing the reliance of one-off funding sources, such as reserves, to fund recurring expenditure and it must continue to make an appropriate provision to top up its unallocated (general) reserve to ensure that on a risk based approach this reserve is always above a minimum level and seeks to reach a desirable level over the medium term. This strategy provides the removal of use of reserves supporting base expenditure by the financial year 2027/2028.
- The strategy will also provide specific funding for the creation of earmarked reserves to continue to fund transformation costs that will be required to deliver service change across the Council. This change can help deliver its ambition of being modern efficient Council.

- The strategy also recognises the need to provide the Council's agreed contribution to the SEND Safety Valve plan at c£10.6m, the first contribution is being made as budgeted in 2025/26 at £2.15m and the following four years assume the same level. This will be reviewed when the Government's White Paper on schools is published.
- This financial plan aims to provide funding to address known pressures in the base budget and will make appropriate provision for inflation (pay and prices) and a reasonable assessment of demand pressures based upon the latest available information. In the main these are the demand pressures being reported in Q2 2025/26 financial monitoring and which continue into Q3.
- In general, fees and charges to the public are assumed to be increased annually by 3%; however, where costs rise beyond this, services will continue to seek to recover full costs in line with the Council policy on fees and charges - so as to not to create additional burdens on the Council's financial position. Charges for users of Adult Social Care services will continue to be based on assessment of a clients' ability to pay.
- The Capital Plan has been reviewed and will evolve on an ongoing basis and it is likely that as part of the ongoing review, some schemes will be slipped or removed from the Capital Plan.
- New capital schemes will be considered for inclusion in the Capital Plan as part of the Council's investment and modernisation programme. It is anticipated that as the Council's Digital strategy develops, it is likely that significant capital investment will be required to support the implementation costs of more modern systems that will enable the Council to become more efficient and productive.
- Collectively, these principles are designed to continue the work from last year to ensure the base revenue budget is robust and affordable and one from which Members can make decisions on savings proposals that will be required to deliver a balanced budget.
- By recognising the ongoing pressures within the base budget the S151 Officer is content that this ensures the budget set for 2026/27 in the context of Government funding increases continues to set the Council's finances on a more sustainable footing. However, there still remains a need for savings across services to be able to set a balanced budget for 2026/27.

## **2.2 Budget 2026/27**

- 2.2.1 The budget includes the estimated changes to the Council's main sources of income (i.e. central government grant and local taxation), corporate expenditure (e.g. capital financing costs) and pressures on services (arising from inflation, demand or legislative changes such as the increase to the government national minimum wage) based on current information.
- 2.2.2 The September 2025 MTFs outlined a total gap between pressures and anticipated funding of £56.3m, of which £17.9m related to 2026/27.
- 2.2.3 Given the financial challenges facing the Council, the focus of attention has been to set a balanced budget for 2026/27, based on detailed up to date estimates of all the

pressures and developing savings proposals to address the immediate reported gap of £17.9m in 2026/27.

2.2.4 The overall budget process was directed by these guiding principles:

We must set a **balanced budget** and maintain **prudent levels of reserves** and:

- Continue to maintain a focus on services that deliver **prevention and intervention** early on before issues become worse for people
- Continue to provide sufficient resource to those services, particularly in the social care sector where **levels of demand** will increase
- Safeguard key **regeneration activity** to support longer-term inclusive economic growth
- Consider opportunities for **maximising income** and identify alternative sources of funding where possible
- Prioritise **transformation of services** which increase efficiency and effectiveness of service delivery
- Make sure we maintain appropriate **risk and governance** practices

2.2.5 Once the budget is approved, there will be a longer-term focus around delivery of transformational activity and in particular, how the refreshed Digital strategy can help deliver change at speed and for the Council to be as efficient and enterprising and as productive as possible.

2.2.6 The Draft Budget Report published in December 2025 reflected early estimates of changes in funding highlighted in the governments' Fair Funding Review 2.0. The Council's Budget Strategy Update report in September 2025 provided a detailed insight into the methodology involved and an early estimate of the likely financial impact.

2.2.7 The figures presented in this report now include confirmed changes in funding from the Provisional Local Government Finance Settlement released in December 2025. Members should be aware that the Final Settlement is expected in early February 2026.

2.2.8 Updated figures in this report also reflect that the Council is forecasting a £5.1m overspend for 2025/26 at Quarter 2 (the draft Quarter 3 position shows an improvement to a projected overspend of less than £3.5m) and there are several pressures, especially adult's and children's social care, that are expected to continue into 2026/27 and in some cases beyond. The budget proposals provide the necessary funding, whilst providing challenge to services, to meet budget pressures and funding essential to deliver our priorities without placing additional burdens on the Council to deliver greater savings.

## 2.3 Provisional Local Government Financial Settlement (LGFS)

2.3.1 The provisional LGFS was published on 17<sup>th</sup> December 2025 and was the first multi-year settlement in a decade. Whilst it was a three-year settlement, the figures for 2027/28 and 2028/29 remain indicative and will be subject to annual settlements in those particular years.

- 2.3.2 Within the settlement, 2026/27 Core Spending Power (CSP) was confirmed to be increasing by 5.7% in cash terms nationally. The CSP is the Government preferred measure of calculating the theoretical resources available to local authorities to fund service delivery. It sets out the money that has been made available to local authorities through the Provisional Local Government Finance Settlement and includes assumptions from Government around Council Tax increases. In addition, CSP also includes a number of ringfenced grants, mainly Children's social care and Homelessness Prevention grant.
- 2.3.3 The 2026/27 CSP increase for Kirklees, as per the LGFS figures, is 8.1%. It is important to note that this increase includes Government assumptions on Council Tax income and Locally Retained Business Rates. In reality, the Council will make its own judgements on these income levels considering factors such as taxbase growth, local collection rates and provision for business rate appeals to the Valuation Office.
- 2.3.4 The LGFS confirmed that Recovery Grant has remained separate from the main Settlement Funding Assessment. This has benefitted Councils like Kirklees as the primary driver of this grant was deprivation. The Recovery grant will remain separate for the life of this Parliament.
- 2.3.5 The Government has consolidated a number of specific grants into single service grants and provided increased funding, mainly Children's and Homelessness. As these grants are ringfenced, these will be passported to the services as they are expected to come with new burdens responsibilities.

### **Updates to Budget Plans following the Draft Budget Report**

- 2.3.6 The draft budget plans published in December included a Government funding uplift of c5% in 2026/27. This was based on a prudent assumption that Kirklees would receive 60% of the modelled funding gain, estimated at £6.8m from the funding reforms that were published in the summer of 2025; and as outlined in the MTFS update report to Cabinet and Council in September 2025. A 100% gain on those models would have generated an additional £4.5m in 2026/27.
- 2.3.7 Budget plans have now been updated for the actual uplifts and grant allocations announced in the Provisional Local Government Finance Settlement. Overall, these funding adjustments have resulted in additional spending power of £5.9m compared to the assumptions in the Draft Budget Report. This is approximately £1.4m more than had expected from a 100% gain on the summer models.
- 2.3.8 The additional £1.4m can mainly be attributed to various changes to the way in which the new funding distributions have been calculated compared to earlier models. These changes include:
- Continuation of the Recovery Grant as a separate grant
  - Updating deprivation indicators using the 2025 IMD
  - Using 2022-based population projections instead of mid 2024 estimates
  - Removal of Remoteness from all area Cost Adjustments, with the exception of Adult Social Care
  - Inclusion of Housing costs within various formulae.

2.3.9 The overall changes compared to the Draft Budget report are detailed in the following table:

Changes Since Draft Budget Report	Expenditure	Income	Net
	£m	£m	£m
<b>Consolidated Grant Income and Expenditure Changes</b>			
Children's Families & Youth Grant	3.254	(3.251)	0.003
Homelessness, Rough Sleeping & Domestic Abuse	0.704	(0.704)	-
Crisis & Resilience Fund	0.106	(0.106)	-
Public Health Grant	0.577	(0.577)	-
	<b>4.641</b>	<b>(4.638)</b>	<b>0.003</b>
<b>Service Grant Income Budgets Realigned to/from RSG</b>	-	<b>0.275</b>	<b>0.275</b>
<b>Total Directorate Changes</b>	<b>4.641</b>	<b>(4.363)</b>	<b>0.278</b>
<b>Unringfenced Funding Changes</b>			
Council Tax Income – Updated Taxbase	-	0.098	0.098
Retained Business Rates	-	(8.042)	(8.042)
Business Rates Top Up	-	(16.191)	(16.191)
Revenue Support Grant	-	26.305	26.305
Recovery Grant	-	(8.396)	(8.396)
Housing Benefit Admin Grant	0.128	(0.128)	-
<b>Total Unringfenced Funding Changes</b>	<b>0.128</b>	<b>(6.354)</b>	<b>(6.226)</b>
<b>Additional Spending Power Compared to Draft Report</b>	<b>4.769</b>	<b>(10.717)</b>	<b>(5.948)</b>

2.3.10 The additional £5.9m outlined above has been used to increase service budgets as per the below table and reflect both new pressures and adjustments to ongoing pressures. A further of £0.1m of gain from the draft report has been applied to a minor reduction in the Council tax income base.

## 2.4 Budget Priorities

2.4.1 As referenced at paragraph 2.4.5 in the December draft budget Cabinet report, should additional funding be received in the provisional LGFS beyond the amount published include in the draft budget report, then it will be directed in order to:-

- the emergence of any new significant budget pressures between the date of this report and the final approved budget in February 2026, including any direct impacts of the Chancellors Budget on 26th November.
- Budget Contingency Reserve - to provide resilience in those services that are subject to volatility in demand and to mitigate against any unforeseen slippage in

the delivery of agreed savings. This would be informed by the Quarter 3 2025/26 financial monitoring report.

- Repay reserves for drawdowns that may be required as a result of the 2025/26 budget being overspent. is a need to contribute to reserves to provide to further funding to address any pressures that may emerge in the volatile demand budgets (particularly in social care) and the potential impacts of slippage in budgeted savings.

2.4.2 The table below fulfils these assumptions by contributing £3.8m to the budget contingency reserve, reflecting on emerging pressures and setting £0.5m of funding aside for new Government policy as MHCLG have indicated that Food Waste funding is included within the LGFS and the Council being required to collect food waste from 2028.

2.4.3 By providing additional funding into the budget contingency reserve the Council is providing further stability against volatile demand budgets. The final budget also provides an additional c£1m for budget priorities which is in addition to the investment outlined in the draft budget in December and is discussed below.

2.4.4

Spend Changes since Draft Budget Report - Summary	Expenditure	Income	Net
	£m	£m	£m
<b>Place:</b>			
Planning Enforcement (additional to £135k in Dec report)	0.025		0.025
Reduced Parking Income		0.160	0.160
Removal of Highways Saving PL2608	0.065		0.065
<b>Central:</b>			
Minor adjustment to WYPF savings	(0.014)		(0.014)
Coroners – Capital Financing Costs	0.036		0.036
Business Rates Costs – Inflation/Revaluation	0.381		0.381
<b>Budget Priorities</b>	<b>0.995</b>		<b>0.995</b>
<b>Reserves:</b>			
Food Waste – Contribution to reserve	0.500		0.500
Budget Contingency Reserve Contribution	3.800		3.800
<b>Total Spend Changes</b>	<b>5.788</b>	<b>0.160</b>	<b>5.948</b>

2.4.5 The draft budget report provided funding of over £23m to support those services who support some of the most vulnerable residents across Kirklees, mainly in social care. In addition, the draft budget also put more funding into key services in a number of priority areas outlined below.

Budget Priorities	£m
Additional Resource to Greenspace Action Team	0.230
Tree Management–Increasing Safety Inspections	0.093
Playable Spaces Development Officers	0.096
Highways - Road Safety & Lining	0.250
3rd sector- revised funding for existing UKSPF commitments	0.092
Council Apprentices	0.045
Town of Culture 2028 Bids and Community Support	0.020
Adaptations	0.169
	<b>0.995</b>
Homelessness Prevention (Ringfenced Grant)	0.704
Children Social Care Prevention (Ringfenced Grant)	3.254
<b>TOTAL</b>	<b>4.953</b>

- 2.4.6 The final budget report builds on the £950k included the December draft report by adding a further £995k of additional Council funding and passporting £3.948m of homelessness and children’s social care prevention grant.
- 2.4.7 The additional £230k investment in Greenspace Action Team provides dedicated, permanent resource to improve the cleanliness and appearance of our streets and neighbourhoods. The funding will support focused work on managing vegetation growth along highways verges and tackling detritus build-up, helping to keep footways, road edges and public spaces clear, tidy and safer for everyone. By strengthening this routine activity, residents will see more consistent maintenance across the borough and quicker attention to areas where overgrowth or debris affects the look and feel of their community.
- 2.4.8 The additional £93k tree-management budget will strengthen the Council’s ability to deliver its Tree and Woodland Management Plan by providing dedicated resource for essential safety inspections and timely maintenance across our tree stock. This investment ensures we can identify and address issues earlier, prioritise work where public access or infrastructure may be at risk, and manage trees proactively in line with our adopted risk-based inspection framework. It also enables us to respond more effectively to emerging challenges such as Ash Dieback, which is increasing across the district and is expected to create a greater need for monitoring, remedial works and safe management of affected trees. These additional resources will help the Council keep residents, roads and public spaces safe while protecting and sustaining our woodland environment for the future.
- 2.4.9 The additional £96k playable spaces budget will fund an additional two Parks Development Officers to directly strengthen the delivery of the Council’s Playable Spaces Strategy by providing dedicated capacity to plan, coordinate and drive forward improvements across our play areas. These officers will lead on developing and implementing the programme of works, ensuring each site is designed and upgraded in line with community needs, safety standards and long-term sustainability. They will manage individual projects from consultation through to completion, oversee capital-funded improvements, and work closely with local communities, councillors and partners to ensure play provision is accessible, high-quality and reflects local priorities. This investment will help accelerate delivery, improve consistency across the district,

and ensure that play spaces remain safe, engaging and fit for the future.

- 2.4.10 It is planned to add £250k to the Highways road safety and lining budget to provide additional core funding to support the Vision Zero aim. This is a road safety aim to eliminate all traffic fatalities and severe injuries, while increasing safe, healthy, equitable mobility for all in Kirklees. We believe that no death or serious injury is acceptable on our roads, and we are working in partnership to reduce road danger in our region. The funding will ensure we have roads where people feel safe to use them by assessing the safety of junctions, reviewing sites for new cameras and refreshing road linings outside key areas like schools. Look to increase our education campaign effort and enhance the work with do with our partners such as the Police.
- 2.4.11 The budgets proposes additional funding for Council apprentices with the intention to look at both participating with the LGA on the National Graduate Programme and apprenticeship school leavers.
- 2.4.12 The draft budget had proposed £150k to continue to fund the Community Anchors and Community Networks following the ending of UKSPF funding. The final budget proposes a further £92k to ensure these services do not see any reduction in funding in 2026/27 compared to 2025/26.
- 2.4.13 A sum of £20k is included to support communities in bidding for the Town of Culture 2028 award.
- 2.4.14 It is proposed to add £169k to the Adaptations service budget to help speed up the delivery of adaptations to residents' and tenants' homes (with HRA bearing their share of any costs). Currently Government provides capital funding (Disabled Facilities Grants - DFG) to help enable residents stay in their own homes.
- 2.4.15 Should there be additional funding in the final settlement, it is proposed that the principles outlined in 2.4.1 apply. Additional ring-fenced funding would be passported to the relevant service.

## **2.5 Net Revenue Charge Assumption**

- 2.5.1 The Council's net revenue budget is primarily determined from the amount of Council Tax collected and funding provided from the Government Settlement Funding Assessment (SFA) with adjustments made with either contributions to or from reserves to support the overall total base budget for service provision.
- 2.5.2 The funding reforms noted in section 2.3 above include our estimates of the proposed realignment of various grants into SFA for 2026/27. This means that some grants previously recognised within services, will be rolled in and paid through RSG going forwards. The result of these changes means that approximately £57m of grant budgets currently held in services will be removed for 2026/27, with this income being recognised within government funding figures instead.
- 2.5.3 The impact of this is assumed to be subsumed within the overall funding envelope for the council, however the adjustments will artificially inflate the changes from 2025/26 to 2026/27 of both net directorate budgets and funding levels. It is important to understand these are technical adjustments and do not provide for additional

spending power. The following table provides a summary of grants rolling into RSG in 2026/27, as outlined in the Draft Finance Settlement.

<b>Grant Budgets Rolled into RSG in 2026/27</b>	<b>Dec report £m</b>	<b>Feb report £m</b>	<b>Change £m</b>
<b><u>Service Grants</u></b>			
<b><i>Children</i></b>			
Social Care Grant	3.000	3.000	-
Supported Accommodation Reforms new burdens	-	0.610	0.610
Staying Put	-	0.260	0.260
Leaving Care Allowance uplift	-	0.083	0.083
Personal Advisors Extended Duty	-	0.076	0.076
Virtual School Heads (VSH)_Extension of the VSH role to previously looked after children	-	0.058	0.058
Virtual School Heads - children with a social worker/ children in kinship care	-	0.152	0.152
	<b>3.000</b>	<b>4.239</b>	<b>1.239</b>
<b><i>Adults</i></b>			
Social Care Grant	43.081	43.081	-
ASC Market Sustainability and Improvement Fund	8.137	8.137	-
Domestic Abuse Safe Accommodation Grant	1.193	-	(1.193)
Local Reform and Community Voices: Deprivation of Liberty Safeguards	-	0.040	0.040
War Pensions Disregard grant	-	0.065	0.065
	<b>52.411</b>	<b>51.323</b>	<b>(1.088)</b>
<b><i>Place</i></b>			
Homelessness Prevention Grant (Temporary Accommodation Element)	0.925	1.049	0.124
	<b>0.925</b>	<b>1.049</b>	<b>0.124</b>
<b>Total Service Grant Budgets Rolled into RSG</b>	<b>56.336</b>	<b>56.611</b>	<b>0.275</b>
<b><u>Unringfenced Grants</u></b>			
Recovery Grant	8.396	-	(8.396)
New Homes Bonus	0.114	0.114	-
Employers National Insurance Contributions Grant	3.518	3.518	-
	<b>12.028</b>	<b>3.632</b>	<b>(8.396)</b>
<b>Total Grant Budgets Rolled into RSG</b>	<b>68.364</b>	<b>60.243</b>	<b>(8.121)</b>

2.5.4 It should be noted that there were an additional eight service specific grants rolled into the revenue support grant than has been assumed in the proposed budget in December; and two grants that had been assumed to be rolled in which have subsequently remained as specific grants (Recovery grant and Domestic Abuse grant).

2.5.5 The following table below summarises the total and assumed variations in funding available to support the budget next year. The figures exclude specific grant funding streams that are expected to remain budgeted within directorates. The total net revenue budget for services is now £467m.

2026/27 Funding Build Up	Council Tax Income £m	Business Rates Retained Income £m	Government Funding £m	Collection Fund Re-payment £m	Net Contribution to Reserves £m	Total Funding £m
2025-26 Funding	(252.9)	(64.1)	(82.4)	3.8	8.3	(387.3)
Grant Realignment -Directorates to Settlement Funding Assessment	-	-	(56.6)	-	-	(56.6)
<b>Updated Baseline</b>	<b>(252.9)</b>	<b>(64.1)</b>	<b>(139.0)</b>	<b>3.8</b>	<b>8.3</b>	<b>(443.9)</b>
Funding Increase	(14.8)	(8.9)	(4.9)	-	-	(28.6)
Other Changes	-	-	-	(0.6)	6.1	5.5
<b>2026-27 Funding</b>	<b>(267.7)</b>	<b>(73.0)</b>	<b>(143.9)</b>	<b>3.2</b>	<b>14.4</b>	<b>(467.0)</b>

## 2.6 Business Rates (NNDR) and Government Funding

2.6.1 Details of the updated Business Rates and Government funding allocations, and the changes since the Draft Budget Report in December, are outlined in the table below.

Business Rates & Government Funding	25/26 updated baseline £m	26/27 Dec Report £m	26/27 Feb Report £m	26/27 Change from Dec £m
<b>Retained Business Rates</b>	<b>(64.1)</b>	<b>(64.9)</b>	<b>(73.0)</b>	<b>(8.1)</b>
Government Funding:				
- Business Rates Top Up	(32.0)	(25.8)	(42.0)	(16.2)
- Business Rates Grants	(20.3)	-	-	-
- Revenue Support Grant	(73.4)	(118.9)	(92.5)	26.4
- New Homes Bonus	(0.1)	-	-	-
- Housing Benefit Admin Grant	(1.0)	(0.8)	(0.9)	(0.1)
- Employers NI	(3.5)	-	-	-
- Recovery Grant	(8.4)	-	(8.4)	(8.4)
<b>Total Government Funding</b>	<b>(138.7)</b>	<b>(145.5)</b>	<b>(143.8)</b>	<b>1.7</b>
<b>TOTAL</b>	<b>(202.8)</b>	<b>(210.4)</b>	<b>(216.8)</b>	<b>(6.4)</b>

### Business Rates

2.6.2 The Business Rates Retention scheme (BRRS), whereby 50% of local business rates income is retained locally, (the Council retains 49% and passes on 1% to the West Yorkshire Fire & Rescue Authority) and 50% is paid to Government, has been in operation since 2013/14.

2.6.3 Within the BRRS, Central Government calculates a business rates baseline for each Local Authority. This reflects the business rates that Government estimates an authority can collect. The difference between each council's individual business rate

baseline and their calculated baseline funding level results in either a top up or a tariff that is paid from/to councils from Central Government.

- 2.6.4 Since the inception of the BRRS, the Final Local Government Finance Settlement for 2013/14 has set the baseline funding levels and baselines for the local retention of business rates model. However in 2026/27, as part of the wider funding reforms, there is a reset of the system and individual business rates baselines, reflecting an updated assessment of local needs and resources.
- 2.6.5 The baselines within the BRRS for 2026/27 are updated to take account of the new Fair Funding Allocations (FFA) and the reset Business Rates Baselines (BRB). The new baselines issued also take account of the 2026 Revaluation. These changes result in additional funding for Kirklees of approximately £19m collectively for Retained Business Rates and Top Up payments compared to 2025/26.
- 2.6.6 It should be noted that the assumed level of Retained Business Rates income in the budget includes local judgement on the level of appeals and bad debt provisions required, as outlined in the following table.

<b>Calculation of Retained Rates Income</b>	<b>£m</b>
Gross Rates Payable Excluding Designated Areas	(159)
Adjustment for Bad Debt	3
Adjustment for repayments for Appeals	6
<b>Estimated Non Domestic Rating income</b>	<b>(150)</b>
<b>Kirklees Retained Rates at 49% share</b>	<b>(73)</b>

- 2.6.7 For 2026/27, appeals are likely to be high due to increased Rateable Values for many hereditaments resulting from the 2026 revaluation, however it is extremely difficult to estimate how many businesses will ultimately lodge a successful appeal. Due to this uncertainty, the updated budget figures include the Government estimate of the likely level of appeals nationally. For Kirklees, this high-level estimate equates to repayments to ratepayers of approximately £6m with respect to the 2026/27 liability. The bad debt adjustment at £3m reflects a collection rate of 97.5% of net rates payable, consistent with previous years.

#### Revenue Support Grant (RSG) and Other Unringfenced Grants

- 2.6.8 Updated RSG allocations have been derived as part of the updated Fair Funding Assessment set by Government. Figures reflect both updated needs and resources assessments and also the addition of numerous smaller grants that have been rolled into RSG for 2026/27. The grant movements are outlined in the table at paragraph 2.5.3 above.
- 2.6.9 Kirklees' RSG allocation for 2026/27 is £92.5m. This is an increase of £19.1m from the amount received in 2025/26 however the two figures cannot be directly compared given the extent of the changes between the two years.
- 2.6.10 As illustrated in the table at 2.6.1, there are also other un-ringfenced grants of £9.3m in the 2026/27 budget plans. This figure includes the continuation of £8.4m Recovery Funding and £0.9m for Housing Benefit Admin Grant.

## **Business Rates Pool**

- 2.6.11 The Council has been part of a regional Business Rates Pool since 2013. All Pools are subject of an annual application process to Government, both existing and new Pools. The 2026/27 MTFS update report to Council on 17 September 2025 gave delegated authority for the Chief Executive and Service Director – Finance, in consultation with the Leader and Finance and Regeneration Portfolio holder to approve the Council’s continued participation in a Leeds City Region (LCR) Pool for 2026/27, which included all West Yorkshire Councils and York.
- 2.6.12 Following this approval, MHCLG have since provided further details on the arrangements for business rates levies in 2026/27. Under the new arrangements, this is the first year that authorities are considering business rates pools after the resetting of the Business Rates Baseline (BRBs) under Fair Funding 2.0. This reset essentially wipes away all the business rates growth accumulated since 2013/14; and it was the pooling of this growth that provided the financial benefit for the Pool as a whole and which was distributed across all the members.
- 2.6.13 The baseline reset also increases the risk that one or more of the authorities will fall into safety net if their business rates income falls. Within the changes there is also an expectation that Government will raise the safety net threshold to 95% of the new Baseline Funding for all authorities (previously 92.5%) which further increases this risk. The members of the Pool would be expected to fund any such safety net payments (to one or more of the member authorities) and it would represent a financial loss to the region.
- 2.6.14 The result of these changes mean that there is little chance of a financial benefit being generated to retain within the Pool, but with a much increased level of risk that individual member authorities require safety net funding from the other members of the Pool. As such, there has been agreement from all members of the 2025/26 Pool that the pooling arrangements will not be continued into 2026/27. This will be kept under review for future years.

## **2.7 Council Tax**

### **Council Tax Base**

- 2.7.1 Council budget plans incorporate the updated 2026/27 Council Tax Base (CTB) calculation as approved by the Section 151 Officer, in consultation with the relevant Cabinet member; reflecting a proposed increase of approximately 1,000 Band D equivalents to 129,790 for 2026/27. This is equivalent to 0.8% growth overall.

### **Council Tax Referendum Principles**

- 2.7.2 Government Council Tax referendum principles are set out in the 2026/27 Provisional Local Government Finance Settlement and allow councils to apply up to a 3% Council Tax uplift without requiring a local referendum. Council updated budget plans reflect a proposed 2.99% Council Tax uplift in 2026/27 (excluding precepts).
- 2.7.3 In addition to allowable Council Tax uplifts within referendum principles, Government also granted councils with Social Care responsibilities local discretion to uplift Council Tax in 2026/27 up to a maximum of a further 2%.

2.7.4 Council updated budget plans include the maximum allowable uplift of 2% for Adult Social Care (ASC) precept in 2026/27 and this will be ring-fenced to support adult social care base budget additional spend requirements in 2026/27.

2.7.5 Taking into account both the basic Council Tax uplift and the ASC precept, the current budget includes a total proposed Council Tax increase for 2026/27 of 4.99%. The provisional LGFS assumes that Councils with social care responsibilities increase Council tax at 4.99%

2.7.6 A breakdown of the 2026/27 Council Tax is provided below. There has been a small adjustment to the taxbase since the assumptions made in the Draft Budget Report in December, resulting in a decrease in Council Tax income of £0.1m.

Council Tax	25/26 Baseline £m	26/27 Dec Report £m	26/27 Feb Report £m	26/27 Change from Dec £m
<b>Base Council Tax Income</b>		<b>(252.9)</b>	<b>(252.9)</b>	-
<i>2026/27 Changes:</i>				
Change in Taxbase – Net Growth		(2.8)	(2.7)	0.1
Increase - Basic Council Tax Charge 2.99%		(7.7)	(7.7)	-
Increase - Adult Social Care precept 2%		(5.1)	(5.1)	-
Collection Rate Reduced from 98.5% to 98.25%		0.7	0.7	-
<b>Total Changes</b>		<b>(14.9)</b>	<b>(14.8)</b>	<b>0.1</b>
<b>Council Tax Income</b>	<b>(252.9)</b>	<b>(267.8)</b>	<b>(267.7)</b>	<b>0.1</b>

2.7.7 Council Tax charges are assumed to increase by a total of 4.99% as outlined above. The impact of this uplift on households in Kirklees is shown in the below table.

Council Tax Charge - Kirklees Only	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
<b>Annual</b>								
2025/26	1,309.60	1,527.87	1,746.13	1,964.40	2,400.93	2,837.47	3,274.00	3,928.80
2026/27	1,374.95	1,604.11	1,833.26	2,062.42	2,520.74	2,979.06	3,437.37	4,124.85
Increase	65.35	76.24	87.13	98.02	119.81	141.59	163.37	196.05
<b>Weekly</b>								
2025/26	25.18	29.38	33.58	37.78	46.17	54.57	62.96	75.55
2026/27	26.44	30.85	35.26	39.66	48.48	57.29	66.1	79.32
Increase	1.26	1.47	1.68	1.88	2.31	2.72	3.14	3.77

2.7.8 The Council is mindful of the current financial challenges facing the citizens of Kirklees but faces a tough choice about whether to increase Council Tax to bring in desperately needed funding to protect services to the most vulnerable residents,

whilst at the same time being acutely aware of the significant financial burden that places on households.

- 2.7.9 The Council Tax system continues to be disproportionate across the country and successive Governments have failed to come up with an alternative method of local taxation. This inequity was recognised in Fair Funding 2.0 with 100% Council Tax equalisation being implemented as part of the 2026/27 funding reforms. 100% equalisation means that councils with a relatively low taxbase, such as Kirklees, are fully compensated through the Settlement Funding Assessment for the fact they are less able to raise resources locally in comparison to many councils across England.

### **Directorate Portfolios**

The 2026/27 proposed budgets identifying the additional pressures and savings are provided at Appendix B by Directorate with the key points described below.

### **2.8 Children and Families**

- 2.8.1 Updated budget plans include a total of £5.2m of additional funding to be invested into Children's Services (prior to savings proposals). This funding provides funding for demand led pressures for Looked After Children (LAC) and support to Children with disabilities. The service will continue to develop local internal residential provision which will enable more children to be placed within Kirklees and efforts will be made to increase the number of internal foster care placements, all of which will help to provide a robust sufficiency offer.

- 2.8.2 Following the publication of the LGFS, Government has provided additional funding of £3.2m in the Children's Social Care Prevention Grant which is assumed to be passed on in full to the service. The Council awaits further guidance as to the new burdens/responsibilities that come with this grant. The development of an Edge of Care service to provide intensive and timely support for Families at risk of breakdown aiming to keep children at home will likely be a key tenet of the proposed use of the grant.

- 2.8.3 Children's Services new savings proposals total £2.5m in 2026/27, a further £0.9m in 2027/28 and £0.7m in 2028/29, these are summarised at Appendix D.

- 2.8.4 Directorate savings proposals include the redesign of a number of internal and commissioned areas to ensure the most effective service is delivered. The service will also look to reduce the number of external residential placements through development of internal residential provision as well as an increased number of experienced and skilled Foster Carers to mitigate the need for external residential placements.

### **2.9 Adults & Health**

- 2.9.1 The budget proposals provide an additional £15.2m of funding for demand and cost pressures (excluding staff pay awards – held centrally until agreed) due to the volume and complexity of need of social care provision. The 2% ASC precept will raise c£5.1m to help fund these pressures.

- 2.9.2 Within this £15.2m of additional funding, there are significant forecasted pressures arising from the potential impact of an increase to the headline National Living Wage (NLW) for 2026/27. The budget modelling is based on a rise in the NLW to £12.71 per hour, from the current £12.21 per hour. This is estimated to cost c£5.6m.
- 2.9.3 The economic landscape continues to bring uncertainty within the Adult Social Care market. Continued review remains key, alongside dialogue with key partners. Discussions around the uplifts on the rates paid to external providers for demand-led activities are ongoing and will consider the pressure on the market as well as the available funding envelope.
- 2.9.4 Savings approved as part of last year's budget for 2026/27 were £2.4m. Work is ongoing toward their achievement. As Adult Social care had already identified significant savings towards the budget gap, there is reduced scope for further savings in this upcoming budget and an additional £2m of new savings are proposed, bringing a total requirement for 26/27 of £4.4m. The total Adults budget (including Communities) is £171m.
- 2.9.5 These savings proposals for Adult Social Care savings centre around reviewing the scope and means of current provision, across a range of activities and client need including realising the benefits of technology. Additional staffing savings of £0.4m are also proposed, mainly from service re-design and a review of staff turnover.
- 2.9.6 The 2026/27 budget also assumes the term grant funding totalling £680k with Communities services. These short term (1 -2 years) savings can be made by ensuring full cost recovery for council delivered activity to a number of external income sources and grants.

## 2.10 **Place**

- 2.10.1 The updated budget plans for Place 2026/27 include new pressures of £4.2m, existing savings of £0.3m and new savings of £1.0m.
- 2.10.2 The Council has been proactive in trying to reduce Home to School Transport cost pressures. In 2025 we have spent £0.75m of capital budget buying new minibuses. However, there are still underlying demand pressures which need addressing. The budget proposes a sum of £2m to be added to address this .
- 2.10.3 There is also a need to continue towards the establishment of a robust and resilient Seasonal Weather budget which means a further £0.25m is being provided for to maintain current levels of service, with any in-year underspends being transferred to a reserve.
- 2.10.4 The Parking income budget will be reduced by c£0.8m to reflect the current levels of activity. This adjustment corrects the underlying structural shortfall in the Parking budget prior to last year's reset of charges.
- 2.10.5 The budget also provides for the permanent increase in resources into the Greenspaces Action Team budget of £215k to support the removal of Flytipping.

- 2.10.6 A sum of £160k is proposed to be added for additional staff resource to support Planning enforcement and caseload and to provide a budget to explore opportunities for improving their Digital offer within the service.
- 2.10.7 The end of the Leeds City Region (LCR) Business Pool in 2026/27 requires £200k of funding to be added to the budget to support the Local Plan. Previously Council had agreed that LCR business rate pool surpluses be set aside for this purpose.
- 2.10.8 Additionally, there are pressures relating to the cessation of some previously grant funded activities - £0.2m baselined into Climate Change budgets, previously funded through the WYCA gainshare and £0.2m for Parks and Greenspaces to reduce the reliance on S106 funded activity.
- 2.10.9 There is an existing saving of £0.4m included in respect of Highways Network Management income and efficiencies.
- 2.10.10 New savings proposals include £0.4m regarding the consolidation, rationalisation, closure and disposal of buildings and assets as part of a 3 year plan to reduce the cost of the corporate estate by nearly £1.5m following an initial review of the Council's corporate estate; £0.4m in respect of the deletion of vacant posts across the directorate and £0.1m in respect of the income generation of Planning Performance Agreements. More details of savings are provided in Appendix D.
- 2.10.11 There has also been additional investment totalling £835k (out of £995k) in key budget areas across the Place directorate as detailed in section 2.4.

## 2.11 **Public Health and Corporate Resources**

- 2.11.1 The updated proposals for 2026/27 include pressures of £1.7m, existing savings of £0.1m and new savings of £1.7m.
- 2.11.2 Income pressures of £0.3m relate to the impact of the continued rollout of Universal Credit, which is expected to reduce Housing Benefit overpayment recovery levels.
- 2.11.3 Legal Services demand pressures are £0.3m relating to additional casework and £75k is required a new Procurement system to replace YorTender.
- 2.11.4 A total of around £0.7m over 3 years (£0.4m in Year 1) is added to the Council's central software licensing budget to reflect increased costs and the movement for a Microsoft Enterprise (E3) license to an E5 license. The council has delayed this move in recent years in order to keep costs down, but the move is now required in order to ensure technology supports improvements in services to the public, productivity and efficiency in back office services. The E5 license will enable significant improvements in digital service provision, the storage and sharing of files across teams, the management and presentation of data, and further benefits to the management of cyber security measures, complementing the council's existing strengths.
- 2.11.5 The budget also assume that Members will once again be able to enrol in the Local Government Pension Scheme and the estimated employer's contribution is £0.15m. This is expected to be confirmed via forthcoming legislation.

- 2.11.6 There is not anticipated to be any UKSPF funding in 2026/27 but to mitigate this loss, the budget proposes a sum of £242k (including £92k resulting from an improved settlement) to provide continued support for the Voluntary Sector within Kirklees for projects previously funded by UKSPF. This funding will enable the Community Anchors and Community Networks to be fully funded from core Council budgets over the medium term.
- 2.11.7 The proposed budget for 2026/27 for Kirklees Active Leisure (KAL) will remain at the same level as 2025/26 at £2.6m. This includes the estimated cost of energy as well as the Council grant, avoiding an estimated £0.2m inflationary uplift .
- 2.11.8 There are staffing savings of £0.4m (over two years) in Welfare and Exchequer to reflect the anticipated reduction in workload from the roll out of Universal credit and subsequent Housing Benefit admin grant and other funding reductions.
- 2.11.9 Savings in people services/Kirklees Direct over three years will deliver £0.6m, this will be achieved from investment in technologies, team redesigns for more agile ways working and vacancy management.
- 2.11.10 Vacancy management, including the deletion of vacant posts across the Directorate will save c£0.4m.
- 2.11.11 With respect to Catering services, the Council currently provides a subsidy for the provision of school meals for Kirklees children of £0.9m (excluding overheads). Total costs are expected to rise by £0.6m (including pay and food inflation) next year and therefore to maintain this subsidy at current levels, it is proposed to increase the price of a school meal by 15p (c5%).
- 2.11.12 There is a proposal to cease providing the Peripatetic caretaking services which currently operates with a £0.1m subsidy.

## 2.12 **Central budgets**

- 2.12.1 The budget provides for a pay award of 3.5% in 2026/27. Each 1% costs broadly £2.5m per annum on the Council's existing payroll costs. The budget also provides for the additional 0.2% relating to the 2025/26 pay award which was settled at 3.2% compared with the budget provision of 3%.
- 2.12.2 Budgets for pay awards and inflation continue to be held centrally until they are agreed nationally or are contractually committed within service. Where there are no known contractual commitments, all other budgets are assumed to be cash limited to the current level of provision with no inflationary uplifts.
- 2.12.3 Service budgets now reflect an assumed 3.7% point reduction in the employers' pension contribution rate, from 15.7% to 12%. This reduction is estimated to save an estimated c£7.1m compared to the current budget.
- 2.12.4 This recommended reduction has arisen following the improvement in the overall performance of the WYPF and detailed discussions with senior officers of the WYPF, their actuaries and representatives of the five WY Councils. This Council welcomes the fact that the WYPF has listened carefully to the collective and individual responses to the consultation in proposing this level of reduction in employers'

contribution. There is no impact on the pension entitlements to staff from this change. Final figures will be confirmed by the WYPF in March but are not expected to change.

2.12.5 Additional budget of £0.4m has been added into Central Budgets for the impact of the business rates revaluation on Council-owned properties. This will be allocated to services in 2026/27 when the final revised business rates charges are known.

2.12.6 As referenced earlier in the report, the Central budget will temporarily hold the c£1m budget priorities proposals until after the budget is approved at Council and will transfer the agreed budgets into services ahead of the new financial year.

## 2.13 **Treasury Management**

2.13.1 Treasury management budgets assume that the Bank of England base rate of 3.75% (as at December 2025) is estimated to fall to 3.25% by mid 2026 and remain at that level until March 2027, based on advice from the Council's Treasury advisors. The budget reflects assumed combined average borrowing rates of 4.69% in 2026/27 and in future years. This is based on the continuation of current borrowing strategy, which combines the use of both short- and long-term borrowing.

2.13.2 An additional £3.1m is provided within the Treasury Management budget fund the borrowing requirements and the Minimum Revenue Provision associated with the Capital Plan. The total treasury management revenue budget is a net £39m. A sum of £10.7m is also transferred to the Voluntary Revenue Provision in 2026/27.

## 2.14 **Flexible Capital Receipts**

2.14.1 Government guidance allows the capitalisation of certain types of qualifying revenue expenditure in-year, funded from the flexible use of 'in-year' generated capital receipts. The original government guidance covered the 2016-19 period, but this was subsequently extended by a further 3 years, to 2021/22. The Local Government Finance Settlement for 2021/22 extended these capital receipts flexibilities for a further three years, which covers the period up to and including 2024/25. On 26 March 2025, the government published a new version of the Direction and Guidance on Flexible Use of Capital Receipts, extending the general direction on flexible use of capital receipts to 2029/30.

2.14.2 The current guidance states that the flexible use of capital receipts must be approved by full Council, but that it can be 'retrospectively' applied provided the Council's flexible use of capital receipts strategy is presented to Council at the earliest opportunity. The Council's flexible capital receipts strategy along with a list of each project and the expected savings each is expected to realise will be presented realise is included at Appendix G.

2.14.3 The Council will use the powers under the government guidance on the flexible use of capital receipts to fund up to £4m qualifying transformation expenditure in 2025/26 and £4m in 2026/27, dropping to £2m from 2027/28 onwards. Whilst the current guidance runs through to 2030, the Council will need to review capital receipts disposal forecasts over this period. The proposals set out are 'in principle' and allow officers the flexibility to consider a range of funding options in-year that meet the intended objectives set out in the Council's budget strategy.

## 2.15 **Budget Savings**

2.15.1 On the 17 September 2025, Council approved the Medium-Term Financial Strategy (MTFS) for the Council, which updates on the Council's projected financial position and sets its longer-term strategy for managing its finances going forward. The MTFS identified that there was a projected budget gap of £17.9m for the 2026/27 financial year.

2.15.2 Further savings have been developed to help contribute to closing that gap. It should be noted that this is the lowest level of directorate savings that has been required to balance the budget in recent years. These are summarised by Directorate in the following table:

SAVINGS PROPOSALS 2026/27	Existing Savings £m	New Savings £m	Total Savings £m
Children & Families	(0.2)	(2.4)	(2.6)
Adults & Health	(2.4)	(2.0)	(4.4)
Place	(0.4)	(1.3)	(1.7)
Public Health and Corporate Resources	(0.1)	(1.7)	(1.8)
<b>TOTAL</b>	<b>(3.1)</b>	<b>(7.4)</b>	<b>(10.5)</b>

2.15.3 Full details of each proposal within **Appendix D**, can be accessed on the Council's website here: [Detailed Saving Plans: 26/27 Budget](#) and any associated Integrated Impact Assessments here: [Integrated Impact Assessments – Integrated Impact Assessment \(kirklees.gov.uk\)](#).

2.15.4 There have been two changes to the 2026/27 savings proposals presented to Cabinet in December. These being a reduction in the savings required from Welfare and Exchequer on benefits staffing (£128k) due to the Housing Benefit Administration grant not falling as much as anticipated and the removal of the proposed of 3 vacant apprentice posts in Highways (£65k)

2.15.5 As noted in section 2.2, the delivery of the proposed savings is integral to the balancing of the budget. Should, after budget consultation, any savings not be taken forwards then alternative proposals may be required for the budget to remain in balance.

2.15.6 When the Council Plan and Annual Budget 2026/27 is approved, next steps will be focused on delivery of this budget, the savings within it, and delivering the priorities set out in the Council Plan. There will be ongoing work to monitor external factors such as demand and costs, so we are able to respond early and appropriately.

2.15.7 Robust programme management of the delivery of the budget, and effective governance mechanisms will continue, alongside regular monitoring of capacity and demand information, and monitoring of financial situation.

## 2.16 **Monitoring & Challenge**

2.16.1 Throughout the process of developing the current MTFS and the detailed proposals contained here for the 2026/27 budget, Members and Executive Directors have been

regularly briefed regarding the base budget pressures the Council faces and which need to be reflected in the base budget. Savings proposals have been developed by Service teams and agreed with Executive Directors and their Portfolio leads as a means of helping deliver a balanced budget for 2026/27.

2.16.2 The Council’s budget in any one financial year is allocated to budget holders and each budget holder is notified of their budget at the start of the financial year. Given the consultation with Service Directors, they are fully aware of what pressures have been funded and the savings they are expected to deliver. Within the performance and development review process for people managers there is a core target to effectively manage and monitor budgets, highlighting any pressures or potential underspends in a timely way. Budget holders are able to review the latest financial monitoring information, including projections, directly from the on-line financial system in an easy-to-use format.

2.16.3 The Financial Management teams are structured to support budget holders, deal with queries and proactively monitor key budget areas. The quarterly Financial Monitoring report presents the Council’s revenue and capital projections, prepared by managers working in conjunction with finance teams. In addition, a monthly review enables Directors to monitor the Council’s revenue projection and take any further action to ensure effective management of the budget.

## 2.17 **Reserves**

2.17.1 The Council holds both “earmarked” and “general/unallocated” reserves. Earmarked reserves are balances set aside for specific purposes and corrective actions; these are summarised in Appendix C.

2.17.2 General reserves are balances held as contingencies against risks such as emergency events. The general reserves are expected to be £26.0m by March 2026, assuming no further use of these balances is required in 2025/26, and as illustrated in the table below reach £30m by 2030 with an annual contribution of £1m. These plans have not changed from the MTFS in September.

31 <sup>st</sup> March 2025 £m	31 <sup>st</sup> March 2026 £m	31 <sup>st</sup> March 2027 £m	31 <sup>st</sup> March 2028 £m	31 <sup>st</sup> March 2029	31 <sup>st</sup> March 2030
(25.0)	(26.0)	(27.0)	(28.0)	(29.0)	(30.0)

2.17.3 A contribution of £3.8m will be made to the Budget Contingency Reserve in 2026/27 to fund budget pressures arising in year that cannot be contained by services. Some examples of these include volatility in demand budgets, delays in implementing savings plans and/or new issues that arise post-agreement of the budget. Contributions to this reserve reduce to £3.5m per annum from 2027/28 over the life of the plan. This will be kept under review. As is current practice, any drawdown from this reserve will be reported to Cabinet in the quarterly financial monitoring reports.

2.17.4 A further contribution of £1.7m will be made to the Transformation Reserve in 2026/27 to help deliver change capacity within the organisation. With expected carried forward balances, there will be around £3m available to provide continuing support to Transformation activity in 2026/27.

- 2.17.5 The updated 2026/27 budget includes a contribution of £10.7m to the Voluntary Revenue Provision (VRP) reserve. This reflects the policy for provision of repayment of debt (MRP) approved as part of the 2024/25 Annual Budget report to Council in March 2024. By the end of the 2030/31, the balance on the VRP reserve is forecast in the region of £50m. This balance will be required in future years to pay for increased MRP costs. This reserve remains a key element of the strategy to provide financial sustainability over the medium to long term.
- 2.17.6 The base budget will also be supported by a reduced contribution of £3.2m from the Voluntary Revenue Provision reserve. This is a temporary source of funding that will need to be removed from the base over the life of the MTF5. It should be noted that the 2025/26 budget is supported by c£6.0m drawdown from this reserve. The Council is moving in the right direction to reduce the reliance on one off funding to support ongoing revenue expenditure.
- 2.17.7 The updated budget plans also include the transfer of £500k in 2026/27 and 2027/28 into a new Food Waste Reserve. MHCLG confirmed that funding for Food Waste collections has been included in the provisional LGFS. This reserve will contribute towards funding additional food waste collection costs when the service is rolled out in future.
- 2.17.8 A risk assessment of the Council's level of reserves is carried out each financial year, when setting the budget and updating the financial plan. It is updated regularly during the financial year as part of the formal financial management reporting process. The risk assessment is based on the following key factors and an underlying presumption that significant risks need an appropriate level of cover:
- a review of known provisions and contingent liabilities
  - the likelihood of overspend for either revenue or capital;
  - the likelihood of any additional income that would be credited to reserves;
  - the robustness of the Council's revenue budget proposals;
  - the adequacy of funding for the Capital Programme; and
  - any potential significant expenditure items for which explicit funding has not yet been identified.
- 2.17.9 Appendix H provides the risk assessment of the Council's level of general reserves, which estimates the minimum value of the general reserve at £22.0m and a desirable value at £30.5m based on this approach. The Council will ensure the reserves remain at an adequate level to manage effectively all future risks and liabilities, in particular whilst operating in the current volatile and uncertain environment. Therefore, careful consideration should continue to be given before funding any unexpected costs from reserves. In addition, where funds have been allocated, any unspent funding should be transferred back to uncommitted reserves.

## **2.18 Schools Funding (Dedicated Schools Grant or DSG)**

- 2.18.1 A detailed report on Schools funding for 2026/27 will be recommended to be approved at Cabinet on 20 February 2026. The link to this report is included at section 9.

- 2.18.2 Overall, School funding is increasing by £15 million or 3.8% from 2025/26 to 2026/27.
- 2.18.3 Kirklees' Schools Block funding allocation for 2026/2027 is £412.1m (£397.2m in 2025/2026), the High Needs Block is £75.1m (£72.02m in 2025/2026), the Early Years Block figure is £80.3m (£68.3m in 2025/2026) and the Central Schools Services Block £3.7m (£2.8m in 2025/2026). The above funding allocations are before any subsequent block transfers, which will be reflected in the finalised allocations to individual school budgets for the start of 2026/27.

### **High Needs Safety Valve funding agreement**

- 2.18.4 The Council signed up to the Government's Safety Valve Agreement in March 2022 as one of a number of Councils with a significant Dedicated Schools Grant (DSG) deficit; £36m at the time the safety valve agreement was signed in March 2022.
- 2.18.5 The Safety Valve Agreement was intended to eliminate the Council's DSG deficit completely by 2026/27 through a Council 5 year Special Educational Needs & Disabilities (SEND) management plan. As a result of continued rising demand complexity of cases and inflationary costs the original timescale has been extended, with approval from the DfE 2029/30. The plan is intended to bring the in-year High Needs spend position into 'balance' within available in-year DSG funding, by 2029/30. Government agreed a contribution of £33.5m to help clear the historic DSG deficit, including an initial £13.5m 'down payment' received in March 2022.
- 2.18.6 Further annual contributions by Government of £2.3m between 2025/26 – 2029/30 will be released quarterly subject to satisfactory quarterly monitoring reviews with the Department for Education (DfE) Safety Valve Team. To date, the Council has received £4m for 2022/23, £2.2m for 2023/24, £2.3m in 2024/25 and £1.5m so far in 2025/26 with the next instalment confirmed as being paid in January 2026.
- 2.18.7 The Council has also prioritised significant revenue resources of its own, including capital plan to increase High Needs sufficiency across the district, to be funded through a mix of borrowing and grant funding and a commitment to contribute more than £10m of its own revenue resource. The initial contribution of £2.15m was made in 2025/26, a further instalment of £2.15m will be provided as part of the 2026/27 budget and this will continue annually until 2029/30.
- 2.18.8 There has also been significant broader schools' system support through schools block funding transfers to High needs block; £1.6m in 2022/23, £2.1m in 2023/24, £2.6m in 2024/25, £3.6m in 2025/26 and a proposal to transfer £3.6m in 2026/27. The transfers were approved through Schools Forum. This funding will ensure more children receive additional support to remain in, or return to, mainstream school and supports the DSG deficit reduction plans; reflecting the collaborative partner approach to addressing the growing pressures relating to High Needs.
- 2.18.9 Any future year annual block transfer requests will be subject to review and consultation through Schools Forum. Despite this additional funding, both locally and nationally, there is a forecast overspend of £14.7m in year and increasing the deficit at the end of the 2025/26 to around £78.5m. This is primarily due to the rising numbers, inflationary costs and complexity of cases.

2.18.10 There is currently a statutory override in place for DSG deficits. This is a provision introduced by the government in 2020 and was originally extended to 2026 and now to March 2028. This separates local authorities' Dedicated Schools Grant (DSG) deficits from their wider financial position. The DSG is a ring-fenced grant for local authorities' school budgets, and any deficit associated with it is held in an Unusable Reserve due to this statutory override.

2.18.11 The Chancellor's budget in November 2025 stated 'that the government will set out substantial plans for reform of special educational needs provision early in the new year to deliver a sustainable system. The 2025 Spending Review provided investment for SEND reform. Future funding implications will be managed within the overall government DEL envelope, such that the government would not expect local authorities to need to fund future special educational needs costs from general funds, once the Statutory Override ends at the end of 2027-28. The government will set out further details on its plans to support local authorities with historic and accruing deficits and conditions for accessing such support through the Local Government Finance Settlement'. Councils are expecting this White Paper in early 2026. Members will be provided updates on the implications.

## **2.19 Housing Revenue Account (HRA)**

2.19.1 The Council is required under Section 74 of the Local Government & Housing Act 1989 to maintain a self-financing Housing Revenue Account (HRA), which is a ring-fenced account separate to the General Fund and is a record of all revenue expenditure and income relating to the authority's own housing stock. It is the responsibility of all councils with an HRA to ensure it sets a balanced budget and makes provision for adequate resources to invest in council properties. This is to keep tenants safe and ensure that they are living in properties that meet a decent home standard including energy efficiency which will support tenants with the cost of living. The main requirements of the HRA are as follows:

- Capital component replacements, improvements and maintenance of all Council housing stock to a decent standard with a focus on building safety, warmth and energy efficiency and decarbonisation.
- Delivery of a high quality and cost-effective housing management service, engaging with tenants and putting the tenant voice at the forefront of service delivery. Delivering a repairs service which maintains the housing stock at a decent standard and addresses tenants requirements.
- Inclusion of funding for new build and other strategic capital priorities
- Annual servicing of HRA debt
- Maximising rent and service charge income which complies with the requirements of the Local Government and Housing Act 1989 to have a balanced HRA, the Welfare Reform and Work Act 2016 and the rent standard.
- Holding reserves at a level which is adequate to address business risks. (£519 per unit)
- Addressing the requirements of the Social Housing Regulation Act 2023 which includes the consumer standards.

Changes have been made to the budget report which went to the Cabinet on 2<sup>nd</sup> December which reflect the fact that the decision in relation to rent convergence has recently been announced by Government. Government has announced that

convergence will commence in 2027/28 at £1/week and £2/week thereafter until convergence is achieved. As a result of the delay to 2027/28, the final HRA budget has been adjusted (compared to the December report). The changes are a reduction in the tenant income budget and the HRA contingency budget are both reduced by £1m. The budget still remains in balance. The remaining change is that and the minimum reserve balance has increased from £10.8m to £11.2m.

Link to the inflationary uplift report which went to Cabinet on 2nd December 2025.

- [Rent Inflationary Uplift Report to Cabinet 2nd December 2025 \(item 9\)](#)

## **2.20 CAPITAL**

2.20.1 The Council MTFs Update (17th September 2025) referred to a corporate review and affordability assessment of the Capital Plan being undertaken to mitigate against the forecast 2025/26 outturn position and ongoing financial challenges facing the Council.

2.20.2 As part of the Council's internal governance arrangements, the Capital Assurance Board (CAB) provides strategic oversight of the Council's Capital Plan to ensure capital investments align with the Council's priorities and objectives, support the regeneration of the borough, improve infrastructure, and enhance the efficient and effective operational delivery of services.

2.20.3 The capital review undertaken by the Capital Assurance Board considered options to re-phase capital projects/programmes, examine opportunities to release borrowing or identify alternative funding sources, review programmes where spend was not committed, and bring forward asset disposals (both to reduce operational costs as well as generating capital receipts) have all been considered to help control the cost of borrowing.

2.20.4 Given the extent of borrowing that underpins the Programme, and the current and forecast cost of that debt, the focus of the review is to consider what scope there is to reduce/re-profile the Capital Plan for the Council. This is being balanced against the future investment needs and aspirations of the Council, both in maintaining the delivery of essential services, providing match funding where it is necessary to leverage external funding and to deliver ambitions around growth and regeneration.

### **Update of the Medium-Term Capital Plan 2025/33**

2.20.5 For capital purposes, longer term planning horizons are required to undertake feasibility work, design, plan and build. The Council's multi-year capital investment plan has been extensively reviewed to reflect the scale of the Council's ambition whilst being cognisant of the underlying financial position.

2.20.6 Following a refresh of the plan, the updated multi-year plan will deliver capital investment of £1.390bn (£961m General Fund and £429m Housing Revenue Account). The HRA Capital Plan, as part of a wider HRA budget report was considered at Cabinet in December 2025.

2.20.7 The General Fund Capital Plan is summarised in the following table, and shown in more detail at Appendix F.

## **Multi-Year Capital Expenditure Summary (General Fund)**

<b>Council Plan</b>	<b>25/26 £m</b>	<b>26/27 £m</b>	<b>27/28 £m</b>	<b>28/29 £m</b>	<b>29/30 £m</b>	<b>30/31- 32/33 £m</b>	<b>Total £m</b>
Children & Families	23.6	34.9	19.9	4.7	2.7	2.5	<b>88.3</b>
Adults & Health	4.8	0.9	1.0	0.0	0.0	0.0	<b>6.7</b>
Place	163.3	210.9	132.8	103.5	93.5	90.8	<b>794.8</b>
Public Health & Corporate Resources	8.5	7.6	5.9	10.4	10.8	28.4	<b>71.6</b>
<b>Expenditure Total</b>	<b>200.2</b>	<b>254.3</b>	<b>159.6</b>	<b>118.6</b>	<b>107.0</b>	<b>121.7</b>	<b>961.4</b>
<b>Funding:</b>							
Capital Grants / S106/ Contributions	106.9	134.9	62.0	48.2	46.4	39.1	<b>437.5</b>
Capital Receipts	6.4	11.0	9.1	5.4	5.4	2.0	<b>39.3</b>
Service Funded Prudential Borrowing	5.5	18.2	13.1	12.4	4.0	1.0	<b>54.2</b>
Corporate Prudential Borrowing	81.4	90.2	75.4	52.6	51.2	79.6	<b>430.4</b>
<b>Funding Total</b>	<b>200.2</b>	<b>254.3</b>	<b>159.6</b>	<b>118.6</b>	<b>107.0</b>	<b>121.7</b>	<b>961.4</b>

\*It should be noted that figures shown in the table's penultimate column represent spend in the last 3 years of the Plan i.e. 2030/31 – 2032/33.

2.20.8 The updated Capital Plan includes significant investment within the Place Capital Plan (£794.8m) towards local economic growth and regeneration, by making the most of our regional and national partnerships to attract investment, create jobs and develop local businesses. Major schemes include Our Cultural Heart (£191.9m) an ambitious centrepiece for Huddersfield where construction on the first phase is well underway to provide a new food hall and modern library along with a brand-new outdoor public square/public realm. Work continues on the iconic George Hotel (£29m), bringing the building back into use as a hotel. Updated Town Centre Action Plans include £39.7m for Dewsbury (including The Arcade and Dewsbury Market), £46.9m for Huddersfield (including the Huddersfield Open Market) and £26m for the Regeneration of Local Town Centres including Batley, Cleckheaton, Heckmondwike, Holmfirth and Marsden.

2.20.9 The Council continues to work closely with the West Yorkshire Mayoral Combined Authority to deliver major transport schemes across the authority, with significant investment in the West Yorkshire Transport Capital Plan (£65.5m). Schemes funded include the A629 Halifax Road Phase 5, Huddersfield Southern Corridors and Holmfirth Town Centre Access Plan. Investment in the Transforming Cities Capital Plan (£57.6m) includes Huddersfield Rail Station Connections and Dewsbury to Cleckheaton Sustainable Travel Corridor. Transformational change is well underway through improvements to the Transpennine Route Upgrade (£47.9m).

2.20.10 Ongoing programmes of work to ensure our assets are maintained to an acceptable standard continue for Baseline Capital Plans within the Place Directorate such as Corporate Landlord including Compliance and Welfare (£49.4m), Highways (£100.5m), and Vehicle Replacement (£32.5m). Other investment is in Play Strategy (£7.7m) and Waste (£11.3m).

- 2.20.11 The Highways element of the Capital Plan includes £9m over three years for maintenance of locally based unclassified roads (LBUR3) and a plan for the use of the budget will be brought forward shortly.
- 2.20.12 The majority of the spend within the Children and Families Capital Plan is focussed on the re-build of our Special Schools Joseph Norton Academy and Woodley School and College, to expand Kirklees' High Needs capacity (£62m). Investment in School Capital Maintenance and Devolved Formula Capital as part of Baseline programme of works (£21m) is fully funded for by the Department of Education (DfE).
- 2.20.13 The Adults Capital Plan includes the redevelopment in day care services in North Kirklees with a modern, fit for purpose flexible day care service for people with profound and multiple learning disabilities at Mill Dale/Crescent Dale. This is key to our vision to protect and support the vulnerable and achieve inclusion.
- 2.20.14 Other investment in the Public Health and Corporate Resources Capital Plan supports the technology baseline strategy to make services more efficient and effective (£6.9m) and continued baseline investment in School Catering (£1.7m).
- 2.20.15 Plans also include for Council wide transformational change under the Flexible Capital Receipts Policy which allows the capitalisation of certain types of qualifying revenue expenditure in-year, funded through capital receipt flexibilities (£16m). Further investment on new self-financed schemes can be funded from the Investment and Modernisation Fund (£9.7m) allowing services to draw down funds based on robust approved Business Cases.
- 2.20.16 There is also new investment earmarked for a sports centre in Dewsbury with £35.1m earmarked for this.

### Key Changes to the Capital Plan

- 2.20.17 The key changes to the General Fund Capital Plan as part of the Budget refresh are detailed below. In terms of re-profiling, £23.4m slippage was identified in 2025/26 as per the Budget Report (02/12/25). A further £11.8m slippage has since been identified resulting in £35.2m total slippage moved into future years leading in a more deliverable forecast plan. The below table breaks the re-profiled budget down into funding streams, noting most of the slippage is grant funded programmes:

Capital Plan	25/26 £m	26/27 £m	27/28 £m	28/29 £m	29/30 £m	30/31 £m
Borrowing	(9.4)	(13.6)	4.2	17.9	(1.5)	2.4
Self-Funded	(9.9)	(4.4)	3.9	10.4	0.0	0.0
Grant/S106/Contributions	(13.4)	14.1	(4.3)	3.6	0.0	0.0
Receipts	(2.5)	(4.1)	6.6	0.0	0.0	0.0
	<b>(35.2)</b>	<b>(8.0)</b>	<b>10.4</b>	<b>31.9</b>	<b>(1.5)</b>	<b>2.4</b>

Officers will continue to identify further re-profiling of the current year financial budget, which will help to reduce in-year capital financing costs as part of the ongoing monitoring, and this will next be reported within the Quarter 3 Financial Monitoring Report in March 2026.

2.20.18 The MTFs (17<sup>th</sup> September 2025) noted that a review of the Capital Plan would be undertaken, highlighting key stages in the exercise. Further to the re-profiling of the plan, the initial stage of the multi-year review of the Capital Plan has also been undertaken. All uncommitted lines funded by borrowing or self-financed were reviewed with a view to removal from the Capital Plan. In total £57.7m of borrowing released from the existing Plan:

- Investment & Modernisation Fund (-£40m). Budget was decreased to bring it down to more realistic levels with an even profile across years. Whilst some invest to save bids are being worked up, it is evident that a sum of £10m per year is not needed at this point and therefore it is appropriate to reduce this and the Capital Financing Requirement (CFR) overall.
- Homes for Children (-£0.2m). Remaining budget left to support the Children Homes Strategy. Purchase of properties from the open market to convert into small 'satellite' children's homes will cost substantially more than budget remaining. It is more appropriate that in future such acquisitions would be considered for funding via the Investment and Modernisation Fund as self-financed business cases on the basis that they would be a net saving after borrowing from the Looked After Children budget.
- Short Breaks (-£1.1m). A strategy is under development which recommends a strategic and collaborative approach with a unified asset strategy. The uncommitted budget is recommended for removal until such a point when a future strategy with suitable budgets is known and again could be subject to business case approvals.
- Libraries (-£2.6m) unallocated programme line to be reduced (from an initial budget of £3.6m).
- Dementia Day Care (-£5.9m) unallocated programme line to be removed.
- Highways (-£5m) borrowing for Principal Roads is assumed to be funded by grant and a bid is being prepared for funding from WYCA.
- Waste Depot (-£2.5m). Whilst budget was initially put in as a marker, it is proposed this is removed until a business case can be fully developed.
- Start Up & Retention Grant (-£0.1m). Future business cases for the provision of grant to local businesses will be considered for funding from the Investment & Modernisation Fund.
- Information Technology (-£250k). Reduction over the life of the programme.

2.20.19 All programmes in the Capital plan will remain under review for reduction in budgets should spend not be required at the level assumed, exploring alternative funding options and where these are not possible borrowing may need to be added back.

2.20.20 Baseline capital investment supports maintenance work programmes across the Council's existing asset base, including Schools, Highways, Corporate Buildings, and transport infrastructure. All baseline capital programmes include a new financial year

5 allocation based on the previous year's baseline levels. In total £27.8m has been added into 2030/31 of which £10.8m is borrowing and £17m is grant assumption. These latter year figures will be refined over time as funding opportunities become clearer.

- 2.20.21 The Council will continue to use the powers under the government guidance on the flexible use of capital receipts to fund up to £4m qualifying transformation expenditure in 2025/26 and £4m in 2026/27, dropping to £2m from 2027/28 onwards. The proposals set out are 'in principle' and allow officers the flexibility to consider a range of funding options in-year that meet the intended objectives set out in the Council's budget strategy, and future year budgets have been added to reflect the policy in the Capital Plan.
- 2.20.22 The Council has budgeted for £4m of Capital Receipts from the sale of surplus buildings and is on target to achieve approximately £8m of capital receipts in 2025/26. Any surplus capital receipts generated will be best used to manage the Council's finances and likely applied to part fund existing schemes before Council borrowing to mitigate revenue impact of borrowing.
- 2.20.23 Cabinet considered an update report for a new sports and leisure facility in Dewsbury (21<sup>st</sup> October 2025). The next steps were agreed and £0.1m has been added into 2025/26 for the commissioning of an external options appraisal and feasibility study. Until the outcome of these studies is understood, it is difficult to define the total amount of capital required, so an indicative sum of £35m has been added to the plan. There is a working expectation at this stage that £5m of the budget will be met by external funding to help mitigate against borrowing. As more information becomes available, the capital plan will be updated accordingly.
- 2.20.24 Apart from the new leisure facility in Dewsbury, at this stage there are no further recommendations for Kirklees funded new schemes to be added to the Plan. It is envisaged that there will be some drawdown against the Investment & Modernisation Fund set up to help services transform, deliver ongoing revenue savings or in some cases protect base income levels. Business cases will be appraised by Capital Assurance Board and proposals for drawdown towards new schemes will be recommended to Cabinet for approval via upcoming financial reports. It is assumed that there will be no additional revenue pressures as a result of additional borrowing incurred for the Investment and Modernisation Fund (borrowing costs are covered by reduced revenue costs).
- 2.20.25 The Council's Capital Plan will continue to be reviewed and will evolve on an ongoing basis. It is anticipated that as the Council's Digital strategy develops, it is likely that significant capital investment will be required to support the implementation costs of more modern systems that will enable the Council to become more efficient and productive. There is, as yet, no provision in the plan for these issues as they need developing further.

## Summary Capital Plan Changes

	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31 – 32/23 £'000	Total
<b>MTFS (Sept 2025)</b>	<b>239,203</b>	<b>273,258</b>	<b>158,344</b>	<b>93,303</b>	<b>111,565</b>	<b>54,480</b>	<b>930,153</b>
<b>General Fund:</b>							
Re-profiling	(23,408)	8,402	1,542	12,164	1,000	300	0
Removal	(1,359)	(22,360)	(10,849)	(8,050)	(8,050)	(7,000)	(57,668)
Grant Adjustments	806	7,306	0	(1)	0	0	8,111
Addition	100	0	0	5,000	6,000	24,000	35,100
Transformation Capitalisation (FCR)	0	3,000	2,000	2,000	2,000	2,000	11,000
Continued Operational Activities	0	0	0	0	0	27,784	27,784
<i>Change</i>	<i>(23,861)</i>	<i>(3,652)</i>	<i>(7,307)</i>	<i>11,113</i>	<i>950</i>	<i>47,084</i>	<i>24,327</i>
<b>Budget Capital Plan (02/12/25)</b>	<b>215,342</b>	<b>269,606</b>	<b>151,037</b>	<b>104,416</b>	<b>112,515</b>	<b>101,564</b>	<b>954,480</b>
Re-profiling	(11,786)	(16,448)	8,900	19,751	(2,465)	2,048	0
Grant Adjustments	(3,399)	(287)	(378)	(5,580)	(2,961)	18,078	5,473
Capital Receipts	0	1,482	0	0	0	0	1,482
<i>Further Change</i>	<i>(15,185)</i>	<i>(15,253)</i>	<i>8,522</i>	<i>14,171</i>	<i>(5,426)</i>	<i>20,126</i>	<i>6,955</i>
<b>Revised Budget Capital Plan</b>	<b>200,157</b>	<b>254,353</b>	<b>159,559</b>	<b>118,587</b>	<b>107,089</b>	<b>121,690</b>	<b>961,435</b>

2.20.26 The General Fund capital plan has a net increase of £31.3m and this is to be funded mainly by a reduction of £40m self-financed borrowing, a net increase of £23.2m borrowing, an increase of £35.6m grants/S106/contributions and £12.5m un-ringfenced capital receipts. Members should note a significant proportion of the additional borrowing is attributable to the baseline capital allocation for the new Year 5 of the plan,

2.20.27 Officers will continue to re-shape the plan to reflect realistic delivery timescales and funding needs/opportunities going forward; including emerging further national government and regional intelligence on emerging infrastructure developments. The Plan will be continued to be reviewed to identify areas where potential exists to reduce capital allocations to lower the Council's borrowing costs. Where pressures are identified, the current borrowing envelope will be assessed, and funds reprioritised to areas of highest need.

## 2.21 Risk

2.21.1 The corporate risk register summarises the key strategic risks or barriers to achieving the organisation objectives, including meeting challenging savings targets and successfully completing transformation projects along with the continued financial challenges. It also provides visibility about the management actions which are either in place or brought into action to mitigate the impact of these risks. Many of these are of a financial nature and provide contextual information when setting the Council's budget.

2.21.2 The risk assessment reflects the proposed budget. The areas identified are summarised below:

- Risk that additional funding announced comes with unbudgeted for new burdens.
- Risk of medium-long term financial instability caused by failure to develop or adhere to robust financial planning processes and procedures leading to reductions in service provision, possible government intervention and reputational damage.
- Risk of increased costs due to inflation, in particular the pay award and NLW increases being above those assumed in the budget proposals.
- Demand pressures, generally, and particularly within Adults and Children's Social Care result in additional pressures.
- Risks associated with the availability and provision of Temporary Accommodation for persons accepted as homeless and the resulting cost implications including the impact of Housing Benefit subsidy loss.
- Inability to meet the needs of the SEND community due to continued increases in demand, greater complexity in clients' needs and insufficient locally available provision making the DSG deficit significantly worse.
- Risk that the capital programme is not sustainable due to a reliance on capital receipts from asset disposals that are not guaranteed and that the cost of borrowing is above the average budgeted levels.
- The risk of a reduction in expected income as tenants, residents and businesses are unable to meet financial commitments, resulting in a failure to meet budgeted income targets.
- Failure to maintain sufficient level of priority and focus leading to required savings initiatives not being delivered, resulting in budget overspend.
- There is a sector wide issue in relation to Equal Pay. Whilst the Council has not received any equal pay claims, there has been an increase in equal pay claims arising nationally and hence there remains an ongoing risk to the Council.

## **2.22 Positive Assurance Statement**

2.22.1 Under Section 25 of the Local Government Act 2003, when the Council sets the budget, the Council's Section 151 Officer is required to report on:

- the robustness of estimates made for the purposes of the calculations; and
- the adequacy of the proposed financial reserves

## **Section 25 Statement from the Council's Section 151 Officer (Service Director - Finance)**

- 2.22.2 This report sets out proposals for the delivery of an overall balanced budget for 2026/27. Cabinet has received in year financial monitoring reports for 2025/26 with pressures being reported particularly in demand-led costs in both childrens and adults social care and a range of place-based services including home to school transport.
- 2.22.3 The Quarter 2 position shows the projected overspend is £5.1m (draft Quarter 3 position shows an improvement to a projected overspend of less than £3.5m, pending final checks) and whilst officers will continue to explore all available options to reduce this, any overspend will require the use of reserves to bring the 2025/26 budget back into balance.
- 2.22.4 The financial pressures highlighted in-year impact the 2026/27 budget plans. There is a clear continuing strategy to make the 2026/27 budget as robust as possible reflecting pressures services are currently facing and providing over £24m of additional funding for demand pressures alone and over £40m of funding for pressures in total. Budget plans also reflect the Government funding allocations included in the 2026/27 provisional financial settlement following the Fair Funding Review 2.0 and will be updated once the final settlement is announced in the early February 2026. However, the final settlement is not expected to be materially different to the provisional settlement.
- 2.22.5 Proposals to bring the revenue budget position into balance in 2026/27 include new budget savings totalling c.£7m, bringing total savings required to c£11m. This savings target is the lowest in recent years. The Council must ensure that it delivers the £11m of total savings in 2026/27 to prevent further diminution of reserves.
- 2.22.6 Treasury budgets reflect updated borrowing and MRP costs based on the updated Capital Plan. The Capital Strategy also builds in greater future flexibility in programme and ongoing project review to ensure it remains affordable and sustainable in light of continually updated and refreshed Council financial strategies and plans over the medium term and the current interest rate environment.
- 2.22.7 The Council's reserves strategy identifies a minimum working balance of unallocated balances of £22m with a desirable balance recalculated at £30.5m. The current forecast unallocated balances at 31 March 2026 is £26m, with a plan to increase this to £31m by 2031.
- 2.22.8 The external auditor has considered the Council's reserve position to be relatively low in comparison to similar sized Councils. This budget and the MTFs provides a clear direction to increase the unallocated reserve (by £1m per annum), it also plans to add significant sums to the Voluntary Revenue Provision reserve (VRP) over the next five years and the budget provides an annual contribution to the Budget Contingency Reserve, £3.8m in 2026/27 and £3.5m thereafter. Total usable reserves are planned to be in excess of £80m by 2030 compared to £61m in March 2025.
- 2.22.9 The 2026/27 budget is the final year where a contribution from the VRP is assumed, at £3.2m. Even after accounting for this final contribution, there is still a net increased

contribution to the VRP of £7.4m (£4.8m in 25/26)

- 2.22.10 The report also makes reference to the Safety Valve (SV) agreement between the Council and the Department for Education (DfE) to manage the Council's Dedicated Schools Grant (DSG) accumulated deficit and deliver a balanced in-year funding position by 2029/30. The Safety Valve (SV) funding agreement also includes some 'flexibility' to review and re-profile these plans as appropriate, in agreement with DfE. This will be important going forward as the scale of the challenge remains significant, notwithstanding the sound plans that are in place.
- 2.22.11 The projected DSG deficit at March 2026 is £78.5m and whilst deficits are allowable under the Statutory Override, the treasury cost of funding this deficit is estimated at c£3.5m per annum and is being borne by the local tax payer. This cost is reflected in the Treasury Management budget and providing the deficit does not widen will not cause any further immediate pressures than are currently being managed.
- 2.22.12 Government has confirmed that DSG deficits will continue to roll forward on council balance sheets as 'unusable negative reserves' until March 2028 when the Statutory Override date is scheduled to end. This Council, along with others across the country, are awaiting updated guidance with regard to the treatment of the Statutory override and treatment of historic deficits.
- 2.22.13 The stated intention of the Government is to manage High Needs Block deficits within the overall government DEL envelope, such that the government would not expect local authorities to need to fund future special educational needs costs from general funds, once the Statutory Override ends at the end of 2027-28. They have also said they will work with Councils on providing support for historic deficits. We are expecting a Schools White Paper in February 2026 and assuming the principles outlined above follow in the White Paper then this should derisk the impact of deficits significantly. The Council's own position is further complicated by the fact it is has a SV agreement ending 2 years after the current Statutory Override date.
- 2.22.14 Should there be a DSG deficit after the override ends and if Councils remain responsible for deficits (which feels a much-reduced risk than last year), then councils across the country would be required to offset deficits against usable reserves and /or seek Exceptional Financial Support (EFS) from MHCLG. This would put significant further pressure on council financial resilience across the country, including Kirklees.
- 2.22.15 As noted in paragraph 2.21.2, there has been an increase equal pay claims arising nationally and whilst the Council has not received any equal pay claims there remains an ongoing risk. Depending on the assessed levels of claims that may be received by the Council, these would need to be funded from either Council reserves, which are relatively low or a may result in a request to MHCLG for EFS. In the event of this arising, this could be a position replicated across many Councils throughout the country.
- 2.22.16 The self-financed and ring-fenced HRA business plan remains in balance over the short and longer term and continues to prioritise significant investment in compliance to meet more stringent social housing regulator requirements. The HRA is also impacted on by ongoing demand and pressures, and sound financial stewardship is equally applicable to HRA as it is to the general fund, to ensure it can operate sustainably within its financial means.

- 2.22.17 Subject to the conditions and assumptions I have set out above, I can give you positive assurance on the reliability and robustness of the forecasts and estimates in the budget proposals as far as I can in the context of current local and national intelligence.

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

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

#### **3.1 Formal Resolution**

- 3.1.1 It is necessary for the motion to Budget Council on 25 February 2026, set out at Appendix M, and for the final resolution to include certain statutory declarations. The motion to be put forward will be incomplete, because the precepts for the Fire and Rescue Authority and West Yorkshire Mayor Police and Crime Commissioner and Parish/Town Councils may not be determined until after Council budget papers are published. The Council motion will include estimated precepts based on best available information at the time.
- 3.1.2 It may be necessary therefore for an amended motion to be moved, as in previous years, to correct the motion where there is any change between the estimated and actual precepts. This assumes that the precepting bodies will have determined their precepts before 25 February 2026.
- 3.1.3 It is requested that the Council's statutory s151 Officer (Service Director – Finance) be given delegated authority to amend how the finally approved precepts are recorded in the Council's revenue budget in line with the final notifications received following decisions by the West Yorkshire Mayor Police and Crime Commissioner, the Fire & Rescue Authority and Parish/Town Councils, should these be received after 25 February 2026.
- 3.1.4 The West Yorkshire Mayor Police and Crime Commissioner, Fire & Rescue Authority and Parish/Town Council precepts included in the Council motion do not affect the Council budget, and neither will any subsequent amendment to the precept figures, delegated to the Council's statutory s151 Officer.

#### **Special Expenses**

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

Council resolves otherwise. There are no special expense arrangements in place at the current time.

### 3.2 Council Plan

Our Council Plan sets out the overarching ambitions, and strategic direction for the Council. It applies to all directorates and service delivery areas. It sets out our commitment to our long-term vision and shared outcomes, and sets out our key council priorities, goals, and specific activities and milestones to support the achievement of those goals over the next three years. Our long-term vision and shared outcomes, will be reviewed, developed and agreed with our partners during 2026 and will be separated out into a revised Partnership Framework. The 2026-2029 Council Plan goes hand in hand with the budget – together, these documents set out the strategy, and the resources required to deliver on those ambitions. The new three-year financial settlement now means we can set a Council Plan with a longer-term planning horizon, and as such, presents a delivery plan for the next three financial years. The Council Plan will be considered alongside the annual budget for decision at Council on the 25 February 2026.

### 3.3 Financial Implications

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

### 3.4 Legal Implications

Budget and Policy Framework at Part 4.3 of the Constitution, sets out the process that must be followed when the Council sets the budget. This includes a minimum consultation period of 4 weeks. It is for the Cabinet to approve the proposals and submit them to full Council for adoption.

Under section 151 of the Local Government Act 1972, the s151 officer has responsibility for the Council's financial management.

Section 25 of the Local Government Act 2003 provides that where the Council makes Council Tax calculations (i.e sets the annual budget) the section 151 officer must report to it the following matters –

- (a) the robustness of the estimates made for the purposes of the calculations, and
- (b) the adequacy of the proposed financial reserves.

Under section 25(2) of the Local Government Act 2003 an authority to which a report under this section is made shall have regard to the report when making decisions about the calculations in connection with which it is made.

Section 31A of the Local Government Finance Act 1992 (as amended) provides a duty to calculate expenditure in the forthcoming year and deduct income. This is the duty to calculate the "Council Tax requirement" and is the duty to set a balanced budget.

Section 65 of the Local Government Finance Act 1992 provides a statutory duty on the council to consult non-domestic ratepayers before setting the annual budget.

In carrying out its consultation, the Council must comply with the following legal principles namely:

- the consultation must be at time when proposals are at a formative stage;
- the Council must provide sufficient information to enable intelligent consideration and informed responses;
- adequate time must be given for responses; and
- the product of the consideration of responses must be conscientiously taken into account in finalising any proposals.

3.5 Climate Change & Air Quality  
N/A

3.6 Other (eg Risk, Integrated Impact Assessment or Human Resources)

Paragraph 1.2 of this report refers to Integrated Impact Assessments. The Equality Act 2010 creates the Public Sector Equality Duty (PSED).

Under section 149 of the Act:

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

The relevant protected characteristics are:

age;  
disability;  
gender reassignment;  
pregnancy and maternity;  
race;  
religion or belief;  
sex; and sexual orientation

In order to fulfil the PSED the Council is required to assess the impact of any proposed action on the equality objectives set out above. The way in which the Council has approached this task previously was to conduct Equality Impact Assessments (EIA's) as appropriate.

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

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

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

There is also a clear expectation that the IIA process is not limited to consideration of savings proposals, but in the context of the totality of resource allocation proposals set out in this report, and other emerging policy changes and developments, any subsequent detailed proposals that result from these, will be informed by the IIA process to help inform key decision making in the future.

The new budget saving proposals outlined within the 2026/27 budget (and within Appendix D) have a total potential reduction of FTE (Full time equivalent posts) in the region of 48. However, we can mitigate some of this impact by deleting vacant posts that are currently being held in service structures, equating to approximately 25.

This means that the number of staff potentially at risk, because of the 2026/27 budget saving proposals, is currently 23. As such, we will be making an HR1 declaration of 23 FTE posts that are potentially at risk of redundancy.

The Council will continue to try and reduce the number of staff potentially at risk of redundancy through vacancy management and deployment. We may also need to offer voluntary redundancy in certain situations. This will be agreed on a case-by-case basis and we will not be offering this council wide.

#### **4. Consultation**

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

The 2026/27 Treasury Management Strategy Report included at Appendix J, has been prepared by the Council's s151 Officer (Service Director - Finance), and in consultation with the Council's external treasury management advisors, Arlingclose Limited Treasury Management Consultants. The Treasury Management report has also been considered at the Council's Corporate Governance and Audit Committee (CGAC), on 30 January 2026.

The public consultation to support the development of the 2026/27 annual budget was launched on the 3 December 2025 and ran up until the 7 January 2026. The consultation was launched following publication of the draft annual budget for the Cabinet meeting on the 2 December 2025. The purpose of the consultation was to help the council understand any feedback or opinions on the budget proposals from residents, communities, council employees, local businesses, and partners. This is now the second year that the council has consulted the public for their opinions on a published draft budget, continuing efforts to support greater engagement and levels of

transparency. The consultation was also supported by the publishing of a 'budget book' – which sets out a summary of the council's current (2025/26) budget, and explains key concepts, to help make it easier for people to understand how the council spends its money. It provides a breakdown of what the council spends across all services and an overview of the funding the council receives.

The consultation was made available online and was supported by information summarising the budget proposals in the published draft budget. The consultation asked for general opinions on the overall budget, and then also for opinions on proposals specifically within each directorate /major service area of the council. Overall, 26% said they agreed with how the council plans to spend money in 2026/27 with 29% feeling neutral and 45% disagreeing. The results of the consultation have been taken into consideration by the Executive when finalising the budget proposals presented in this document.

A summary of the consultation responses is attached at **Appendix L**. There was a total of 403 respondents.

The top three themes relating to the overall budget were:

- **Roads, pathways, highways and infrastructure** – including highway conditions, potholes, signage, markings, drainage and vegetation, with calls for greater investment for these services.
- **Town centre regeneration** – a range of mixed views on large scale regeneration projects and investment in Huddersfield and Dewsbury town centres.
- **Council Tax** – comments on Council Tax increases and affordability concerns for residents.

Other key themes from across the service/directorate specific sections were:

- **Prevention and early intervention / early help** – the importance of early support, prevention, and community-based initiatives across services for both children and adults.
- **Workforce capacity and capability** – concerns about staffing shortages, the need for better pay and training, and workload pressures on existing staff across services for both children and adults.
- **Homelessness and housing supply** – more support for people at risk of becoming homeless and increasing the availability of social housing.
- **Support for outdoor and community spaces / assets** – more investment in outdoor spaces, green areas and community assets for wellbeing, safety and community cohesion.
- **Digital transformation and efficiency of services** – support for modernising council services through digital platforms and increasing operational efficiencies.

## 5. Engagement

The Council has sought to ensure transparent engagement, and an ongoing dialogue with all key stakeholders throughout the process of developing the Council's annual budget for the 2026/27 financial year.

A draft annual budget for 2026/27 was made publicly available and was considered by Cabinet on the 2 December 2025. The Council has sought to encourage improved

engagement on the budget through pre-decision scrutiny. As such, a session of the Overview and Scrutiny Management Committee (OSMC) took place on the 16 January 2026 for this purpose.

Cross-party budget meetings have continued to take place monthly during the 2025/26 financial year. These meetings bring group leaders together to receive regular updates on the development and delivery of the Council's budget. The forum provides group leaders with an opportunity to ask questions, and to provide feedback as part of this process. It is attended by the Chief Executive, the Deputy Chief Executive and the Service Director for Finance. Over the last year, we have also regularly provided budget briefings to representatives from our Trade Unions, and representatives from our internal Employee Networks, to ensure they understand developments associated with the budget and our financial position, and to discuss and receive feedback on implications of associated budget proposals on staffing and services across the Council.

On the 16 January 2026, the Overview and Scrutiny Management Committee (OSMC) discussed and provided feedback on proposals set out within the draft budget for the 2026/27 financial year. Feedback from the committee has been considered when finalising and preparing the final proposed budget as presented. Cabinet/Council are also asked to consider this feedback when final decisions on the budget are made. At the meeting, in addition to members of the committee, the following members were also present and contributed to the questions and discussion:

- Cllr Harry McCarthy (Labour Group)
- Cllr Susan Lee Richards (Green)
- Cllr John Taylor (Conservative)
- Cllr Karen Allison (Green)
- Cllr Alex Vickers (Green)
- Cllr Charles Greaves (Independent)
- Cllr Elizabeth Smaje (Conservative)
- Cllr John Lawson (Liberal Democrats)
- Cllr Imran Safdar (Kirklees Community Independents Group)

**Key issues/questions raised by members during the meeting can be summarised as follows:**

#### Overall budget setting and capital plan

- Discussion around levels of engagement in the budget consultation process, and how this may be improved next time.
- Welcomed the proposed £35.1m additional investment for a sports facility in North Kirklees.
- Question around how the three-year financial settlement could help improve stability for the voluntary sector as well.
- Issues around the impact on staff and service capacity by not filling vacant posts.
- Affordability of the Capital Plan.
- Question around how the approach to building back reserves had been developed, and methodology related to what a 'desirable' level of reserves is.

### Children and Families Directorate

- Welcomed the continued progress and improvements to services despite the pressures relating to increasing and more complex demand.
- Question around plans for increasing the number of foster carers.
- Commendation for the lack of use of agency social workers.

### Adults and Health Directorate

- Use of preventative approaches to help address rising demands / costs of adult social care.
- Deliverability of new savings, given the significant proportion of savings that have already been delivered.
- Deliverability of savings related to the ICB (NHS Integrated Commissioning Board) considering the financial pressures they are already managing.
- How proposals support out of hospital care provision and community provision.

### Place Directorate

- Welcomed the additional resources for fly-tipping, with questions around how the council is planning to clear hotspots and backlogs, and how the council will be improving enforcement.
- Funding for improved enforcement capacity in the Planning Service welcomed. Suggestion to resource more planning expertise to inform the delivery of the transformation programme.
- More investment for highways improvements and maintenance, including a suggestion to focus more on sectional upgrades rather than patch fixing.
- Maintenance and upkeep / investment in play areas, and the role of developers in ongoing maintenance.
- Welcomed the proposals for investment in, and transformation of School Transport services.
- Additional funding for dealing with seasonal weather was welcomed, however concerns were raised about the resources available to ensure sufficient grit bins across the borough and to refill existing ones. A suggestion to extend the current gritting route was also made.
- Welcomed continued investment into Town Centres.
- Question around what budget is associated with climate change mitigation and adaptation activities, and for supporting staffing resources.

### Homes and Neighbourhoods

- Affordability of rent increases for tenants.

### Public Health and Corporate Strategy

- Questions around how the voluntary sector will be supported with the additional funding proposed.
- Discussion around how the council was making the most of the opportunities that Artificial Intelligence (AI) presents (but also being mindful of the potential risks).

## **6. Options**

## 6.1 Options Considered

N/A

## 6.2 Reasons for Recommended Option

N/A

## 7. Next Steps and timelines

7.1 This report and the draft Budget form the background and the proposed formal motion. The Cabinet will need to decide if they are to accept this or propose amendments to the draft budget which will be proposed to Council on 25 February 2026 (Cabinet draft budget). Members will need to decide if they are to accept this or propose amendments to the draft Budget which will be proposed to Council. Any such amendments will be published on 18 February 2026.

7.2 Proposed amendments shall be submitted to the Chief Executive on or before 12.00pm on Monday 16 February 2026 to ensure that, in conjunction with the Service Director-Finance, they can be reviewed to ensure they are financially sound and sustainable prior to the final submission deadline of 18 February 2026. The Notice of any such amendment must specify the terms of the proposed amendment and the effect which it will have on the draft Revenue Budget.

7.3 Members should note that once a budget is agreed by Council there may be a number of further steps and/or actions which would need to be taken in order to implement budget decisions for example – consultation, further detail of the steps needed or final proposals for making the planned changes. This is to ensure that the Council complies with legal and other requirements.

7.4 Following Council approval of the Capital Investment Plan, schemes will be released subject to Financial Procedure Rules.

## 8. Contact Officer and Relevant Papers

Kevin Mulvaney	Service Director – Finance
Jacqui Fieldhouse	Head of Finance
James Anderson	Head of Accountancy
Sarah Hill	Finance Manager

## 9. Background Papers and History of Decisions

### Background Papers

- Council budget report 2026/27, Cabinet 2 December 2025 (Item 8)
- Council approved annual budget report 2025/26, 5 March 2025 (Item 7)
- Council financial outturn report 2024/25 to Council, 16 July 2025 (item 30)
- Budget 2025 - GOV.UK
- Kirklees' School Funding Arrangements for the Financial Year 2026/27 to Cabinet February 2026
- Council Budget Strategy Update report; 2025/26 and future years; 17th September 2025 (Item 50)

- Our 2026/27 Council Plan: Council 25 February 2026
- Corporate Financial Monitoring Report Quarter 2, 2025/26 to Cabinet December 2025 (item 12)
- Provisional local government finance settlement 2026/27 to 2028/9 - GOV.UK
- Housing Revenue Account annual rent setting and service charge and key housing challenges report, to Cabinet on 2 December 2025 (Item 9)
- Integrated Impact Assessments (kirklees.gov.uk).
- Budget Consultation exercise 2025/26
- Budget Engagement 2026- Overview and Scrutiny Management Committee

## 10. Appendices

- Appendix A General Fund Summary
- Appendix B Movement in Budgets by Directorate
- Appendix C Reserves
- Appendix D Savings Proposals
- Appendix E Grants Within Services
- Appendix F Capital Plan
- Appendix G Flexible Capital Receipts Strategy
- Appendix H General Fund Working Balance
- Appendix I Capital Strategy
- Appendix J Treasury Management Strategy
- Appendix K Housing Revenue Account (HRA)
- Appendix L Budget Consultation exercise – summary
- Appendix M Council Tax Motion

## 11. Service Director Responsible

Kevin Mulvaney      Service Director – Finance

## GENERAL FUND SUMMARY 2026/27 TO 2030/31

## APPENDIX A

5 YEAR BUDGETS	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	2030/31 £000
CHILDREN	88,793	94,813	96,132	97,001	99,280	101,559
ADULTS	110,675	171,000	208,714	223,114	238,578	253,924
PLACE	58,383	60,054	60,169	66,401	67,001	67,601
CORPORATE	61,805	59,302	59,231	59,062	58,562	58,062
CENTRAL	67,634	81,776	99,389	112,782	125,013	137,161
<b>TOTAL NET BUDGET</b>	<b>387,290</b>	<b>466,945</b>	<b>523,635</b>	<b>558,360</b>	<b>588,434</b>	<b>618,307</b>

FUNDED BY	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	2030/31 £000
COUNCIL TAX	(252,901)	(267,682)	(283,006)	(299,208)	(316,336)	(334,446)
RETAINED BUSINESS RATES	(64,115)	(73,000)	(73,730)	(74,467)	(75,212)	(75,964)
GOVERNMENT FUNDING	(82,382)	(143,873)	(178,619)	(192,156)	(195,816)	(199,550)
COLLECTION FUND	3,789	3,184	3,183	-	-	-
<b>TOTAL FUNDING</b>	<b>(395,609)</b>	<b>(481,371)</b>	<b>(532,172)</b>	<b>(565,831)</b>	<b>(587,365)</b>	<b>(609,960)</b>

RESERVES & GAP	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	2030/31 £000
NET CONTRIBUTION TO VRP RESERVE	4,819	7,426	8,545	9,064	8,376	5,449
CONTRIBUTION TO TRANSFORMATION RESERVE	2,500	1,700	2,500	2,500	2,500	2,500
CONTRIBUTION TO BUDGET CONTINGENCY RESERVE	-	3,800	3,500	3,500	3,500	3,500
CONTRIBUTION TO/FROM FOOD WASTE RESERVE	-	500	500	(1,000)	-	-
CONTRIBUTION TO GENERAL RESERVES	1,000	1,000	1,000	1,000	1,000	1,000
<b>BUDGET GAP</b>	<b>0</b>	<b>0</b>	<b>7,508</b>	<b>7,593</b>	<b>16,445</b>	<b>20,796</b>

# GENERAL FUND SUMMARY 2026/27

# APPENDIX A

	2025-26 NET CONTROLL -ABLE BUDGET	FUNDING REFORM GRANT REALIGN- MENT	ADD BACK SAVINGS FALL OUT	RE-BASED 2025-26 CONTROLL -ABLE BUDGET	DEMAND PRESSURE	INFLATION / PAY PRESSURE	OTHER PRESSURE - EXPEND- ITURE	OTHER PRESSURE - INCOME	FUNDING FALL-OUT	FUNDING INCREASE	SAVINGS	2026-27 BUDGET PROPOSAL
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b><i>DIRECTORATE BUDGETS:</i></b>												
Children	88,793	4,239	109	93,141	3,626	167	3,254	-	500	(3,254)	(2,621)	94,813
Adults	110,675	51,323	-	161,998	7,892	5,630	-	600	-	(680)	(4,440)	171,000
Place	58,383	1,049	-	59,432	2,000	(1,590)	1,458	955	167	(704)	(1,664)	60,054
Corporate	61,805	-	-	61,805	300	(2,309)	1,524	300	145	(683)	(1,780)	59,302
Central	67,634	-	-	67,634	-	8,783	5,359	-	-	-	-	81,776
<b>TOTAL NET BUDGET</b>	<b>387,290</b>	<b>56,611</b>	<b>109</b>	<b>444,010</b>	<b>13,818</b>	<b>10,681</b>	<b>11,595</b>	<b>1,855</b>	<b>812</b>	<b>(5,321)</b>	<b>(10,505)</b>	<b>466,945</b>
<b><i>FUNDED BY:</i></b>												
Council Tax	(252,901)											(267,682)
Retained Business Rates	(64,115)											(73,000)
Government Funding	(82,382)											(143,873)
Collection Fund Transfer	3,789											3,184
<b>TOTAL FUNDING</b>	<b>(395,609)</b>											<b>(481,371)</b>
<b><i>TRANSFERS TO/(FROM) RESERVES:</i></b>												
VRP* - Contribution	10,804											10,668
VRP* - Drawdown	(5,985)											(3,242)
Transformation	2,500											1,700
Budget Contingency	-											3,800
Food Waste	-											500
General Reserves	1,000											1,000
<b>TOTAL RESERVES</b>	<b>8,319</b>											<b>14,426</b>
<b>BUDGET DEFICIT</b>	<b>0</b>											<b>0</b>

\*VRP = Voluntary Revenue Provision

# GENERAL FUND SUMMARY 2027/28

# APPENDIX A

	2026-27 NET CONTROLL -ABLE BUDGET	FUNDING REFORM GRANT REALIGN- MENT	ADD BACK SAVINGS FALL OUT	RE-BASED 2026-27 CONTROLL -ABLE BUDGET	DEMAND PRESSURE	INFLATION/ PAY PRESSURE	OTHER PRESSURE - EXPEND- ITURE	OTHER PRESSURE - INCOME	FUNDING FALL-OUT	FUNDING INCREASE	SAVINGS	2027-28 BUDGET PROPOSAL
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b><i>DIRECTORATE BUDGETS:</i></b>												
Children	94,813	-	-	94,813	1,044	1,235	(75)	-	75	-	(960)	96,132
Adults	171,000	21,986	-	192,986	10,200	6,842	182	600	400	(340)	(2,156)	208,714
Place	60,054	-	-	60,054	600	-	1,848	70	400	(1,748)	(1,055)	60,169
Corporate	59,302	-	-	59,302	-	100	848	450	-	(447)	(1,022)	59,231
Central	81,776	-	19	81,795	-	8,575	9,019	-	-	-	-	99,389
<b>TOTAL NET BUDGET</b>	<b>466,945</b>	<b>21,986</b>	<b>19</b>	<b>488,950</b>	<b>11,844</b>	<b>16,752</b>	<b>11,822</b>	<b>1,120</b>	<b>875</b>	<b>(2,535)</b>	<b>(5,193)</b>	<b>523,635</b>
<b><i>FUNDED BY:</i></b>												
Council Tax	(267,682)											(283,006)
Retained Business Rates	(73,000)											(73,730)
Government Funding	(143,873)											(178,619)
Collection Fund Transfer	3,184											3,183
<b>TOTAL FUNDING</b>	<b>(481,371)</b>											<b>(532,172)</b>
<b><i>TRANSFERS TO/(FROM) RESERVES:</i></b>												
VRP* - Contribution	10,668											10,166
VRP* - Drawdown	(3,242)											(1,621)
Transformation Reserve	1,700											2,500
Budget Contingency	3,800											3,500
Food Waste	500											500
General Reserves	1,000											1,000
<b>TOTAL RESERVES</b>	<b>14,426</b>											<b>16,045</b>
<b>BUDGET DEFICIT</b>	<b>0</b>											<b>7,508</b>

	2027-28 NET CONTROLLABLE BUDGET	DEMAND PRESSURE	INFLATION/PAY PRESSURE	OTHER PRESSURE – EXPENDITURE	OTHER PRESSURE - INCOME	FUNDING FALL-OUT	FUNDING INCREASE	SAVINGS	2028-29 BUDGET PROPOSAL
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>DIRECTORATE BUDGETS:</b>									
Children	96,132	369	1,235	(1,084)	-	1,084	-	(735)	97,001
Adults	208,714	9,258	7,147	-	600	80	(340)	(2,345)	223,114
Place	60,169	600	-	10,778	-	300	(4,731)	(715)	66,401
Corporate	59,231	-	100	738	300	-	(497)	(810)	59,062
Central	99,389	-	7,915	3,678	-	1,800	-	-	112,782
<b>TOTAL NET BUDGET</b>	<b>523,635</b>	<b>10,227</b>	<b>16,397</b>	<b>14,110</b>	<b>900</b>	<b>3,264</b>	<b>(5,568)</b>	<b>(4,605)</b>	<b>558,360</b>
<b>FUNDED BY:</b>									
Council Tax	(283,006)								(299,208)
Retained Business Rates	(73,730)								(74,467)
Government Funding	(178,619)								(192,156)
Collection Fund Transfer	3,183								-
<b>TOTAL FUNDING</b>	<b>(532,172)</b>								<b>(565,831)</b>
<b>TRANSFERS TO/(FROM) RESERVES:</b>									
VRP*- Contribution	10,166								9,064
VRP* - Drawdown	(1,621)								-
Transformation Reserve	2,500								2,500
Budget Contingency	3,500								3,500
Food Waste	500								(1,000)
General Reserves	1,000								1,000
<b>TOTAL RESERVES</b>	<b>16,045</b>								<b>15,064</b>
<b>BUDGET DEFICIT</b>	<b>7,508</b>								<b>7,593</b>

	2028-29 NET CONTROLLABLE BUDGET	DEMAND PRESSURE	INFLATION/ PAY PRESSURE	OTHER PRESSURE – EXPENDITURE	OTHER PRESSURE - INCOME	FUNDING FALL-OUT	FUNDING INCREASE	SAVINGS	2029-30 BUDGET PROPOSAL
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>DIRECTORATE BUDGETS:</b>									
Children	97,001	1,044	1,235	-	-	-	-	-	99,280
Adults	223,114	8,174	7,430	-	-	200	(340)	-	238,578
Place	66,401	600	-	-	-	-	-	-	67,001
Corporate	59,062	-	100	-	-	-	-	(600)	58,562
Central	112,782	-	8,930	3,301	-	-	-	-	125,013
<b>TOTAL NET BUDGET</b>	<b>558,360</b>	<b>9,818</b>	<b>17,695</b>	<b>3,301</b>	<b>-</b>	<b>200</b>	<b>(340)</b>	<b>(600)</b>	<b>588,434</b>
<b>FUNDED BY:</b>									
Council Tax	(299,208)								(316,336)
Retained Business Rates	(74,467)								(75,212)
Government Funding	(192,156)								(195,816)
Collection Fund Transfer	-								-
<b>TOTAL FUNDING</b>	<b>(565,831)</b>								<b>(587,365)</b>
<b>TRANSFERS TO/(FROM) RESERVES:</b>									
VRP** - Contribution	9,064								8,376
VRP** - Drawdown	-								-
Transformation Reserve	2,500								2,500
Budget Contingency	3,500								3,500
Food Waste	(1,000)								-
General Reserves	1,000								1,000
<b>TOTAL RESERVES</b>	<b>15,064</b>								<b>15,376</b>
<b>BUDGET DEFICIT</b>	<b>7,593</b>								<b>16,445</b>

	2029-30 NET CONTROLLABLE BUDGET	DEMAND PRESSURE	INFLATION/ PAY PRESSURE	OTHER PRESSURE – EXPENDITURE	OTHER PRESSURE - INCOME	FUNDING FALL-OUT	FUNDING INCREASE	SAVINGS	2030-31 BUDGET PROPOSAL
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>DIRECTORATE BUDGETS:</b>									
Children	99,280	1,044	1,235	-	-	-	-	-	101,559
Adults	238,578	7,918	7,768	-	-	-	(340)	-	253,924
Place	67,001	600	-	-	-	-	-	-	67,601
Corporate	58,562	-	100	-	-	-	-	(600)	58,062
Central	125,013	-	9,130	3,018	-	-	-	-	137,161
<b>TOTAL NET BUDGET</b>	<b>588,434</b>	<b>9,562</b>	<b>18,233</b>	<b>3,018</b>	<b>-</b>	<b>-</b>	<b>(340)</b>	<b>(600)</b>	<b>618,307</b>
<b>FUNDED BY:</b>									
Council Tax	(316,336)								(334,446)
Retained Business Rates	(75,212)								(75,964)
Government Funding	(195,816)								(199,550)
Collection Fund Transfer	-								-
<b>TOTAL FUNDING</b>	<b>(587,365)</b>								<b>(609,960)</b>
<b>TRANSFERS TO/(FROM) RESERVES:</b>									
VRP* - Contribution	8,376								5,449
VRP* - Drawdown	-								-
Transformation Reserve	2,500								2,500
Budget Contingency	3,500								3,500
Food Waste	-								-
General Reserves	1,000								1,000
<b>TOTAL RESERVES</b>	<b>15,376</b>								<b>12,449</b>
<b>BUDGET DEFICIT</b>	<b>16,445</b>								<b>20,796</b>

CHILDREN & FAMILIES	REF	2026-27 £000	2027-28 £000	2028-29 £000
<b>NET CONTROLLABLE BUDGET STARTING POSITION</b>		<b>88,793</b>	<b>94,813</b>	<b>96,132</b>
<b>DEMAND PRESSURE</b>				
Children Looked After - Demand Led Pressures		2,869	919	244
Children with Disabilities – Home Care / Direct Payments		757	125	125
		3,626	1,044	369
<b>INFLATION/PAY PRESSURE</b>				
Children Looked After		1,550	1,235	1,235
Reduction in Superannuation Rate		(1,383)		
		167	1,235	1,235
<b>OTHER PRESSURE - EXPENDITURE</b>				
Children's, Families & Youth Grant – Additional Spend		3,254	(75)	(1,084)
		3,254	(75)	(1,084)
<b>FUNDING TECHNICAL ADJUSTMENT</b>				
Social Care Grant into RSG		3,000	-	-
Other Children's Grants into RSG		1,239		
		4,239	-	-
<b>FUNDING FALL OUT</b>				
Drawdown from Stronger Families Reserve – Fall Out		500	-	-
Children's, Families & Youth Grant Decrease		-	75	1,084
		500	75	1,084
<b>FUNDING INCREASE</b>				
Children's, Families & Youth Grant Increase		(3,254)	-	-
		(3,254)	-	-
<b>SAVINGS</b>				
<b>Savings Fall-Out:</b>				
Virtual School for Children Looked After	<b>24CF23</b>	109	-	-
<b>Existing Savings:</b>				
Review Family Help Resources	<b>CF2502</b>	(199)	-	-
<b>New Savings:</b>				
Implementation of Internal Dual Placement Home	<b>CF26MTFP</b>	(250)	-	-
Change Grow Live contract funding source	<b>CF2601</b>	(50)	-	-
Pressure Reduction - Children with a Disability Provision	<b>CF2602</b>	(480)	-	-
Redesign of Pathways for cared for Children's Health Assessments	<b>CF2603</b>	(75)	-	-
Reduction in growth in External Residential Placements from 10 per year to 5 per year	<b>CF2604</b>	(1,450)	(960)	(735)
Review Commissioning Team	<b>CF2605</b>	(50)	-	-
Review and Reduce Capacity across Children's Project Team	<b>CF2606</b>	(67)	-	-
		(2,512)	(960)	(735)
<b>TOTAL CHANGES</b>		<b>6,020</b>	<b>1,319</b>	<b>869</b>
<b>NET CONTROLLABLE BUDGET UPDATED POSITION</b>		<b>94,813</b>	<b>96,132</b>	<b>97,001</b>

ADULTS & HEALTH	REF	2026-27 £000	2027-28 £000	2028-29 £000
<b>NET CONTROLLABLE BUDGET STARTING POSITION</b>		<b>110,675</b>	<b>171,000</b>	<b>208,714</b>
<b>DEMAND PRESSURE</b>				
Adults Demand Pressures		7,892	10,200	9,258
		<u>7,892</u>	<u>10,200</u>	<u>9,258</u>
<b>INFLATION/PAY PRESSURE</b>				
Social Care Inflation		7,325	6,842	7,147
Reduction in Superannuation Rate		(1,695)		
		<u>5,630</u>	<u>6,842</u>	<u>7,147</u>
<b>OTHER PRESSURE - EXPENDITURE</b>				
Increase in Bad Debt Provision		-	182	-
		<u>-</u>	<u>182</u>	<u>-</u>
<b>OTHER PRESSURE - INCOME</b>				
Shortfall on previous income savings target		600	600	600
		<u>600</u>	<u>600</u>	<u>600</u>
<b>FUNDING FALL OUT</b>				
Domestic Abuse Grants		-	-	80
Migration Grants		-	200	-
Health Grants Personalised Care		-	200	-
		<u>-</u>	<u>400</u>	<u>80</u>
<b>FUNDING TECHNICAL ADJUSTMENT</b>				
Social Care Funding into RSG		51,218	-	-
Better Care Fund into RSG		-	21,986	-
Other Adults Grants into RSG		105	-	-
		<u>51,323</u>	<u>21,986</u>	<u>-</u>
<b>FUNDING INCREASE</b>				
Domestic Abuse Grants – Use of Reserve		(80)	-	-
Migration Grants – Use of Reserve		(400)	-	-
Personalised Care External Income – Use of Reserve		(200)	-	-
Better Care Fund Uplift		-	(340)	(340)
		<u>(680)</u>	<u>(340)</u>	<u>(340)</u>
<b>SAVINGS</b>				
<b>Existing Savings:</b>				
Work with external change partner to model future demand	<b>NEWAD2</b>	(2,204)	-	-
Reviewing Shared Lives Provision to mitigate costs elsewhere in Adult Social Care	<b>24AH14a</b>	(224)	-	-
<b>New Savings:</b>				
Communities & Access Services - Turnover % Factor	<b>AH2601</b>	(87)	-	-
Communities & access Services - Service Re-design	<b>AH2602</b>	(200)	-	-
Social Care Beds located within Enfield Down	<b>AH2603</b>	(54)	-	-
Improve transitional pathway from Looked After Children to Adult Social Care	<b>AH2604</b>	(250)	(250)	(500)
Tech Enabled Care - Cost avoidance of traditional face to face care packages	<b>AH2605</b>	(322)	(906)	(1,299)
Quality, Standards and Safeguarding Partnerships – Staffing Review	<b>AH2606</b>	(150)	-	-

## DIRECTORATE CHANGES

## APPENDIX B

ADULTS & HEALTH	REF	2026-27 £000	2027-28 £000	2028-29 £000
Modernising Council Provided Learning Disabilities Day Services (North Kirklees)	AH2607	(80)	(20)	-
Recovery Hub (Moorlands Grange) - Renegotiating Partnership Delivery Options	AH2608	(400)	(416)	(210)
Adult Social Care External Contracts Appraisal and Rationalisation (non-residential/nursing)	AH2609	(142)	(236)	(236)
Domiciliary Care - Variance in Provider Delivery	AH2610	(227)	(228)	-
Decommissioning and Combining Support Living Opportunities	AH2611	(100)	(100)	(100)
		(4,440)	(2,156)	(2,345)
<b>TOTAL CHANGES</b>		<b>60,325</b>	<b>37,714</b>	<b>14,400</b>
<b>NET CONTROLLABLE BUDGET UPDATED POSITION</b>		<b>171,000</b>	<b>208,714</b>	<b>223,114</b>

PLACE	REF	2026-27 £000	2027-28 £000	2028-29 £000
<b>NET CONTROLLABLE BUDGET STARTING POSITION</b>		<b>58,383</b>	<b>60,054</b>	<b>60,169</b>
<b>DEMAND PRESSURE</b>				
Home to School Transport		2,000	600	600
		<u>2,000</u>	<u>600</u>	<u>600</u>
<b>INFLATION/PAY PRESSURE</b>				
Reduction in Superannuation Rate		(1,590)	-	-
		<u>(1,590)</u>	<u>-</u>	<u>-</u>
<b>OTHER PRESSURE – EXPENDITURE</b>				
OSAMS Revenue Costs		-	100	-
Waste - Hire Vehicles		(250)	(250)	(250)
Waste - Disposal Contract - Legislation - Emissions Trading Scheme -		-	1,400	4,200
Seasonal Weather pressure		250	250	-
School Crossing Patrol - non achievement of savings		90	-	-
Bowling Greens - Parks & Greenspaces - non achievement of savings		89	-	-
Simpler recycling financing costs		-	-	517
Food Waste Costs		-	-	5,780
Local Plan		200	-	-
Fly Tipping		215	-	-
Planning Enforcement		160	-	-
Homelessness, Rough Sleeping & Domestic Abuse Grant – Additional Spend		704	348	531
		<u>1,458</u>	<u>1,848</u>	<u>10,778</u>
<b>OTHER PRESSURE – INCOME</b>				
Corporate Landlord - Reduction in income (Assets no longer held)		58	-	-
S106 income - Parks & Greenspaces		180	70	-
Parking		717	-	-
		<u>955</u>	<u>70</u>	<u>-</u>
<b>FUNDING FALL-OUT</b>				
Use of Employment & Skills Reserves Fall-Out	<b>PL2530</b>	-	100	-
Extended Producer Responsibility (EPR)		-	300	300
Climate change - Gain share funding		167	-	-
		<u>167</u>	<u>400</u>	<u>300</u>
<b>FUNDING INCREASE</b>				
New Burdens Funding - Emissions Trading Scheme		-	(1,400)	(4,200)
Homelessness, Rough Sleeping & Domestic Abuse Grant Increase		(704)	(348)	(531)
		<u>(704)</u>	<u>(1,748)</u>	<u>(4,731)</u>
<b>FUNDING TECHNICAL ADJUSTMENT</b>				
Technical Adjustment - Homelessness Prevention Grant Rolled into RSG		1,049	-	-
		<u>1,049</u>	<u>-</u>	<u>-</u>
<b>SAVINGS</b>				
<b>Existing Savings:</b>				
Highway Network Management Income & Efficiencies	<b>PL2519</b>	(400)	-	-
<b>New Savings:</b>				

## DIRECTORATE CHANGES

## APPENDIX B

PLACE	REF	2026-27 £000	2027-28 £000	2028-29 £000
Closure and Disposal of Ravensthorpe Social & Education Centre and Red Laithes Court	<b>PL2601</b>	(52)	(52)	-
Corporate Landlord and Property Closures, and Reorganisation of Civic Campus	<b>PL2602/ PL2603</b>	(67)	(21)	-
Consolidation and Rationalisation of Assets through increased utilisation and sharing of facilities	<b>PL2604</b>	(301)	(427)	(500)
Increased Ad-Hoc Property Management Charges following a benchmarking exercise	<b>PL2605</b>	(25)	(25)	(25)
Vacancy Management and Reductions in Staffing across the Programme Office	<b>PL2606</b>	(132)	-	-
Parks & Greenspaces - External funding/Event Income	<b>PL2607</b>	-	(50)	(100)
Review and Reorganisation of Business and Administrative Support in Place	<b>PL2609</b>	(100)	-	-
Continue to Deliver the School Transport Transformation Programme	<b>PL2610</b>	(280)	(331)	-
Employment & Skills - Reduction in Project Initiatives & Activities	<b>PL2611</b>	(30)	-	-
Increase Recharge of Business & Economy Staff to Capital Grant Projects	<b>PL2612</b>	(40)	(5)	-
Income from Planning Performance Agreements	<b>PL2613</b>	(100)	(30)	(15)
Increase Recharge of Major Projects Staff to Capital Grant Projects	<b>PL2614</b>	(56)	(69)	(68)
Major Projects – Removal of 2 Posts	<b>PL26B01</b>	(11)	(15)	-
Planning - Removal of 1 Post	<b>PL26B02</b>	-	(22)	-
Business and Economy - Removal of 1 Post	<b>PL26B03</b>	(20)	-	-
Housing Solutions - Reducing Spend on Storage Costs	<b>PL26B04</b>	(10)	(8)	(7)
Disposal of DRAM Centre via Community Asset Transfer	<b>PL26B05</b>	(40)	-	-
		(1,664)	(1,055)	(715)
<b>TOTAL CHANGES</b>		<b>1,671</b>	<b>115</b>	<b>6,232</b>
<b>NET CONTROLLABLE BUDGET UPDATED POSITION</b>		<b>60,054</b>	<b>60,169</b>	<b>66,401</b>

PUBLIC HEALTH & CORPORATE RESOURCES	REF	2026-27 £000	2027-28 £000	2028-29 £000
<b>NET CONTROLLABLE BUDGET STARTING POSITION</b>		<b>61,805</b>	<b>59,302</b>	<b>59,231</b>
<b>DEMAND PRESSURE</b>				
Legal Services		300	-	-
		<u>300</u>	<u>-</u>	<u>-</u>
<b>INFLATION/PAY PRESSURE</b>				
Housing Benefit Subsidy		100	100	100
Reduction in Superannuation Rate		(2,409)	-	-
		<u>(2,309)</u>	<u>100</u>	<u>100</u>
<b>OTHER PRESSURE - EXPENDITURE</b>				
Microsoft upgrade		365	121	241
Elections (Reserve will have run out)		-	312	-
Members Pensions		150	-	-
CFA (W&E) Staffing		101	-	-
Procurement - New tender system Attimis		75	(32)	-
SPF Loss VCSE		150		
Crisis & Resilience Grant – Additional Spend		106	(3)	59
Public Health Grant – Additional Spend		577	450	438
		<u>1,524</u>	<u>848</u>	<u>738</u>
<b>OTHER PRESSURE - INCOME</b>				
Court Fee Income		-	150	-
Housing Benefit Overpayment Income – Reduction from UC roll out		300	300	300
		<u>300</u>	<u>450</u>	<u>300</u>
<b>FUNDING FALL-OUT</b>				
McMillan funding		95		
Crisis Fund fee shortfall		50	-	-
		<u>145</u>	<u>-</u>	<u>-</u>
<b>FUNDING INCREASE</b>				
Crisis & Resilience Grant		(106)	3	(59)
Public Health Grant		(577)	(450)	(438)
		<u>(683)</u>	<u>(447)</u>	<u>(497)</u>
<b>SAVINGS</b>				
<b>Existing Savings:</b>				
Review of People Services Operating Model	<b>24CS8</b>	(15)	-	-
Review of Fees and Charges across C&VE	<b>CR2501</b>	(20)	-	-
Review of Governance Service and Structure	<b>CR2507</b>	(75)	-	-
<b>New Savings:</b>				
HB Admin Grant reduction - staff savings to match reduction in grant	<b>CR26MTFP</b>	(237)	(148)	-
People Services/Kirklees Direct - Review Ways of Working	<b>CR2601</b>	(248)	(213)	(210)
Vacancy Management Savings across Strategy and Innovation	<b>CR2602</b>	(300)	-	-
Welfare & Exchequer - Deletion of 3 Posts	<b>CR2603</b>	(76)	-	-
Bereavement Services Vacancy Management	<b>CR2604</b>	(40)	-	-
Closure of Peripatetic Caretaking Service	<b>CR2605</b>	(61)	(61)	-

## DIRECTORATE CHANGES

## APPENDIX B

<b>PUBLIC HEALTH &amp; CORPORATE RESOURCES</b>	<b>REF</b>	<b>2026-27 £000</b>	<b>2027-28 £000</b>	<b>2028-29 £000</b>
Increase in Fees & Charges for School Meals to Mitigate Increase in Food Costs and Supply Chain	<b>CR2606</b>	(600)	(600)	(600)
People Services – Additional Income	<b>CR26B01</b>	(100)	-	-
Co-operative Councils' Innovation Network	<b>CR26B02</b>	(8)	-	-
		(1,780)	(1,022)	(810)
<b>TOTAL CHANGES</b>		<b>(2,503)</b>	<b>(71)</b>	<b>(169)</b>
<b>NET CONTROLLABLE BUDGET UPDATED POSITION</b>		<b>59,302</b>	<b>59,231</b>	<b>59,062</b>

## DIRECTORATE CHANGES

## APPENDIX B

CENTRAL BUDGETS	REF	2026-27 £000	2027-28 £000	2028-29 £000
<b>NET CONTROLLABLE BUDGET STARTING POSITION</b>		<b>67,634</b>	<b>81,776</b>	<b>99,389</b>
<b>INFLATION/PAY PRESSURE</b>				
Additional Inflation requirement		8,783	8,575	7,915
		8,783	8,575	7,915
<b>OTHER PRESSURE - EXPENDITURE</b>				
Joint Committees Levy Uplifts		407	411	420
Coroners – Contribution to Capital Costs		36	-	-
Treasury Management Budget requirement - capital financing		3,089	6,549	3,273
Transformation Budgets (match capital programme)		-	2,000	-
Audit Fee		90	-	-
Cultural Heart Running Costs		800	59	(15)
Fall Out of 2025/26 Budget Amendments		(439)	-	-
Business Rates Pressure – Inflation/Revaluation		381	-	-
Budget Priorities		995	-	-
		5,359	9,019	3,678
<b>FUNDING FALL-OUT</b>				
WYMCA gainshare funding - fall out		-	-	1,800
		-	-	1,800
<b>SAVINGS</b>				
<b>Savings Fall-Out:</b>				
Reductions in Communications Activity	<b>CB2502</b>	-	19	-
		-	19	-
<b>TOTAL CHANGES</b>		<b>14,142</b>	<b>17,613</b>	<b>13,393</b>
<b>NET CONTROLLABLE BUDGET UPDATED POSITION</b>		<b>81,776</b>	<b>99,389</b>	<b>112,782</b>

**GENERAL FUND RESERVES**

**APPENDIX C**

	Reserves position 31st March 2025	Budget report Approved Movements	Revised reserves position 1st April 2025	Estimated Movements In-Year	Estimated Reserves position 31st March 2026	Estimated Reserves position 31st March 2027	Estimated Reserves position 31st March 2028	Estimated Reserves position 31st March 2029	Estimated Reserves position 31st March 2030	Estimated Reserves position 31st March 2031
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Statutory (School Reserves)</b>										
Schools Balances	(11,119)	-	(11,119)	324	(10,795)	(10,795)	(10,795)	(10,795)	(10,795)	(10,795)
Public Health	(896)	-	(896)	448	(448)	-	-	-	-	-
<b>Total Statutory (School Reserves)</b>	<b>(12,015)</b>	<b>-</b>	<b>(12,015)</b>	<b>772</b>	<b>(11,243)</b>	<b>(10,795)</b>	<b>(10,795)</b>	<b>(10,795)</b>	<b>(10,795)</b>	<b>(10,795)</b>
<b>Earmarked</b>										
Ward Based Activity	(577)	-	(577)	289	(288)	-	-	-	-	-
Place Standard	(402)	-	(402)	201	(201)	-	-	-	-	-
<b>Sub Total (member led)</b>	<b>(979)</b>	<b>-</b>	<b>(979)</b>	<b>490</b>	<b>(489)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Transformation	(1,480)	(2,500)	(3,980)	2,500	(1,480)	(1,480)	(1,480)	(1,480)	(1,480)	(1,480)
Development Funding	(914)	-	(914)	457	(457)	-	-	-	-	-
Revenue Grants	(17,998)	-	(17,998)	3,000	(14,998)	(11,998)	(8,998)	(5,998)	(5,000)	(5,000)
Stronger Families	(688)	-	(688)	500	(188)	-	-	-	-	-
Other	(3,942)	-	(3,942)	1,139	(2,804)	(1,665)	(1,365)	(1,065)	(765)	(465)
Voluntary Revenue Provision	(6,504)	(4,819)	(11,323)		(11,323)	(18,749)	(27,294)	(36,358)	(44,734)	(50,183)
Food Waste Reserve	-	-	-	-	-	(500)	(1,000)	-	-	-
Strategic Budget Contingency	(3,500)	-	(3,500)	3,500	-	-	-	-	-	-
<b>Earmarked reserves sub-total</b>	<b>(36,005)</b>	<b>(7,319)</b>	<b>(43,324)</b>	<b>11,586</b>	<b>(31,739)</b>	<b>(34,392)</b>	<b>(40,137)</b>	<b>(44,901)</b>	<b>(51,979)</b>	<b>(57,128)</b>
<b>General Balances</b>	<b>(25,046)</b>	<b>(1,000)</b>	<b>(26,046)</b>	<b>-</b>	<b>(26,046)</b>	<b>(27,046)</b>	<b>(28,046)</b>	<b>(29,046)</b>	<b>(30,046)</b>	<b>(31,046)</b>
<b>Total usable reserves</b>	<b>(61,051)</b>	<b>(8,319)</b>	<b>(69,370)</b>	<b>11,586</b>	<b>(57,785)</b>	<b>(61,438)</b>	<b>(68,183)</b>	<b>(73,947)</b>	<b>(82,025)</b>	<b>(88,174)</b>
<b>Grand Total All Reserves</b>	<b>(73,066)</b>	<b>(8,319)</b>	<b>(81,385)</b>	<b>12,358</b>	<b>(69,028)</b>	<b>(72,233)</b>	<b>(78,978)</b>	<b>(84,742)</b>	<b>(92,820)</b>	<b>(98,969)</b>

## Glossary of Reserves

RESERVE	DESCRIPTION
<b>School Balances</b>	Statutory reserves relating to both individual schools' balances/deficits carried forwards.
<b>Public Health</b>	Timing issues on Public Health grant spend commitments (Public health grant is statutorily ring-fenced)
<b>Ward Based Activity</b>	Set aside reflecting timing issues on ward-based activity spend commitments
<b>Place Standard</b>	Set aside to support the resourcing of emerging Place Standard action plans.
<b>Transformation</b>	Set aside for strategic transformation developments over the next 12 to 24 months.
<b>Development Funding</b>	To address the scale of development costs required to support targeted development and the upscaling of capital investment activity and major project activity over the MTFP.
<b>Revenue Grants</b>	Represents grants and contributions recognised in the Comprehensive Income and Expenditure Statement before expenditure has been incurred.
<b>Stronger Families</b>	Set aside reflecting timing issues on expenditure commitments supporting a range of Stronger Families activity, funded from external grant.
<b>Other</b>	A range of smaller reserves earmarked for specific purposes.
<b>Voluntary Revenue Provision</b>	To fund voluntary overpayments of Minimum Revenue Provision (MRP).
<b>Food Waste Reserve</b>	Set aside to partially fund additional costs for food waste arising in 2028/29.
<b>Strategic Budget Contingency</b>	To fund budget pressures that may arise due to delays in implementing savings plans and/or issues that have arisen post the agreement of the budget.
<b>Unallocated Reserves</b>	General reserve to support Council working capital and cashflow requirements, and unbudgeted/financial resilience risks highlighted in the Council's corporate risk register.

## **New Saving Proposals**

### **Totals**

<b>Directorate</b>	<b>2026/27 £000</b>	<b>2027/28 £000</b>	<b>2028/29 £000</b>
Children and Families	2,422	960	735
Adults and Health	2,012	2,156	2,345
Place	1,264	1,055	715
Public Health and Corporate Resources	1,670	1,022	810
<b>All Directorates (total)</b>	<b>7,368</b>	<b>5,193</b>	<b>4,605</b>

### **Impacted FTE**

The new budget saving proposals outlined within the 2026/27 budget (and within this appendix) have a total potential reduction of FTE (Full Time Equivalent posts) in the region of 48. However, we can mitigate some of this impact by deleting vacant posts that are currently being held in service structures, equating to approximately 25.

This means that the number of staff potentially at risk, because of the 2026/27 budget saving proposals, is currently 23. As such, we will be making an HR1 declaration of 23 FTE posts that are potentially at risk of redundancy.

We will continue to try and reduce the number of staff potentially at risk of redundancy through vacancy management and deployment. We may also need to offer voluntary redundancy in certain situations. This will be agreed on a case-by-case basis, and we will not be offering this council wide.

### **Business As Usual (BAU) Savings**

In the lists below, we have also included savings which will be implemented as part of 'BAU' service delivery activity. This means that they do not need a decision and will be implemented separately to the budget decision making process by the service. These have been included at the end of each of the directorate lists and are clearly indicated as '**BAU**' savings.

## Children and Families Directorate

Reference Number	Service Area	Proposal Title	Proposal Description	2026/27 £000	2027/28 £000	2028/29 £000	Staffing Implication? Y/N
CF26MTFP	Resources, Improvement and Partnerships	Implementation of Internal dual placement home	Opening our new internal residential home to provide either dual or solo provision for our children looked after.	(250)	-	-	N
CF2601	Children and Families	Change Grow Live contract funding source	£50k pf Public Health grant reallocated to fund the contract. (Replaces Children's base budget funding). No change to contract.	(50)	-	-	N
CF2602	Directorate wide	Pressure reduction - children with a disability provision	There are opportunities to review our approach for the packages of care for children with a disability to ensure we are securing opportunities that support families, are value for money, and are of a high quality.	(480)	-	-	N
CF2603	Children and Family Support	Re-design of pathways for cared for children's Health Assessments	The re-design of pathways for Cared for Children's Health Assessments, will result in efficiencies. The redesign will reduce overheads by streamlining the pathways for cared for children's health assessments. A redesign and re-specification of contract arrangements will be undertaken by the ICB as part of this process.	(75)	-	-	N
CF2604	Child Protection & Family Support	Reduction in growth in children's external residential placements.	We will reduce the growth assumptions made in the MTFS in relation to the number of children looked after placements that were accounted for. This reduction aligns with our broader sufficiency strategy to ensure children and young people are supported in local, family-based, and regulated settings wherever possible, improving outcomes and reducing high-cost, out-of-area, or unregulated placements.	(1,450)	(960)	(735)	N
CF2605	Learning and Early Support	Review Commissioning Team	A vacant post will not be filled and deleted in the Commissioning Team, and the priorities and functions will be reviewed.	(50)	-	-	Y
CF2606	Children's Services – Directorate wide	Review Programme Office Functions	It is proposed to review the Children's Programme office functions, and allocation of resource across the directorate.	(67)	-	-	Y

## Adults and Health Directorate

Reference Number	Service Area	Proposal Title	Proposal Description	2026/27 £000	2027/28 £000	2028/29 £000	Staffing Implication? Y/N
AH2601	Communities and Access Services	Communities and Access Services - turnover % factor	To reduce the core funding within Communities Services to account for an average staff turnover % against services which are core funded only. LIPS (Local Integrated Partnerships), Central, Libraries, Community Safety, Detached Youth Team- 0% to 1% and Community Plus going from 0% to 2%.	(87)	-	-	N
AH2602	Communities and Access Services	Communities and Access Services - service redesign	Delete vacant posts. We're making savings by carefully reviewing vacant roles and choosing not to fill some of them. This approach allows us to reduce costs while continuing to focus resources where they're needed most.	(200)	-	-	Y
AH2603	Adults Social Care Operation	Social Care Beds located within Enfield Down	This proposal will look to remove funding for the 3 social care crisis beds at Enfield Down. Social Care professionals will be encouraged to consider Home from Home flats and Shared Lives as a suitable alternative whilst further work is completed on long and short-term residential placement availability and Supported Accommodation.	(54)	-	-	N
AH2604	Adults Social Care Operation	Improve transitional pathway from Looked after Children to Adult Social Care	This is a phased 3-year plan. By identifying children with potential Care Act eligible needs early, Adults Support Workers will offer support into children's services to work in an enablement focused way, using assistive technology and 1:1 support to reduce support. First phase is for easy identification of cases; currently we are not aware of most of the children in Looked After Care until they turn 18. This makes planning and commissioning the right support difficult and leads to expensive support packages.	(250)	(250)	(500)	N
AH2605	Adults Social Care Operation	Tech Enabled Care – Cost avoidance of traditional face to face care packages	Building on the diagnostic of the Assistive Technology offer in Kirklees completed in June, we will develop additional capability for Assistive Technology using the new digital ARC (Alarm Receiving Centre) platform which is currently being procured. The contract will be offered in November. Incrementally, we will increase referrals for Assistive Technology by 8 per month over 3 years. This will reduce	(322)	(906)	(1,299)	N

Reference Number	Service Area	Proposal Title	Proposal Description	2026/27 £000	2027/28 £000	2028/29 £000	Staffing Implication? Y/N
			spend on demand led budgets and support people to live at home independently for longer.				
AH2606	Quality, Standards and Safeguarding Partnerships	Quality Standards and Safeguarding Partnerships - Staffing Review	This proposal seeks to achieve approximately £150k in savings for 2026/27 by reviewing and rationalising the Quality, Standards and Safeguarding portfolio.	(150)	-	-	Y
AH2607	Strategic Commissioning, Partnerships and Provider Services	Modernising Council provided Learning Disabilities Day Services (North Kirklees)	The Council is investing £2.5m in refurbishing and modernise Milldale and Crescent Dale, day care facilities in Heckmondwike, aiming to consolidate learning disabilities day services in North Kirklees onto a single, fit-for-purpose site. This will enable the closure and withdrawal from outdated facilities at Ravensthorpe Social and Education Centre and Red Laithes Court, both of which would require significant investment to remain viable. This proposal will deliver savings through service redesign, including a reduction of 2.6 FTE management posts, and will be implemented by June 2026.	(80)	(20)	-	Y
AH2608	Strategic Commissioning, Partnerships and Provider Services	Recovery Hub (Moorlands Grange) – renegotiating partnership delivery options	The Council and the wider health care system work closely together to provide a range of services that support hospital discharge, enable people to become more independent and to enable people with long term complex needs to live a good life. This proposal is grounded in renegotiating the terms and pricing of these services with a view to equalising the funding arrangements for the Recovery Hub (Moorlands Grange). The Council will work closely with NHS partners to review the current arrangements and, where necessary, recover a higher proportionate cost of providing the service whilst ensuring current funding from the ICB towards this service remains.	(400)	(416)	(210)	N
AH2609	Strategic Commissioning, Partnerships and Provider Services	Adult Social Care - external contracts appraisal and rationalisation (non-residential/nursing)	This proposal will aim to provide options for reprofiling, recommissioning or rationalising current Adult Services external contracts. This will involve reviewing the full portfolio of Adult Social Care contracts to identify opportunities for efficiencies and savings.	(142)	(236)	(236)	N

Reference Number	Service Area	Proposal Title	Proposal Description	2026/27 £000	2027/28 £000	2028/29 £000	Staffing Implication? Y/N
AH2610	Strategic Commissioning, Partnerships and Provider Services	Domiciliary Care - Variance in Provider Delivery	The Council has identified consistent under-delivery of planned domiciliary care hours by some providers. This proposal aims to generate savings by targeting these variances through a dual approach: (1) contractual engagement with providers to address under-delivery, and (2) increasing assessor capacity to review and right-size care packages.	(227)	(228)	-	N
AH2611	Strategic Commissioning, Partnerships and Provider Services	Decommissioning and combining Supported Living opportunities	This proposal seeks to deliver savings by decommissioning unsuitable supported living accommodation and combining tenants into existing vacancies within more appropriate settings. This will involve working closely with existing service users/tenants to reassess their needs and support them into alternative, better quality accommodation which meets their needs.	(100)	(100)	(100)	N

### Place Directorate

Reference Number	Service Area	Proposal Title	Proposal Description	2026/27 £000	2027/28 £000	2028/29 £000	Staffing Implication? Y/N
PL2601	Corporate Landlord and Property	Closure and disposal of Ravensthorpe Social and Education Centre, and Red Laithes Court	The Council is investing £2.5m in the refurbishment and remodelling of Milldale and Crescent Dale Adults' Day Care facilities. This will enable Adult Services to review its in-house and commissioning models, consolidate day care services in North Kirklees onto one site and withdraw from the existing sites at Ravensthorpe Social and Education Centre and Red Laithes Court, both of which would need very significant investment to provide modern, fit for purpose facilities.	(52)	(52)	-	N
PL2602 / PL2603	Corporate Landlord and Property	Corporate Landlord and Property closures, and reorganisation of civic campus.	Closure of Front of House Function at Civic Centre 3, Huddersfield. This also aligns with the ongoing civic campus reorganisation. 2 FTE reduction of vacant posts. Complete closedown and disposal of former offices on Albion Street, Huddersfield. Savings related to running costs of the building, which is not a public facing building.	(67)	(21)	-	Y

Reference Number	Service Area	Proposal Title	Proposal Description	2026/27 £000	2027/28 £000	2028/29 £000	Staffing Implication? Y/N
PL2604	Corporate Landlord and Property	Consolidation and rationalisation of assets through increased utilisation and sharing of facilities.	Information and data received following the external review will be used to allow property consolidation and rationalisation of assets through increased utilisation and sharing of facilities. More efficient use of the Council's diverse range of buildings / locations will enable assets to be rationalised and consolidated, which will generate premises related savings. Year 1 (2026/27) would be spent working with services and directorates to identify opportunities for rationalisation of assets / greater utilisation of buildings, with building closures occurring in Year 2 (2027/28) and Year 3 (2028/29). Disposals for capital receipts where possible will also occur in Years 2 and 3.	(301)	(427)	(500)	N
PL2605	Corporate Landlord and Property	Increased ad-hoc property management charges following a benchmarking exercise.	Uplift of ad hoc property management charges as outlined in the Corporate Disposals and Acquisitions and Estate Management Policies following a benchmarking review of our charges compared to other Local Authorities.	(25)	(25)	(25)	N
PL2606	Streetscene and Highways	Vacancy Management and reductions in staffing across the Programme Office	Removal of vacant posts and vacancy management, including a reduction in the Programme Office.	(132)	-	-	Y
PL2607	Parks and Greenspaces	External Funding / Event Income	Income from events and funding bids.	-	(50)	(100)	N
PL2609	Public Protection	Review and reorganisation of business and administrative support in Place	A review is proposed to look at service need, how business and administrative support is deployed and budgeted for in teams and more importantly the job roles and job descriptions, training and development to meet the changing needs of services as well as the changing technological landscape.	(100)	-	-	Y
PL2610	Public Protection	Continue to deliver the school transport transformation programme	Implementing the planned next stages of the School Transport Transformation Programme, to make the service more efficient and cost effective. This will include working with partners and contractors to make changes to the journey routes to make them more efficient, and increasing competition in the operator market, so we have better and more streamlined contracts and procurement.	(280)	(331)	-	N

Reference Number	Service Area	Proposal Title	Proposal Description	2026/27 £000	2027/28 £000	2028/29 £000	Staffing Implication? Y/N
PL2611	Business & Economy   Employment & Skills	Reduction in project initiatives & activities	Reduction in the level of business and resident-facing project activity funded through the Employment and Skills grant match budget and the 'miscellaneous' budget held in the Business & Economy service. The ending of European Structural Fund programmes in 2023 has reduced the requirement to provide match funding and the fund has been utilised more widely in recent years to support project activity directly. Some of this will be scaled back because of the reduction in funding.	(30)	-	-	N
PL2612	Business and Economy	Increase recharge of Business & Economy staff to capital grant projects	Increase recharging for Head of Service and Project Officer to the West Yorkshire Combined Authority for work on Mass Transit and the Investment Zone.	(40)	(5)	-	N
PL2613	Planning	Income from Planning Performance Agreements	Increasing the income budget to reflect income levels being received from Planning Performance Agreements (PPAs), with a target to incrementally increase in future years.	(100)	(30)	(15)	N
PL2614	Major Projects	Increase recharge of Major Projects staff to capital grant projects	Increase recharge for the Head of Service post across all Major Projects programmes (West Yorkshire Combined Authority, Transpennine Rail Upgrade, Department for Transport); and recharge levels (%) for the Rail team (to Transpennine Rail Upgrade, Penistone Line and Mass Transit).	(56)	(69)	(68)	N
PL26B01 (BAU)	Major Projects	Major Projects - Removal of 2 posts	Remove two vacant posts. The savings are related to the council funded element of these posts.	(11)	(15)	-	Y
PL26B02 (BAU)	Planning	Planning - Removal of 1 post	Removal of currently vacant Grade 12 from flooding in 27/28 to ensure continuity of resource via agency or secondment support for the Local Plan during 26/27.	-	(22)	-	Y
PL26B03 (BAU)	Business and Economy	Business and Economy - Removal of 1 post	Removal of currently vacant Grade 8 post from Business & Enterprise Centres.	(20)	-	-	Y
PL26B04 (BAU)	Housing Solutions	Reducing spend on storage costs	Reducing spend on storage costs for storing household belongings for people who we accept a Temporary Accommodation duty for.	(10)	(8)	(7)	N

Reference Number	Service Area	Proposal Title	Proposal Description	2026/27 £000	2027/28 £000	2028/29 £000	Staffing Implication? Y/N
PL26B05  (BAU – decision taken)	Corporate Landlord and Property	Disposal of DRAM Centre via Community Asset transfer	Through the process of community asset transfer, the DRAM will be leased for 125 years to a local community group, releasing the annual running costs and long-term repair backlog costs for the site.	(40)	-	-	N

### Public Health and Corporate Resources Directorate

Reference Number	Service Area	Proposal Title	Proposal Description	2026/27 £000	2027/28 £000	2028/29 £000	Staffing Implication? Y/N
CR26MTFP	Welfare and Exchequer	Welfare and Exchequer - Staffing Savings	The Council is anticipating a reduction in Housing Benefit admin grant from the DWP and also in funding from McMillan for Advice. Housing Benefit is anticipated to see the largest reduction, around £0.3m of grant funding will be lost over the next two years, because of the ongoing rollout of Universal Credit (UC). As roll out of UC continues there will be a reduction in the workload of the Benefits team. This proposal seeks to reduce staffing costs in line with the grant reduction. Should there be a delay to the reduction in caseload and the grant is not reduced as quickly as forecast, then savings targets will be adjusted.	(237)	(148)	-	Y
CR2601	People Services / Kirklees Direct	Review Ways of Working	Modernisation of the service, new systems and revised agile ways of working while not having a detrimental impact on services internally / externally and the customer experience.	(248)	(213)	(210)	Y
CR2602	Strategy and Innovation Services	Vacancy Management savings across Strategy and Innovation	Several currently vacant posts will not be filled and will be permanently removed from the services within the 'Strategy and Innovation' Service Directorate (i.e. Information Technology, Communication, Policy, Data and Insight, Transformation)	(300)	-	-	Y
CR2603	Welfare and Exchequer	Welfare and Exchequer - Deletion of 3 posts	These posts have been vacant since April 2025 and following review of services no longer need to be filled and can be deleted. Deletion will not impact on Council tax collection.	(76)	-	-	Y
CR2604	Culture and Visitor	Bereavement Services Vacancy Management	Deletion of a Customer Service Officer role which is vacant from the staffing structure.	(40)	-	-	Y

Reference Number	Service Area	Proposal Title	Proposal Description	2026/27 £000	2027/28 £000	2028/29 £000	Staffing Implication? Y/N
	Economy - Bereavement Services						
CR2605	Culture and Visitor Economy - Cleaning & Caretaking Service	Closure of Peripatetic Caretaking Service	Closing down of the (loss making) Peripatetic Caretaking Service currently provided to schools. Historically, this service has supplied temporary caretaking support when a school's site-based caretaker is unavailable due to sickness, annual leave or other absences. Although it has contributed valuable operational continuity, sustaining the service has become increasingly challenging in light of ongoing budget constraints. Currently, the service operates with a £121,000 budget deficit resulting from a decrease in schools purchasing this provision.	(61)	(61)	-	Y
CR2606	Culture and Visitor Economy - Catering Services	Increase in fees and charges for school meals to mitigate increase in food costs and supply chain.	Catering is currently a subsidised service costing around £0.9m pa (excluding overheads). This proposal maintains that level of subsidy as the budget assumes additional costs of £600k pa (pay and food inflation). An Increase of c5% on the buyback calculation for charges to maintained schools from April 2026 and a 15p per meal increase in the price of a school meal from September 2026 (5.3%).	(600)	(600)	(600)	N
CR26B01 (BAU)	People Services	People Services - Additional Income	Additional income from Salary Sacrifice/Employee Healthcare. (Income achieved in excess of current income targets).	(100)	-	-	N
CR26B02 (BAU)	Policy, Partnerships and Corporate Planning	Co-operative Councils' Innovation Network	Ceasing membership / removal of subscription which has been inactive for a while.	(8)	-	-	N

**DIRECTORATE FUNDING ASSUMPTIONS****SPECIFIC GRANTS WITHIN SERVICES**

1. The Council receives a number of specific grants from Government which are non-ring fenced and can be redirected to other areas of service provision as required. It also receives some specific grants that are ring-fenced and can only be used for the specific purpose set out in the grant conditions. Further details of the main specific grants are shown in the following table:

<b>Grant</b>	<b>Budget 26/27 £m</b>	<b>Budget 27/28 £m</b>	<b>Budget 28/29 £m</b>
Dedicated Schools Grant	297	297	297
Department of Health (Public Health)	35	35	36
DWP-Rent Allowance	29	29	29
DWP - Rent Rebate	28	28	28
Improved Better Care Fund (IBCF)*	22	0	0
Pupil Premium Grant	11	11	11
Schools Grants - Other	10	10	10
High Needs Funding	9	9	9
Children's, Families & Youth Grant	9	9	8
PFI Grant - HRA	8	8	8
Crisis & Resilience Fund	7	7	7
Extended Producer Responsibility	6	6	5
Homelessness, Rough Sleeping and Domestic Abuse Grant	3	3	4
Other Government Grants (less than £2m)	9	9	8
<b>Total</b>	<b>483</b>	<b>461</b>	<b>460</b>

\* IBCF rolls into RSG in 2027/28

**OTHER INCOME – BETTER CARE FUND**

2. The Council has a Section 75 agreement for the Better Care Fund (BCF). Introduced with effect from the 2015/16 financial year, the Better Care Fund was established by the Government to drive closer integration with health services and improve outcomes for patients and service users. The Council in association with Kirklees Integrated Care Board (ICB) have a pooled budget to deliver the aims of the Better Care Fund in Kirklees. The pooled budget is hosted by the Council on behalf of the partners to the arrangement. Note that also feeding into this is a smaller pooled budget (also with the ICB) in relation to the Kirklees Integrated Community Equipment Service (KICES). This forms part of the 'Assistive technology and equipment' programme.
3. The current year programme and plan are shown below. Discussions around the 26/27 plan are ongoing with partners, subject to agreement around key outcomes,

activities and available funding, and the shape of the proposed Kirklees Provider Alliance.

<b>Better Care Fund</b>	<b>Total Pooled Budget (Local Authority &amp; ICB) £m</b>
<b>2025-26 Programme Areas:</b>	
Assistive technology and equipment	7.89
Home first model for discharge	19.45
Long-term based community health services	9.32
Care home quality assurance	0.37
Supporting social care	26.80
Carers Support	2.44
Urgent Community Response	1.95
Supporting the Voluntary and Community Sector	0.38
<b>Total</b>	<b>68.60</b>

## Capital Plan Expenditure Summary

Capital Plan Expenditure Summary	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31- 2032/33 £'000	Total £'000
<b>General Fund:</b>							
Children & Families	23,563	34,941	19,851	4,703	2,750	2,500	<b>88,308</b>
Adults & Health	4,829	891	1,000	0	0	0	<b>6,720</b>
Place	163,281	210,879	132,846	103,466	93,513	90,816	<b>794,801</b>
Public Health & Corporate Resources	8,484	7,642	5,862	10,418	10,826	28,374	<b>71,606</b>
<b>General Fund Capital Plan</b>	<b>200,157</b>	<b>254,353</b>	<b>159,559</b>	<b>118,587</b>	<b>107,089</b>	<b>121,690</b>	<b>961,435</b>
<b>Housing Revenue Account Capital Plan</b>	<b>39,215</b>	<b>59,785</b>	<b>71,043</b>	<b>87,572</b>	<b>93,555</b>	<b>78,193</b>	<b>429,363</b>
<b>TOTAL EXPENDITURE</b>	<b>239,372</b>	<b>314,138</b>	<b>230,602</b>	<b>206,159</b>	<b>200,644</b>	<b>199,883</b>	<b>1,390,798</b>

## Capital Plan Funding Summary

Appendix F

General Fund Funding Summary	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31- 2032/33 £'000	Total £'000
<i>Direct / Earmarked Contributions to Schemes</i>							
Capital Grants/Contributions	106,889	134,937	61,970	48,202	46,449	39,083	<b>437,530</b>
Revenue Contributions	5	0	0	0	0	0	<b>5</b>
Capital Receipts	6,377	11,059	9,033	5,390	5,390	2,000	<b>39,249</b>
Service Funded Prudential Borrowing	5,458	18,175	13,140	12,423	4,050	1,000	<b>54,246</b>
Corporate Prudential Borrowing	81,428	90,182	75,416	52,572	51,200	79,607	<b>430,405</b>
<b>GENERAL FUND FUNDING</b>	<b>200,157</b>	<b>254,353</b>	<b>159,559</b>	<b>118,587</b>	<b>107,089</b>	<b>121,690</b>	<b>961,435</b>

Housing Revenue Account Funding Summary	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31- 2032/33 £'000	Total £'000
Capital Grants/Contributions	1,998	5,577	4,698	2,982	2,661	2,226	<b>20,142</b>
Capital Receipts	6,768	9,065	11,268	20,847	15,590	7,480	<b>71,018</b>
Reserves / Revenue Contributions	6,460	12,380	0	0	0	0	<b>18,840</b>
Reserves - MRR	23,989	25,937	26,715	27,517	28,342	29,192	<b>161,692</b>
Corporate Prudential Borrowing	0	6,826	28,362	36,226	46,962	39,295	<b>157,671</b>
<b>HRA FUNDING</b>	<b>39,215</b>	<b>59,785</b>	<b>71,043</b>	<b>87,572</b>	<b>93,555</b>	<b>78,193</b>	<b>429,363</b>

GENERAL FUND CAPITAL PLAN		Funding	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31- 2032/33 £'000	Total £'000
<b>CHILDREN &amp; FAMILIES</b>									
<b>LEARNING &amp; EARLY SUPPORT</b>									
<b>Strategic Priorities</b>									
	New Special School for Woodley @ Almondbury	B/G/ R	6,000	13,373	14,487	1,703	0	0	35,563
	New Special School for Joseph Norton @ Deighton	B/G	9,000	16,249	1,815	0	0	0	27,064
		T	15,000	29,622	16,302	1,703	0	0	62,627
	Additionally Resourced Provisions / Satellite Provisions	G	666	0	0	0	0	0	666
	District Sufficiency	T	15,666	29,622	16,302	1,703	0	0	63,293
	King James High School	G	29	0	0	0	0	0	29
	Scissett Middle School	S106	1	0	0	0	0	0	1
	North Huddersfield Trust School	G/B	1,941	150	0	0	0	0	2,091
	Thornhill Community Academy	G	434	50	0	0	0	0	484
	Secondary Places Basic Need	G	23	0	0	0	0	0	23
	New Pupil Places in Primary/Secondary Schools	T	2,428	200	0	0	0	0	2,628
	Childcare Expansion	G	50	550	299	0	0	0	899
	<b>Strategic Priorities Total</b>		<b>18,144</b>	<b>30,372</b>	<b>16,601</b>	<b>1,703</b>	<b>0</b>	<b>0</b>	<b>66,820</b>

GENERAL FUND CAPITAL PLAN		Funding	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31- 2032/33 £'000	Total £'000
<b>CHILDREN &amp; FAMILIES</b>									
	<b>LEARNING &amp; EARLY SUPPORT</b>								
	<b>Baseline</b>								
	Capital Maintenance	G	4,078	3,035	2,700	2,500	2,300	2,100	<b>16,713</b>
	Devolved Formula Capital	G	891	1,434	550	500	450	400	<b>4,225</b>
	<b>Baseline Total</b>		<b>4,969</b>	<b>4,469</b>	<b>3,250</b>	<b>3,000</b>	<b>2,750</b>	<b>2,500</b>	<b>20,938</b>
	<b>LEARNING &amp; EARLY SUPPORT TOTAL</b>		<b>23,113</b>	<b>34,841</b>	<b>19,851</b>	<b>4,703</b>	<b>2,750</b>	<b>2,500</b>	<b>87,758</b>
	<b>RESOURCES, IMPROVEMENT AND PARTNERSHIPS</b>								
	<b>Strategic Priorities</b>								
	Homes for Children - Fieldview	B	450	100	0	0	0	0	550
	<b>RESOURCES, IMPROVEMENT AND PARTNERSHIPS TOTAL</b>		<b>450</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>550</b>
	<b>CHILDREN &amp; FAMILIES TOTAL</b>		<b>23,563</b>	<b>34,941</b>	<b>19,851</b>	<b>4,703</b>	<b>2,750</b>	<b>2,500</b>	<b>88,308</b>

GENERAL FUND CAPITAL PLAN		Funding	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31- 2032/33 £'000	Total £'000
<b>ADULTS &amp; HEALTH</b>									
	<b>COMMUNITIES AND ACCESS SERVICES</b>								
	Libraries	B	0	0	1,000	0	0	0	1,000
	Library Open Access	G	123	14	0	0	0	0	137
	Community Cohesion Grant	G	110	0	0	0	0	0	110
	<b>COMMUNITIES AND ACCESS SERVICES TOTAL</b>		<b>233</b>	<b>14</b>	<b>1,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,247</b>
	<b>LEARNING DISABILITIES &amp; MENTAL HEALTH</b>								
	Commissioning Option Appraisals to facilitate outcomes of Specialist Accommodation Strategy	B	29	0	0	0	0	0	29
	Knowl Park House	B	1,378	0	0	0	0	0	1,378
	Milldale and Crescentdale	B	2,935	877	0	0	0	0	3,812
	Red Laithes Court	B	19	0	0	0	0	0	19
	<b>LEARNING DISABILITIES &amp; MENTAL HEALTH TOTAL</b>		<b>4,361</b>	<b>877</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,238</b>
	<b>ADULT SOCIAL CARE OPERATION</b>								
	Carephones - Digital Switchover	B	235	0	0	0	0	0	235
	<b>ADULT SOCIAL CARE OPERATION TOTAL</b>		<b>235</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>235</b>
	<b>ADULTS &amp; HEALTH TOTAL</b>		<b>4,829</b>	<b>891</b>	<b>1,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,720</b>

GENERAL FUND CAPITAL PLAN		Funding	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31- 2032/33 £'000	Total £'000
<b>PLACE</b>									
<b>SKILLS &amp; REGENERATION</b>									
<b>Business Economy</b>									
	Start Up & Retention Policy Grants	B	100	300	0	0	0	0	400
	Leeds City Region Revolving Fund	B	0	0	0	526	0	0	526
	WY Investment Zones	G	889	0	0	0	0	0	889
	<b>Business Economy Total</b>		<b>989</b>	<b>300</b>	<b>0</b>	<b>526</b>	<b>0</b>	<b>0</b>	<b>1,815</b>
<b>Major Projects</b>									
West Yorkshire plus Transport Schemes:									
	A62 to Cooper Bridge Corridor Improvements	G	1,282	3,746	5,648	10,826	20,067	0	41,569
	A629 Halifax Road Phase 5	G/C	1,907	4,067	327	196	86	3,044	9,627
	UTMC Urban Traffic Management	G	1	28	0	0	0	0	29
	Huddersfield Southern Corridors	G	3,659	2,393	302	22	15	80	6,471
Corridor Improvement Programme:									
	Holmfirth Town Centre Access Plan	G	3,418	559	2,180	0	0	88	6,245
	A62 Smart Corridor	G	344	977	0	0	0	0	1,321
	Fenay Lane	G	74	0	0	0	0	0	74
	City Connect Cooper Bridge	G	0	2	0	0	0	0	132
	Huddersfield Station Gateway Phase 1	G	52	80	0	0	0	0	4
	<b>West Yorkshire plus Transport Schemes</b>	<b>T</b>	<b>10,737</b>	<b>11,852</b>	<b>8,457</b>	<b>11,044</b>	<b>20,168</b>	<b>3,212</b>	<b>65,470</b>

GENERAL FUND CAPITAL PLAN		Funding	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31- 2032/33 £'000	Total £'000
<b>PLACE</b>									
<b>Major Projects</b>									
Transforming Cities Fund:									
Huddersfield Rail Station Access		B	441	0	0	0	0	0	441
<i>TCF Main scheme:</i>									
Heckmondwike Bus Station		G	6,614	26	13	0	27	15	6,695
Dewsbury/Cleckheaton Sust Travel Corridor		G	4,250	4,248	0	50	0	0	8,548
Dews TC Walking & Cycling Imps		G/B	2,306	7,851	0	0	50	50	10,257
Huddersfield Rail Station Connections		G/B	5,254	10,372	0	0	0	0	15,626
A629 Wakefield Rd Sust Travel Corridor		G	5	0	0	0	0	0	5
Huddersfield Bus Station		G/B	1,505	6,451	0	0	0	0	7,956
Dewsbury/Batley/Tingley Sus Travel Corridor		G	1,500	6,482	11	0	14	16	8,023
Transforming Cities Fund		T	<b>21,875</b>	<b>35,430</b>	<b>24</b>	<b>50</b>	<b>91</b>	<b>81</b>	<b>57,551</b>
Emergency Active Travel		G	1,979	2,596	7	0	0	0	4,582
Integrated Transport & Active Travel		G	504	129	0	0	0	0	633
Flood Management and Land Drainage		B/G /S106	423	320	272	200	0	0	1,215
Transpennine Route Upgrade (Network Rail)		G	919	1,286	0	0	0	0	2,205
Penistone Line Rail Upgrade		G	1,445	10,000	19,055	9,500	7,917	0	47,917
Dalton/Deighton Cycle Track (CRSTS)		G	44	179	0	0	0	0	223
A62 - A644 Bus Priority Scheme (CRSTS)		G	6	0	0	0	0	0	6

GENERAL FUND CAPITAL PLAN		Funding	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31- 2032/33 £'000	Total £'000
<b>PLACE</b>									
	Trees for Climate:								
	White Rose Forest Tree Planting	G	14	0	0	0	0	0	14
	Trees for Climate	G	7,573	4,348	2,239	1,420	1,039	18,807	35,426
	Urban Tree Challenge Fund	G	149	42	7	0	0	0	198
	Northern Forest GA2	G	1,050	200	200	89	0	0	1,539
	Trees for Climate	T	8,786	4,590	2,446	1,509	1,039	18,807	37,177
	<b>Major Projects Total</b>		<b>46,718</b>	<b>66,382</b>	<b>30,261</b>	<b>22,303</b>	<b>29,215</b>	<b>22,100</b>	<b>216,979</b>
	<b>SKILLS &amp; REGENERATION TOTAL</b>		<b>47,707</b>	<b>66,682</b>	<b>30,261</b>	<b>22,829</b>	<b>29,215</b>	<b>22,100</b>	<b>218,794</b>
	<b>DEVELOPMENT</b>								
	<b>HOUSING GROWTH</b>								
	Dewsbury Riverside	B	434	1,000	2,000	1,000	500	1,000	5,934
	Site Development:								
	Homes England - Soothill Development	G/Cont	27	117	0	0	0	0	144
	Bradley Park	R	747	729	0	0	0	0	1,476
	Highmoor Lane, Hartshead	G	1,438	0	0	0	0	0	1,438
	Site Development	T	2,212	846	0	0	0	0	3,058
	<b>Housing Growth Total</b>		<b>2,646</b>	<b>1,846</b>	<b>2,000</b>	<b>1,000</b>	<b>500</b>	<b>1,000</b>	<b>8,992</b>

GENERAL FUND CAPITAL PLAN		Funding	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31- 2032/33 £'000	Total £'000
<b>PLACE</b>									
	<b>HOUSING SERVICES</b>								
	<b>PRIVATE SECTOR HOUSING</b>								
	Disabled Facilities Grant over £1k	G	4,497	3,761	3,760	3,760	3,760	3,760	<b>23,298</b>
	Discretionary Assistance	R	230	202	60	60	60	0	<b>612</b>
	Minor Adaptations	R	252	330	330	330	330	0	<b>1,572</b>
	<b>Housing Services Total</b>		<b>4,979</b>	<b>4,293</b>	<b>4,150</b>	<b>4,150</b>	<b>4,150</b>	<b>3,760</b>	<b>25,482</b>
	<b>PROPERTY</b>								
	Corporate Landlord Asset Investment	B/G	8,415	9,615	5,270	4,300	4,300	4,300	<b>36,200</b>
	Corporate Landlord Compliance	B	839	1,575	1,650	1,000	1,000	1,000	<b>7,064</b>
	Corporate Landlord Welfare Programme	B	279	1,193	1,654	1,000	1,000	1,000	<b>6,126</b>
	Investment in Cleckheaton Town Hall	B	0	1,500	1,500	2,000	2,500	0	<b>7,500</b>
	Asset Management Property Database	B	194	50	50	0	0	0	<b>294</b>
	Changing Places	G	15	0	0	0	0	0	<b>15</b>
	<b>Property Total</b>		<b>9,742</b>	<b>13,933</b>	<b>10,124</b>	<b>8,300</b>	<b>8,800</b>	<b>6,300</b>	<b>57,199</b>

GENERAL FUND CAPITAL PLAN		Funding	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31- 2032/33 £'000	Total £'000
<b>PLACE</b>									
<b>TOWN CENTRES</b>									
	Aspirational Regeneration of Major Town Centres - Feasibility	B	5	0	0	0		0	5
	<i>Regeneration of Strategic Town Centres - Huddersfield :</i>								
	Holding pot	B	81	0	0	0	0	0	81
	<u>Huddersfield Town Centre Schemes</u>								
	Huddersfield TC - Shop Front Grants	B	531	157	0	0	0	0	688
	The Northumberland Street Regeneration Project	B	558	0	0	0	0	0	558
	Huddersfield Open Market Regeneration Market	G	1,445	10,189	4,404	0	0	0	16,038
	Huddersfield TC Maintenance	B	20	0	0	0	0	0	20
	Cultural Interventions - Growing Seeds	B	9	0	0	0	0	0	9
	Huddersfield Town Centre Schemes	T	2,563	10,346	4,404	0	0	0	17,313
	<u>Heritage Action Zone</u>								
	The George Hotel	B*	4,200	11,000	11,000	2,797	0	0	28,997
	Heritage Action Zone	T	4,200	11,000	11,000	2,797	0	0	28,997
	<u>Huddersfield Public Realm Works</u>								
	New Street Public Realm Development	B	134	0	0	0	0	0	134
	Huddersfield Town Centre Cameras	B	41	0	0	0	0	0	41
	Refurb of 2 New Street, Huddersfield	B	16	0	0	0	0	0	16
	Huddersfield Public Realm Works	T	191	0	0	0	0	0	191

GENERAL FUND CAPITAL PLAN		Funding	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31- 2032/33 £'000	Total £'000
<b>PLACE</b>									
	Public Realm - Golden Route								
	St Peters Gardens	B/G	141	0	0	0	0	0	141
	Church St Design Development	B	5	0	0	0	0	0	5
	Church Street Main Scheme	B	19	0	0	0	0	0	19
	Market Place Investigative Works	B	34	0	0	0	0	0	34
	Cross Church Street	B	29	0	0	0	0	0	29
	St Georges Hotel Improvements	B	73	0	0	0	0	0	73
	Public Realm - Golden Route	T	301	0	0	0	0	0	301
	Huddersfield Town Centre Action Plan	T	7,336	21,346	15,404	2,797	0	0	46,883
	<i>Regeneration of Strategic Town Centres – Dewsbury:</i>								
	<i>Better Spaces Strategy</i>								
	BS Phase 2 - Town Park	B/R/G	1,633	3,647	0	0	0	0	5,280
	BS Phase 1	G	0	88	0	0	0	0	88
	Better Spaces Strategy	T	1,633	3,735	0	0	0	0	5,368
	Heritage Action Zone	B/G	1,628	0	0	0	0	0	1,628
	Daisy Hill Neighbourhood	B/R/G	12	1,512	1,800	0	0	0	3,324
	Dewsbury Market Upgrade	B/R/G	1,200	9,558	7,316	0	0	0	18,074
	The Arcade	B/G/R	4,063	0	0	0	0	0	4,063
	Construction Skills Village	G/R	100	1,834	0	0	0	0	1,934
	Creative Culture	G	0	1,559	0	0	0	0	1,559

# Multi-Year Capital Plan

# Appendix F

GENERAL FUND CAPITAL PLAN		Funding	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31- 2032/33 £'000	Total £'000
<b>PLACE</b>									
	Sustainable Transport	G	300	307	0	0	0	0	607
	Building Revival	G/B	337	2,773	0	0	0	0	3,110
	Dewsbury Town Centre Action Plan	T	9,273	21,278	9,116	0	0	0	39,667
	<i>Town Centre Action Plans</i>	T	16,614	42,624	24,520	2,797	0	0	86,555
	Regeneration and Greening of Smaller Towns and Villages (Local Centres):								
	Smaller Towns & Villages	B	50	735	500	1,481	1,000	0	3,766
	Batley Smaller Towns & Villages	B/G	1,000	7,878	4,298	0	0	0	13,176
	Cleckheaton Smaller Towns & Villages	B/G	351	1,075	0	0	0	0	1,426
	Holmfirth Smaller Towns & Villages	B	195	1,063	0	0	0	0	1,258
	Heckmondwike Smaller Towns & Villages	B	207	200	0	0	0	0	407
	Marsden New Mills Redevelopment Scheme	G	1,100	4,294	0	0	0	0	5,394
	Other - Our Local Centres (Marsden Blueprint)	B	176	0	0	0	0	0	176
	UKSPF Local Centres Feasibility Studies	G	50	0	0	0	0	0	50
	UKSPF Spen Bottoms	G	85	0	0	0	0	0	85
	UKSPF Revive & Thrive	G	185	0	0	0	0	0	185
	UKSPF Marsden Bridge	G	20	0	0	0	0	0	20
	UKSPF Marsden Bandstand	G	10	0	0	0	0	0	10
	UKSPF Marsden Pathways	G	20	0	0	0	0	0	20
	UKSPF Grange Moor Play	G	55	0	0	0	0	0	55
	Regeneration and Greening of Smaller Towns and Villages (Local Centres)	T	3,504	15,245	4,798	1,481	1,000	0	26,028
	Cultural Heart	B	48,996	25,844	30,266	31,641	21,555	33,603	191,905
	Strategic Acquisition Fund	B	161	343	300	0	0	0	804
	<b>Town Centres Total</b>		<b>69,275</b>	<b>84,056</b>	<b>59,884</b>	<b>35,919</b>	<b>22,555</b>	<b>33,603</b>	<b>305,292</b>

GENERAL FUND CAPITAL PLAN		Funding	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31- 2032/33 £'000	Total £'000
<b>PLACE</b>									
	<b>DEVELOPMENT TOTAL</b>		<b>86,642</b>	<b>104,128</b>	<b>76,158</b>	<b>49,369</b>	<b>36,005</b>	<b>44,663</b>	<b>396,965</b>
<b>HIGHWAYS &amp; STREETSCENE</b>									
	Highways								
	Maintenance:								
	Principal Roads	G	1,255	7,417	3,678	3,678	3,678	3,678	<b>23,384</b>
	Roads Connecting Communities	G	860	1,096	1,096	1,096	1,096	1,096	<b>6,340</b>
	Local Community Roads	B/G	3,199	3,980	3,953	5,953	7,953	2,953	<b>27,991</b>
	Structures	G	1,304	1,200	1,200	1,200	1,200	1,200	<b>7,304</b>
	Active Travel / PROW	G	271	231	157	156	157	155	<b>1,127</b>
	Streetlighting	G	966	1,000	0	0	0	0	<b>1,966</b>
	Highways All Roads	B/G	5,957	2,281	2,250	2,232	1,800	1,800	<b>16,320</b>
	Highways Unforeseen Events	G	227	0	0	0	0	0	<b>227</b>
	Highways Maintenance	T	<b>14,039</b>	<b>17,205</b>	<b>12,334</b>	<b>14,315</b>	<b>15,884</b>	<b>10,882</b>	<b>84,659</b>
	Integrated Transport:								
	Network Management	G/s278	975	630	715	715	715	715	<b>4,465</b>
	Safer Roads	B/G	1,865	1,475	1,185	1,190	1,175	1,175	<b>8,065</b>
	Drainage	B	239	250	250	250	250	250	<b>1,489</b>
	Developer Funded Schemes	s278	1,337	0	0	0	0	0	<b>1,337</b>
	UKSPF CCTV (Highways)	G	489	0	0	0	0	0	<b>489</b>
	Highways Integrated Transport	T	<b>4,905</b>	<b>2,355</b>	<b>2,150</b>	<b>2,155</b>	<b>2,140</b>	<b>2,140</b>	<b>15,845</b>
	Highways Total	T	<b>18,944</b>	<b>19,560</b>	<b>14,484</b>	<b>16,470</b>	<b>18,024</b>	<b>13,022</b>	<b>100,504</b>

GENERAL FUND CAPITAL PLAN		Funding	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31- 2032/33 £'000	Total £'000
<b>PLACE</b>									
	Car Park Meters	B	135	141	100	100	0	0	476
	OSAMS	B	626	466	410	12	0	0	1,514
	<b>WASTE</b>								
	Waste Strategy								
	Improved Litter Bin Facilities	B	50	259	259	0	0	0	568
	Technology To Reduce Crime	B	23	29	29	0	0	0	81
		T	73	288	288	0	0	0	649
	Waste Management Plant/ Infrastructure								
	Energy From Waste	B	1,872	1,962	2,056	0	0	0	5,890
	Contract Extension	B	1,176	1,065	1,539	0	0	0	3,780
	Materials Recycling Facility	B	76	79	83	0	0	0	238
	Proposed Depot (feasibility)	B	220	0	0	0	0	0	220
	Waste Procurement & Depot Strategy	T	3,344	3,106	3,678	0	0	0	10,128
	Environment & Strategic Waste	B	88	84	100	100	100	100	572
	Waste Total	T	3,505	3,478	4,066	100	100	100	11,349
	Vehicle Replacement Programme	B	1,296	8,467	1,801	1,932	8,119	10,931	32,546
	Recycling Fleet	B*	0	3,264	0	0	0	0	3,264
	Bulk Gritters	B*	0	1,800	0	0	0	0	1,800
	Project Fleet	B	683	67	0	0	0	0	750

GENERAL FUND CAPITAL PLAN		Funding	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31- 2032/33 £'000	Total £'000
<b>PLACE</b>									
	Play Strategy	B/ S106/ RCCO/ Cont/G	2,297	2,195	1,737	1,528	0	0	7,757
<b>HIGHWAYS &amp; STREETSCENE TOTAL</b>			27,486	39,438	22,598	20,142	26,243	24,053	159,960
<b>ENVIRONMENT STRATEGY &amp; CLIMATE CHANGE</b>									
	Climate Emergency - Green Travel	B/G	450	413	229	0	0	0	1,092
	Air Quality	B/G	128	218	0	0	0	0	346
	Huddersfield Heat Network	G/B*	485	0	3,600	11,126	2,050	0	17,261
	Electric Vehicle Rapid Charge Points	G	273	0	0	0	0	0	273
	Mayoral Renewables Grant Scheme	G	110	0	0	0	0	0	110
<b>ENVIRONMENT STRATEGY &amp; CLIMATE CHANGE TOTAL</b>			1,446	631	3,829	11,126	2,050	0	19,082
<b>PLACE TOTAL</b>			163,281	210,879	132,846	103,466	93,513	90,816	794,801

GENERAL FUND CAPITAL PLAN		Funding	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31- 2032/33 £'000	Total £'000
<b>PUBLIC HEALTH &amp; CORPORATE RESOURCES</b>									
<b>STRATEGY &amp; INNOVATION</b>									
	Information Technology	B	1,686	1,256	1,196	1,066	626	1,074	<b>6,904</b>
	Transformation Capitalisation	R	4,000	4,000	2,000	2,000	2,000	2,000	<b>16,000</b>
	Revenue Capitalisation	R	1,000	0	0	0	0	0	<b>1,000</b>
	Investment and Modernisation Fund	B*	750	2,000	2,000	2,000	2,000	1,000	<b>9,750</b>
<b>STRATEGY &amp; INNOVATION TOTAL</b>			<b>7,436</b>	<b>7,256</b>	<b>5,196</b>	<b>5,066</b>	<b>4,626</b>	<b>4,074</b>	<b>33,654</b>
<b>PUBLIC HEALTH</b>									
*	Dewsbury Sports Centre Provision - Options Appraisal/Feasibility	B	100	0	0	0	0	0	<b>100</b>
*	Dewsbury Sports Centre Provision - Construction	B/G	0	0	0	5,000	6,000	24,000	<b>35,000</b>
		T	100	0	0	5,000	6,000	24,000	<b>35,100</b>
	Kirklees Active Leisure – LED Scheme	B*	250	0	0	0	0	0	<b>250</b>
<b>PUBLIC HEALTH TOTAL</b>			<b>350</b>	<b>0</b>	<b>0</b>	<b>5,000</b>	<b>6,000</b>	<b>24,000</b>	<b>35,350</b>
<b>CULTURE &amp; VISITOR ECONOMY</b>									
	Sustainability of Major Town Halls - Service Development	B*	146	11	0	0	0	0	<b>157</b>
	Investment in Cliffe House Playground, Conservative Amendment	B	250	0	0	0	0	0	<b>250</b>
	School Catering	B/B*	248	300	340	300	200	300	<b>1,688</b>

GENERAL FUND CAPITAL PLAN		Funding	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31- 2032/33 £'000	Total £'000
PUBLIC HEALTH & CORPORATE RESOURCES									
CULTURE & VISITOR ECONOMY									
	Bereavement	B	54	75	326	52	0	0	507
CULTURE & VISITOR ECONOMY TOTAL			698	386	666	352	200	300	2,602
PUBLIC HEALTH & CORPORATE RESOURCES TOTAL			8,484	7,642	5,862	10,418	10,826	28,374	71,606
GENERAL FUND CAPITAL PLAN TOTAL			200,157	254,353	159,559	118,587	107,089	121,690	961,435

HOUSING REVENUE ACCOUNT CAPITAL PLAN	Funding	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31- 2032/33 £'000	Total £'000
<b>Strategic Priorities</b>								
Housing Growth	H/R	1,100	2,400	2,400	2,400	2,400	2,400	13,100
LAHF - Refugee Housing	H/G	436	0	0	0	0	0	436
LAHF 3 - Refugee Housing	H/G	1,582	323	0	0	0	0	1,905
New Build Phase 1 - Ashbrow Extra Care	R	304	0	0	0	0	0	304
Berry Brow Remodelling	H/G	1,153	900	10,626	10,626	10,626	0	33,931
Harold Wilson Court	H	187	59	0	0	0	0	246
Buxton House	H	170	2,000	10,000	8,000	0	0	20,170
IT System (Universal Housing Replacement)	H	743	0	0	0	0	0	743
IT System Property/Assets	H	114	696	0	0	0	0	810
Council House Building	B/R	270	6,816	9,313	14,605	8,544	278	39,826
<b>Strategic Priorities Total</b>		<b>6,059</b>	<b>13,194</b>	<b>32,339</b>	<b>35,631</b>	<b>21,570</b>	2,678	<b>111,471</b>
<b>Baseline</b>								
Housing Capital Plan	H/B	20,490	20,196	21,583	24,524	26,927	29,403	143,123
Estate Improvements (Neighbourhood Investment)	H/B	1,400	1,100	1,100	1,100	1,100	1,100	6,900
Building Safety	H/B	2,708	2,996	3,270	3,197	3,291	4,140	19,602
Six Storey Blocks	H/B	2,355	18,599	13,702	10,267	19,093	9,139	73,155
Low Rise Blocks	H/B	240	2,306	1,594	1,593	2,310	168	8,211
Retirement Living Schemes	H/B	200	9,036	6,355	5,760	5,764	5,765	32,880
Fuel poverty	H/G/B	1,363	1,708	1,000	1,800	1,800	1,800	9,471
Adaptations	H	4,400	4,650	4,400	3,700	3,700	3,700	24,550
<b>Baseline Total</b>		<b>33,156</b>	<b>60,591</b>	<b>53,004</b>	<b>51,941</b>	<b>63,985</b>	55,215	<b>317,892</b>
<b>HRA CAPITAL PLAN TOTAL</b>		<b>39,215</b>	<b>73,785</b>	<b>85,343</b>	<b>87,572</b>	<b>85,555</b>	<b>57,893</b>	<b>429,363</b>

**FUNDING KEY:**

- B = Borrowing
- B\* = Service funded Borrowing
- B\*\* = Borrowing for provision of loans for development projects, covered by repayments
- G = Grant
- Cont = External contributions
- R = Capital receipts
- S106 = Section 106 developer contributions
- S278 = Section 278 developer contributions
- H = HRA revenue contribution/major repairs reserve
- \* = Addition

### FLEXIBLE USE OF CAPITAL RECEIPTS STRATEGY

1. Government guidance allows the capitalisation of certain types of qualifying revenue expenditure in-year, funded from the flexible use of 'in-year' generated capital receipts. The original DCLG guidance covered the 2016-19 period, but this was subsequently extended by a further 3 years, to 2021/22, following the Autumn Statement announcement on November 17th, 2017. The Local Government Finance Settlement for 2021/22 extended these capital receipts flexibilities for a further three years, which covers the period up to and including 2024/25. On 26 March 2025, the government published a new version of the Direction and Guidance on Flexible Use of Capital Receipts, extending the general direction on flexible use of capital receipts to 2029/30.
2. Local authorities are given the power to use capital receipts from the sale of general fund land and buildings received in the years in which this flexibility is offered, to spend up to 100% of their fixed asset receipts (excluding Right to Buy receipts) on the revenue costs of qualifying projects.
3. Government has provided a definition of expenditure which qualifies to be funded from capital receipts. This is: "Qualifying expenditure is expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners. Within this definition, it is for individual local authorities to decide whether or not a project qualifies for the flexibility."
4. The extent to which capital receipts will actually be applied in-year will take into account the following factors: i) the amount of capital receipts actually generated in-year; ii) the amount of qualifying capitalisable revenue expenditure in-year; iii) the affordability of borrowing to fund the capital plan in-year, where current funding assumptions include use of in-year capital receipts to part fund the Councils annual general fund capital plan.
5. The Council will use the powers under the DCLG guidance on the flexible use of capital receipts to fund up to £4m qualifying transformation expenditure in 2025/26 and £4m in 2026/27, dropping to £2m from 2027/28 onwards. Whilst the current guidance runs through to 2030, the Council will need to review capital receipts disposal forecasts over this period. The proposals set out are 'in principle' and allow officers the flexibility to consider a range of funding options in-year that meet the intended objectives set out in the Council's budget strategy.
6. It is intended that officers will update members as part of the annual budget report to full Council each February/March and finalised proposals for the flexible use of capital receipts to be incorporated into the annual financial outturn report for Council.

### **Table - Flexible Use of Capital Receipts Strategy**

Note - The following projects are indicative of current service areas and costs against which flexible capital receipts funding could be applied under the government guidance for qualifying expenditure for flexible capital receipts. Finalised proposals for the flexible use of capital receipts will be incorporated into the annual financial outturn report as the Council may identify new transformation activity in year.

<b>Project</b>	<b>Project Description</b>	<b>Service Transformation / Savings</b>	<b>Directorate</b>	<b>Estimated Use of Receipts 2026/27 (£k)</b>
Transformation Project Team	Delivery of Transformation Programme for Adult Social Care to achieve the medium term financial plan savings and bring about sustainable change in the way adult social care is delivered by the council.	Service transformation and efficiency savings	Adults	610
SEND Transformation - salary and consultancy costs	Implementation of SEND Transformation Plan. A comprehensive SEND Transformation Plan has been established and implementation of the multi-year programme is well underway. Work is founded on outcome / financial trajectories and the plans will continue to evolve over the lifetime of the 5 year programme.	Service transformation and cost reduction	Childrens	700
Mockingbird Project	The Mockingbird family model joins small groups of foster families together, like an extended family. The Mockingbird model has been introduced to improve placement stability, security and positive relationships for foster children. The model provides robust peer support and training and development opportunities for foster carers.	Service transformation and cost reduction	Childrens	122
Fostering Recruitment	Improvements to foster care recruitment process to increase internal placements.	Cost reduction	Childrens	337

<b>Project</b>	<b>Project Description</b>	<b>Service Transformation / Savings</b>	<b>Directorate</b>	<b>Estimated Use of Receipts 2026/27 (£k)</b>
Resources and Waste Strategy - staff costs	Development of the council's Waste Strategy transformation agenda over the medium term.	Environmental improvements	Place	200
Assets / Corporate Landlord	Planning Service support in delivery of major capital projects	Transformational activity	Place	115
School Transport Transformation	Delivery of Transformation programme to achieve cost savings in delivery of School Transport	Efficiency savings	Corporate	150
Transformation Team Costs	Funding for Transformation and Culture Change team, providing council wide support in the delivery of service transformation and financial savings aligned to existing improvement programmes and the delivery of service reviews.	Transformational activity and efficiency savings	Corporate	1,200
Service Director costs	Cost of senior management support to cross-cutting programme delivery projects aligned to reshaping the Council, e.g. People Panel, major transformational capital scheme boards etc.	Transformational activity and efficiency savings	All	200
NDC Capitalisation - pension costs	Charging the statutory element of redundancy costs and the cost of pension strain where staff have left the Council under a service redesign / transformation programme.	Cost reduction	Central	366
				<b>4,000</b>

### Assessment of the level of the Council's General Fund Working Balance

1. Reserves are sums set aside to meet possible future costs where there is no certainty about whether or not the costs will actually be incurred. The requirement for financial reserves is acknowledged in statute. Sections 32 and 43 of the Local Government Finance Act 1992 require billing and precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.
2. When reviewing their medium term financial plans and preparing their annual budgets local authorities should consider the establishment and maintenance of reserves. These can be held for three main purposes:
  - a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves;
  - a contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves;
  - a means of building up funds, often referred to as earmarked reserves, to meet known or predicted requirements; earmarked reserves are accounted for separately but legally remain part of the General Fund.
3. Local authorities also hold other reserves that arise out of the interaction of legislation and proper accounting practice. These are reserves, which are not resource-backed and cannot be used for any other purpose. An example is the Revaluation Reserve which is a reserve that records unrealised gains in the value of fixed assets. The reserve increases when assets are revalued upwards, and decreases as assets are depreciated or when assets are revalued downwards or disposed of. Reserves of this type do not form part of the annual review of the adequacy of reserves.
4. Section 25(1)(b) of the Local Government Act 2003 requires the Director of Finance to report to the Council on the adequacy of the proposed financial reserves. Guidance is published by the Chartered Institute of Public Finance and Accountancy (CIPFA) on the establishment and maintenance of local authority reserves and balances. The level and utilisation of reserves will be determined formally by the Council, informed by the advice and judgement of the Director of Finance.
5. In support of this requirement, and as part of the development of the budget for 2026/27, a risk assessment has been carried out to establish the minimum level of the General Fund Working Balance for Kirklees. Details of this assessment are provided below in **Table 1** which indicates that the minimum working balance should be **c£22.0m**. The balance, as per the approved budget, as at March 2026 is forecast at £26.0m

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**Table 1: Risk Assessment for General Fund Working Balance – 2026/27**

Minimum £000	Desirable £000	Area of expenditure / Explanation of risk / Justification for Reserves
1,250	2,500	<p><b>Pay</b> – the opening MTFS included annual provision for a 3% pay award for 25/26 (recently settled at 3.2%) and 3.5% thereafter. As future pay awards within the MTFS period are not yet agreed, there is a risk of the current assumptions on pay being at variance to the MTFS assumptions. An increase of 1% in the annual pay award would result in an increased cost of c£2.5m.</p> <p><b>Assessment: Degree of risk / reserve needed:</b>  <b>Low £0-2.5m Medium £2.5m High £5m</b></p> <p><b>Likelihood of risk occurring: Medium</b>  <b>Minimum reserve needed: £1.25m</b></p>
1,250	1,500	<p><b>Prices</b> – the budget assumes that, in the main, price inflation can be managed by Departments within a zero cash-limited increase or specific inflation allowances for designated expenditure (e.g. National Living Wage, IT software, Utilities and other known contractual uplifts). Inflation is currently expected to reduce from recent peaks of 3.8%, falling to 2.5% by the end of 2026 and back to the Bank of England target level of 2% in 2027. This should reduce the impact of the inflation within the sector. Inflation contingency in central budgets only covers the waste contract and energy inflation.</p> <p><b>Assessment: Degree of risk / reserve needed:</b>  <b>Low £1m Medium £1.25m High £1.5m</b></p> <p><b>Likelihood of risk occurring: Medium</b>  <b>Minimum reserve needed: £1.25m</b></p>
500	500	<p><b>Litigation Claims</b> – as the Council faces reductions in resources for future provision of services, there is an increased risk of litigation beyond that which would otherwise be covered by insurance arrangements.</p> <p><b>Assessment: Degree of risk / reserve needed:</b>  <b>Low £0.5m Medium £1.0m High £2.0m</b></p> <p><b>Likelihood of risk occurring: Low</b>  <b>Minimum reserve needed: £0.5m</b></p>

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Minimum £000	Desirable £000	Area of expenditure / Explanation of risk / Justification for Reserves
1,000	2,000	<p><b>Income from Fees and Charges</b> – With continuing impact of the cost of living pressures combined with a relatively benign outlook for economic growth, the Council's income streams may continue to be impacted. Whilst some budgets have been reduced to reflect more realistic income levels, it is the case that a number of services are also price sensitive and delivered in competition with other providers (e.g. trade waste / building control / parking / attractions).</p> <p style="text-align: center;"><b>Assessment: Degree of risk / reserve needed:</b>  <b>Low £1m Medium £2.0m High £3.0m</b></p> <p style="text-align: center;"><b>Likelihood of risk occurring: Low</b>  <b>Minimum reserve needed: £1.0m</b></p>
4,000	8,000	<p><b>Demand Led Pressures on Services</b> – the most significant is likely to be the ongoing impact of demand for Council services, particularly in the social care sector, but more recently seen in Home to School transport and the provision of temporary accommodation.</p> <p>Both Adult and Children's Social Care can be subject to significant demand-led pressures. This can vary from one year to the next and both have been significantly impacted by the continuing backlog of pressures in the Health Service.</p> <p>Home to School Transport is also subject to significant demand-led pressures, especially over recent years. The Council is awaiting a Government White Paper on SEND which may impact demand.</p> <p>Both Housing and Council Tax Support may also come under pressure given the prevailing economy. The Council spends c£60m on Housing Benefits whereas the cost of Council Tax Support (applied as a discount on council tax bills) is estimated at c£36m.</p> <p>Qualifying expenditure on Housing Benefit is <i>generally</i> matched by Government subsidy in full, however, increases in, supported accommodation services (referred to below) or temporary accommodation at a lower rate of recovery, can increase the overall net cost to the Council.</p> <p>In recent years, the Council has experienced an increase in Supported Accommodation enquiries and applications. The rate of subsidy for this category of accommodation is 60% and not 100% if the landlord is not a Registered Provider. There has also been a very large increase over recent years in both the volume and cost for Temporary Accommodation. Notwithstanding, an estimate is provided in the budget, if this trend continues this additional provision will not be sufficient to cover the Council's financial risk exposure.</p> <p style="text-align: center;"><b>Assessment: Degree of risk / reserve needed:</b>  <b>Low £1.0m Medium £4.0m High £8.0m</b></p> <p style="text-align: center;"><b>Likelihood of risk occurring: Medium</b>  <b>Minimum reserve needed: £4.0m</b></p>

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Minimum £000	Desirable £000	Area of expenditure / Explanation of risk / Justification for Reserves
3,000	4,000	<p><b>Non-achievement of Savings</b> – Whilst arrangements are in place to manage the implementation of the savings it is recommended that additional cover be provided to mitigate the risk of some not being realised or implementation lead in times being longer. This recognises the amount of savings achieved since 2010 and the fact that decisions on budget savings may become increasingly difficult.</p> <p style="text-align: center;"><b>Assessment: Degree of risk / reserve needed:</b> <b>Low £2.0m Medium £3.0m High £4.0m</b></p> <p style="text-align: center;"><b>Likelihood of risk occurring: Medium</b> <b>Minimum reserve needed: £3.0m</b></p>
500	1,000	<p><b>Unforeseen / emergency expenditure</b> – there is a risk that unexpected events may occur which require expenditure to be incurred or income to be foregone that has not been budgeted. Examples might include, adverse weather, flooding, business continuity linked to loss of key service/building (to the extent not covered by insurance)</p> <p style="text-align: center;"><b>Assessment: Degree of risk / reserve needed:</b> <b>Low £0.5m Medium £1.0m High £2m</b></p> <p style="text-align: center;"><b>Likelihood of risk occurring: Low (assuming Bellwin scheme would apply in certain cases)</b> <b>Minimum reserve needed: £0.5m</b></p>
500	1,000	<p><b>Unbudgeted borrowing costs</b> – there is a risk that unbudgeted in-year overspends are funded by a reduction in reserves. This may necessitate the Council having to undertake external borrowing to fund its Capital Plan at a time when interest rates are relatively high (as the Council cannot borrow internally). There is also the risk of unbudgeted overspends on large regeneration projects, which would increase in-year external borrowing. The interest cost of a £20m loan at 5% would be c £1m per annum.</p> <p style="text-align: center;"><b>Assessment: Degree of risk / reserve needed:</b> <b>Low £500k Medium £1m High £2m</b></p> <p style="text-align: center;"><b>Likelihood of risk occurring: Low</b> <b>Minimum reserve needed: £0.5m</b></p>
1,500	1,500	<p><b>Delay in repayment or default on loans made by the Council or having to set aside additional sums for the provision for bad debts</b>– there is a risk on loans made by the Council to third party organisations potentially resulting in the need to write off the loans, or to agree to extend loan repayment period; and there is a risk that the amount provided for bad debt in services (in either the revenue budget or held on the balance sheet is insufficient).</p> <p style="text-align: center;"><b>Assessment: Degree of risk / reserve needed:</b> <b>Low £500k Medium £1.5m High £2m</b></p> <p style="text-align: center;"><b>Likelihood of risk occurring: Medium</b> <b>Minimum reserve needed: £1.5m</b></p>

## Appendix H

Minimum £000	Desirable £000	Area of expenditure / Explanation of risk / Justification for Reserves
1,000	1,000	<p><b>Changes in fair value of Council long-term investments</b> – there is a risk that the deterioration in the capital value of the Council's investments (in the CCLA) that, without the statutory override, would otherwise have to be charged to the Council's revenue account. The cost on the initial investment was £10m. The Government has extended the statutory override to 29/30 when it will be removed.</p> <p style="text-align: center;"><b>Assessment: Degree of risk / reserve needed:</b>  <b>Low £0 Medium £1.0m High £1.5m</b></p> <p style="text-align: center;"><b>Likelihood of risk occurring: Medium</b>  <b>Minimum reserve needed: £1.0m</b></p>
5,000	5,000	<p><b>DSG Deficit / Safety Valve Programme</b> – there is a continued risk that the DSG deficit continues to increase beyond the assumed level in the Safety Valve agreement and that the Government ends the Statutory Override in March 2028 without an adequate solution to SEND in place. However, the government have recently signalled an intention to provide a resolution to this ongoing problem. Nevertheless, once the statutory override allowing Councils to carry the High Needs Budget deficit on the Balance Sheet (rather than charge it to revenue) expires, the Council will be obliged to fund it. Depending on the scale of the deficit at the time and whether or not Government have provided funding for historic deficits, it could result in the need for an Exceptional Financial Support agreement with MHCLG (the expected year-end deficit balance at 31/3/26 is £78.5m – with an annual cost of carry c£4m. At £78.5m the deficit is beyond the Council's Usable Revenue Reserves.</p> <p style="text-align: center;"><b>Assessment: Degree of risk / reserve needed:</b>  <b>Low £0m Medium £5m High £10m</b></p> <p style="text-align: center;"><b>Likelihood of risk occurring: Medium</b>  <b>Minimum reserve needed: £5m</b></p>
0	0	<p><b>Affordability of Capital Plan / Receipt of Capital Resources/ Capital Plan Funding</b> – the overall capital programme assumes a level of income from asset disposals / grants – as the timing of these can sometimes be uncertain it is sometimes considered prudent to set provision aside for additional revenue to help offset any shortfall if expenditure cannot be delayed.</p> <p>The current Capital Strategy reflects substantial levels (over £40m) of receipts required for the General Fund Capital Plan. Further borrowing or revenue contributions could be required in lieu of capital receipts being realised (unless other funding sources can be found or expenditure delayed), with the risk that further borrowing is not prudent, sustainable or affordable as required by the Prudential Code.</p> <p style="text-align: center;"><b>Assessment: Degree of risk / reserve needed:</b>  <b>Low £0k Medium £1.0m High £2.0m</b></p> <p style="text-align: center;"><b>Likelihood of risk occurring: Low</b>  <b>Minimum reserve needed: £0k</b></p>

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Minimum £000	Desirable £000	Area of expenditure / Explanation of risk / Justification for Reserves
0	0	<p><b>VAT- Partial Exemption</b> – If the PE limits are breached there is a risk that c£3m could be potentially lost (based on £57m input tax in 2024/25 &amp; a 5% PE limit). Anything above that would depend on the VAT incurred on the project(s) that was the cause of the partial exemption breach. There is the possibility a breach could be managed through HMRC's averaging rules which looks at partial exemption over 7 years (which can be a combination of actual and forecast) – if the average over 7 years is less than 5%, repayment to HMRC is not required.</p> <p style="text-align: center;"><b>Assessment: Degree of risk / reserve needed:</b>  <b>Low £0m    Medium £0m    High £3m</b></p> <p style="text-align: center;"><b>Likelihood of risk occurring: Low</b>  <b>Minimum reserve needed: £0m</b></p>
2,500	2,500	<p><b>Collection Fund –</b>            Taking into account Collection Fund monitoring to date, the provisions made to cover the risk of appeals and bad debts and the underlying volatility within Business Rates, it is proposed to set aside a minimum amount for 2026/27. A 1% reduction in collection equates to c £0.5m for Business Rates.</p> <p>Council Tax: alongside potential shortfalls in new build projections in the Council Tax base there is an increased risk of bad debts as a result of the ongoing cost of living crisis. A 1% reduction in collection equates to c £2.5m.</p> <p style="text-align: center;"><b>Assessment: Degree of risk / reserve needed:</b>  <b>Low £1.3m    Medium £2.5m    High £3.9m</b></p> <p style="text-align: center;"><b>Likelihood of risk occurring: Medium</b>  <b>Minimum reserve needed: £2.5m</b></p>
22,000	30,500	<b>Total</b>

**Introduction**

This capital strategy report gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability.

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

**Capital Expenditure and Financing**

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

Over the period 2025/26 to 2032/33, the Council is planning capital expenditure of £1,390.8 million as summarised below:

**Prudential Indicator: Estimates of Capital Expenditure across years**

	2024/25 actual £m	2025/26 forecast £m	2026/27 budget £m	2027/28 budget £m	2028/29 budget £m	2029/30 budget £m	2030/31- 2032/33 budget £m	2025/26- 2032/33 Total £m
General Fund services	105.6	200.2	254.3	159.6	118.6	107.0	121.7	961.4
Council Housing (HRA)	35.0	39.2	59.8	71.0	87.6	93.6	78.2	429.4
<b>TOTAL</b>	<b>140.6</b>	<b>239.4</b>	<b>314.1</b>	<b>230.6</b>	<b>206.2</b>	<b>200.6</b>	<b>199.9</b>	<b>1390.8</b>

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

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

**Governance:** The Council's annual planning cycle fully integrates the timetabling and consideration of revenue and capital resource requirements over the Council's medium term financial plan. This includes provision for Strategic Directors to reassess capital priorities in line with the new Council Plan. Any bids for the addition of projects to the Capital Plan will be collated by corporate finance, who will advise Strategic Directors on both the financing costs (which can be nil if the project is fully externally financed) and service revenue implications, which if approved are required to be reflected in the Council's MTFP.

The Capital Assurance Board is the Officer oversight on the Capital Plan. The Board is chaired by the S151 Officer and is supported by service directors across the four directorates. Capital Assurance Board meets on a regular basis throughout the year to provide a check and challenge on progress on all approved schemes. Reprofile occurs on an ongoing basis to ensure the latest cost of capital financing is included in the Council's revenue monitoring report.

The Board also appraises new business cases based on a number of criteria including how

cases contribute to the achievement of priority outcomes, deliver ongoing revenue savings, meet health and safety obligations and the overall availability of funding. The Board makes recommendations to Executive Team.

There are a number of sub-officer groups with relevant specialist expertise that are also involved in shaping capital proposals for submission to the Capital Assurance Board. These include the children's capital board, the adult's & health capital programme board, the major projects delivery board and the town centre blueprint programme board.

The final multi-year capital plan is then considered as part of the budget proposals published at Cabinet in December. Full details of the Council's multi-year capital plan is set out in the Council's Annual budget report.

Council Financial Procedure Rules also set out the specific financial governance requirements relating to Capital expenditure. This includes the requirement for any schemes approved by Council at Programme level, to be considered subsequently for Cabinet approval through submission of a more detailed report or business case as required.

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

Capital financing

	2024/25 actual £m	2025/26 forecast £m	2026/27 budget £m	2027/28 budget £m	2028/29 budget £m	2029/30 budget £m	2030/31- 2032/33 budget £m	2025/26- 2032/33 Total £m
<b>General Fund</b>								
Grants & Contributions	64.0	106.9	134.9	62.0	48.2	46.3	39.1	437.4
Capital receipts	10.1	6.4	11.1	9.0	5.4	5.4	2.0	39.3
Revenue resources	0.0	0	0	0	0	0	0	0
Borrowing	31.5	86.9	108.3	88.6	65.0	55.3	80.6	484.7
<b>Total General Fund</b>	<b>105.6</b>	<b>200.2</b>	<b>254.3</b>	<b>159.6</b>	<b>118.6</b>	<b>107.0</b>	<b>121.7</b>	<b>961.4</b>
<b>Council Housing (HRA)</b>								
Grants & Contributions	2.0	2.0	5.6	4.6	3.1	2.7	2.2	20.2
Capital receipts	4.3	6.8	9.1	11.3	20.8	15.6	7.5	71.1
Revenue resources	28.7	30.4	38.3	26.7	27.5	28.3	29.2	180.4
Borrowing	0.0	0.0	6.8	28.4	36.2	47.0	39.3	157.7
<b>Total Council Housing (HRA)</b>	<b>35.0</b>	<b>39.2</b>	<b>59.8</b>	<b>71.0</b>	<b>87.6</b>	<b>93.6</b>	<b>78.2</b>	<b>429.4</b>
<b>TOTAL</b>	<b>140.6</b>	<b>239.4</b>	<b>314.1</b>	<b>230.6</b>	<b>206.2</b>	<b>200.6</b>	<b>199.9</b>	<b>1390.8</b>

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

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

Replacement of prior years' debt finance

	2024/25 actual £m	2025/26 forecast £m	2026/27 budget £m	2027/28 budget £m	2028/29 budget £m
Minimum Revenue Provision (MRP) (underlying cost)	9.2	8.5	9.3	10.9	13.3
Minimum Revenue Provision (MRP) (unwind of over-provision)	(4.0)	0.0	0.0	5.0	5.0
Capital receipts - loan repayments	1.0	8.5	1.0	1.1	1.1
<b>TOTAL</b>	<b>6.2</b>	<b>17.0</b>	<b>10.3</b>	<b>16.9</b>	<b>19.4</b>

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

Prudential Indicator: Estimates of Capital Financing Requirement

	2024/25 actual £m	2025/26 forecast £m	2026/27 budget £m	2027/28 budget £m	2028/29 budget £m
General Fund CFR- Non PFI	694.0	763.9	862.4	939.4	990.7
General Fund CFR- PFI	38.3	34.6	31.2	27.2	23.4
HRA CFR- Non PFI	159.1	158.6	164.8	187.6	218.1
HRA CFR- PFI	47.9	44.4	40.7	36.8	33.1
<b>TOTAL CFR</b>	<b>939.3</b>	<b>1001.5</b>	<b>1099.1</b>	<b>1191.0</b>	<b>1265.3</b>
Less: PFI debt liabilities	(86.2)	(79.1)	(71.9)	(63.9)	(56.5)
Less: Other deferred liabilities	(4.3)	(0.3)	(0.2)	(0.1)	(0.0)
<b>TOTAL Loans CFR</b>	<b>848.8</b>	<b>922.1</b>	<b>1027.0</b>	<b>1127.0</b>	<b>1208.8</b>

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

**Disposals & Acquisitions Policy**

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

**Asset disposals:** When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. Repayments of capital grants, loans and investments also generate capital receipts for the Council. The Capital Plan assumes the usage of up to £25 million each year over the period of the Capital Plan (2025-32) from the sale of assets, this includes both General Fund and HRA assets, including Right To Buy sales. Updates on progress against asset disposal targets will be brought to Cabinet on a regular basis over the period of the Capital Plan. The Council is currently also permitted to spend capital receipts ‘flexibly’ on service transformation projects. Government guidance covering the use of this power covers the period up to and including 2029/30.

### **Treasury Management**

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

**Borrowing strategy:** The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. The Council's strategic approach over the last few years has been to take a combination of long, medium and short-term borrowing at the best opportunity, to ensure a balanced risk approach. The Council does not borrow to invest for the primary purpose of financial return and therefore retains full access to the Public Works Loan Board.

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

#### **Prudential Indicator: Gross Debt and the Capital Financing Requirement**

	<b>2024/25 actual £m</b>	<b>2025/26 forecast £m</b>	<b>2026/27 budget £m</b>	<b>2027/28 budget £m</b>	<b>2028/29 budget £m</b>
Debt (incl. PFI & leases)	784.9	915.4	1013.1	1106.1	1181.3
Capital Financing Requirement	939.3	1001.5	1099.1	1191.0	1265.3

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

**Liability benchmark:** To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances are kept to a minimum level of £30 million at each year-end. This benchmark is currently forecast at £836.0 million and is projected to rise to £1,124.9 million over the next three years.

Prudential Indicator: Borrowing and the Liability Benchmark

	2024/25 actual	2025/26 forecast £m	2026/27 budget £m	2027/28 budget £m	2028/29 budget £m
Existing borrowing	774.0	781.9	687.0	601.2	545.2
Forecast borrowing	-	806.0	911.0	1012.0	1094.9
Liability benchmark	774.0	836.0	941.0	1042.0	1124.9

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

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

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

Prudential Indicators: Authorised limit and operational boundary for external debt

	2025/26 limit	2026/27 limit	2027/28 limit	2028/29 limit
Authorised limit – borrowing	942.0	1047.0	1146.9	1228.8
Authorised limit – PFI and leases	89.4	82.1	74.0	66.4
<b>Authorised limit – total external debt</b>	<b>1031.4</b>	<b>1129.1</b>	<b>1220.9</b>	<b>1295.2</b>
Operational boundary – borrowing	922.0	1027.0	1126.9	1208.8
Operational boundary – PFI and leases	79.4	72.1	64.0	56.4
<b>Operational boundary – Total</b>	<b>1001.4</b>	<b>1099.1</b>	<b>1191.0</b>	<b>1265.2</b>

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

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

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

### Treasury management investments

	2024/25 actual £m	2025/26 forecast £m	2026/27 budget £m	2027/28 budget £m	2028/29 budget £m
Near-term investments	48.6	20.0	20.0	20.0	20.0
Longer-term investments	10.0	10.0	10.0	10.0	10.0
<b>TOTAL</b>	<b>58.6</b>	<b>30.0</b>	<b>30.0</b>	<b>30.0</b>	<b>30.0</b>

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

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

**Governance:** Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Service Director Finance and staff, who must act in line with the treasury management strategy approved by Council/Corporate Governance and Audit Committee. Reports on treasury management activity are presented every 6 months to Council/ Corporate Governance and Audit Committee. The Corporate Governance and Audit Committee is responsible for scrutinising treasury management decisions.

### Investments for Service Purposes

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

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

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

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

### Commercial Activities

The Council invests in local commercial property such as retail town centre shops and buildings with the intention of making a profit that will be spent on local public services. Total commercial property investments are valued at £22.1 million. The Council's current commercial asset portfolio held for investment purposes is largely a historical portfolio, and it is not the Council's intention to invest in any new commercial portfolio investments at this time. If any new investments are identified a risk assessment would be performed.

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

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

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

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

	2024/25 actual	2025/26 forecast	2026/27 budget	2027/28 budget	2028/29 budget
Total net income from service and commercial investments (£m)	(1.5)	(1.9)	(2.5)	(2.5)	(2.5)
Proportion of net revenue stream	(0.4%)	(0.5%)	(0.5%)	(0.5%)	(0.4%)

**Revenue Budget Implications**

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

Prudential Indicator: Proportion of financing costs to net revenue stream

	2024/25 actual	2025/26 forecast	2026/27 budget	2027/28 budget	2028/29 budget	2029/30 budget	2030/31 budget
Financing costs (£m)	36.9	41.3	47.4	54.6	59.8	64.4	67.9
Proportion of net revenue stream	9.9%	10.2%	9.7%	10.1%	10.4%	11.0%	11.1%
General Fund (excl PFI)	9.3%	8.8%	8.6%	9.1%	9.6%	10.0%	10.3%
HRA	32.6%	32.0%	32.3%	32.6%	32.8%	33.1%	33.2%
HRA (excl PFI)	31.0%	31.0%	31.7%	32.3%	32.8%	33.2%	33.7%

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

**Sustainability:** Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The Service Director Finance and Council s151 Officer has to be satisfied that the proposed multi-year capital plan and borrowing affordability remains prudent, affordable and sustainable. The Council capital plan continues to reflect the Administration's continuing key priorities to protect our most vulnerable, including sufficiency growth within District, and longer term economic growth & regeneration ambition across the Districts places and major town centres. The borrowing proposals are significant over the longer term, and at the same time the financial challenges facing the Council are also significant over the short to medium term, and also in a current wider economic environment where Bank of England base rates, which impact on new borrowing costs, are 3.75% (as at January 2026) and expected to gradually fall to 3.25% by December 2026 based on advice from the Council's Treasury advisors. In this context, 'affordability' remains a significant risk. The overall capital plan has been reviewed and re-phased with enhanced future flexibility, and the expectation is that in order for the overall capital plan to remain affordable, the Council will deliver, year on year, on its approved medium term financial strategies and plans including sustainable revenue savings requirements, within available means. The context for this current judgement is also reflected in the s151 Officer's statutory Positive Assurance statement as part of the annual budget report.

### **Liabilities**

In addition to debt detailed above the Council is committed to making future payments to cover its PFI finance lease obligation (total liability of all schemes £86.1 million, offset by a net book value of assets of £76.8 million). It has also set aside provisions of £15.2 million to cover risks associated with Business Rates Appeals, Housing Disrepair Claims and the Council's Insurance Fund. The Council is also at risk of having to pay for a number of contingent liabilities (which are separately disclosed each year in the Statement of Accounts) and is satisfied that any potential future liabilities are covered as part of its overall financial resilience reserves.

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

### **Knowledge and Skills**

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

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


**Report title:** Treasury Management Strategy and Investment Strategy 2026/27

<b>Meeting:</b>	<b>Corporate Governance and Audit Committee</b>
<b>Date:</b>	<b>30 January 2026</b>
<b>Cabinet Member (if applicable)</b>	<b>Councillor Graham Turner</b>
<b>Key Decision Eligible for Call In</b>	<b>Yes No</b>
<p><b>Purpose of Report</b> Under the CIPFA Code of Practice on Treasury Management (2021) and accompanying Prudential Code 2021 the Council must present a Treasury Management Strategy at the start of each financial year. Alongside the Treasury Management Strategy, the Annual Investment Strategy must also be approved by Council.</p>	
<p><b>Recommendations</b></p> <p>That Corporate Governance &amp; Audit Committee review and recommend the following for consideration by Cabinet and then approval by full Council:</p> <ul style="list-style-type: none"> <li>• the treasury management strategy incorporating: the borrowing strategy outlined in paragraphs 2.15 to 2.27;</li> <li>• the investment strategy (treasury management investments) outlined in paragraphs 2.28 to 2.36 and Appendices A and B;</li> <li>• the policy for provision of repayment of debt (Minimum Revenue Provision) outlined in paragraphs 2.37 to 2.38 and at Appendix C</li> <li>• the treasury management prudential indicators in Appendix D; and</li> <li>• the investment strategy (non-treasury investments) at Appendix F.</li> </ul>	
<p><b>Reasons for Recommendations</b></p> <ul style="list-style-type: none"> <li>• Section 151 of the Local Government Act 1972 requires the Council to make arrangements for the proper administration of its financial affairs.</li> <li>• The Council must have regard to the CIPFA Treasury Management Code of Practice on Treasury Management and the Prudential Code for Capital Finance in Local Authorities (the Prudential Code) 2021 and the Statutory guidance on Local government Investments (2018) when performing its duties under Part 1 of the Local Government Act 2003 and the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (as amended).</li> </ul>	

<b>Resource Implications:</b> The revenue implications of the strategies outlined have been reflected in the Council's annual budget report to be presented to Council in February 2026.	
<b>Date signed off by Executive Director &amp; name</b>	<b>N/A</b>
<b>Is it also signed off by the Service Director for Finance?</b>	<b>Kevin Mulvaney – 20/01/2026</b>
<b>Is it also signed off by the Service Director for Legal Governance and Commissioning?</b>	<b>Sam Lawton – 20/01/2026</b>

**Electoral wards affected:** All

**Ward Councillors consulted:** N/A

**Public or private:** Public

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

## 1 Executive Summary

- 1.1 Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2021 Edition (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code. Investments held for service purposes or for commercial profit are considered in a different report, the Investment Strategy. This is attached at Appendix F.
- 1.2 Cabinet is responsible for the implementation and monitoring of the treasury management policies. The Corporate Governance and Audit Committee undertake a scrutiny role with regard to treasury management. The last training for members of this Committee was provided in January 2026 by the Council's treasury management advisors/consultants, Arlingclose.
- 1.3 This report will:
- (i) outline the outlook for interest rates and credit risk, and in light of this, recommend an investment strategy (Treasury Management Investments) for the Council to follow in 2026/27;
  - (ii) outline the current and estimated future levels of Council borrowing and recommend a borrowing strategy for 2026/27;
  - (iii) review the methodologies adopted for providing for the repayment of debt and recommend a policy for calculating the Minimum Revenue Provision (MRP);

- (iv) review other treasury management matters including the policy on the use of financial derivatives, prudential indicators, the use of consultants, and the policy on charging interest to the Housing Revenue Account;
- (v) recommend an annual Investment Strategy (Non-Treasury Investments) for the Council in 2026/27.

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

The following paragraphs 2.1 to 2.7 have been provided by our Treasury Management external advisors, Arlingclose:

### **Economic Background**

- 2.1 The most significant impacts on the Authority's treasury management strategy for 2026/27 are expected to include: the influence of the government's 2025 Autumn Budget, lower short-term interest rates alongside higher medium- and longer-term rates, slower economic growth, together with ongoing uncertainties around the global economy, stock market sentiment, and geopolitical issues.
- 2.2 The Bank of England's Monetary Policy Committee (MPC) cut Bank Rate to 3.75% in December 2025, as expected. The vote to cut was 5-4, with the minority instead favouring holding rates at 4.0%. Those members wanting a cut judged that disinflation was established while those preferring to hold Bank Rate argued that inflation risks remained sufficiently material to leave rates untouched at this stage.
- 2.3 Figures from the Office for National Statistics showed that the UK economy expanded by 0.1% in the third quarter of the calendar year, this was unrevised from the initial estimate. The most recent Monetary Policy Report (November) projected modest economic growth, with GDP expected to rise by 0.2% in the final calendar quarter of 2025. Annual growth is forecast to ease from 1.4% before improving again later, reflecting the delayed effects of lower interest rates, looser monetary conditions, stronger global activity, and higher consumer spending. The view of modest economic growth going forward was echoed by the Office for Budget Responsibility in its Economic and fiscal outlook published in line with the Autumn Statement which revised down its estimate of annual real GDP to around 1.5% on average between 2025 and 2030.
- 2.4 CPI inflation was 3.2% in November 2025, down from 3.6% in the previous month and below the 3.5% expected. Core CPI eased to 3.2% from 3.4%, contrary to forecasts of remaining at 3.6%. Looking forward, the MPC continues to expect inflation to fall, to around 3% in calendar Q1 2026, before steadily returning to the 2% target by late 2026 or early 2027.
- 2.5 The labour market continues to ease with rising unemployment, falling vacancies and flat inactivity. In the three months to October 2025, the unemployment rate increased to 5.1%, higher than the level previously expected by the BoE, while the employment rate slipped to 74.9%. Pay growth for the same period eased modestly, with total earnings (including bonuses) growth at 4.7% and while regular pay was 4.6%.

## Interest Rate Forecast

- 2.6 Arlingclose, the Authority's treasury management adviser, currently forecasts that the Bank of England's Monetary Policy Committee will continue to reduce Bank Rate through 2026, reaching around 3.25%. This forecast reflects amendments made following the Autumn Budget and an assessment of the fiscal measures and their market implications.
- 2.7 Long-term gilt yields, and therefore interest rates payable on long-term borrowing, are expected to remain broadly stable on average, though with continued volatility, and to end the forecast period marginally lower than current levels. Yields are likely to stay higher than in the pre-quantitative tightening era, reflecting ongoing balance sheet reduction and elevated bond issuance. Short-term fluctuations are expected to persist in response to economic data releases and geopolitical developments.

## Borrowing and Investments – Local context

- 2.8 On 31st December 2025 the Council held £791.3 million of borrowing and £56.6 million of treasury investments.
- 2.9 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while balance sheet resources are the underlying sums available for investments. The Council's current strategy is to maintain borrowing and investments below their underlying levels, known as internal borrowing.
- 2.10 Table 1 below sets out the forecast CFR position for the Council as at 31 March 2026 and estimated CFR and borrowing requirements over the next 3 years. CIPFA's Prudential Code recommends that the Council's total debt should be lower than its highest forecast CFR. Table 1 shows that the Council expects to comply with this recommendation.

Table 1: Balance Sheet Summary and Forecast

	31.03.25 Actual £m	31.03.26 Forecast £m	31.03.27 Estimate £m	31.03.28 Estimate £m	31.03.29 Estimate £m
<b>Capital Financing Requirement</b>	<b>939.3</b>	<b>1001.5</b>	<b>1099.1</b>	<b>1191.0</b>	<b>1265.2</b>
Less: PFI liabilities	86.2	79.1	71.9	63.9	56.4
Less: Other deferred liabilities	4.3	0.3	0.2	0.1	0
<b>Loans CFR</b>	<b>848.8</b>	<b>922.1</b>	<b>1027.0</b>	<b>1127.0</b>	<b>1208.8</b>
Less: External borrowing*	774.0	781.9	687.0	601.2	545.2
<b>Internal (over) borrowing</b>	<b>74.8</b>	<b>140.2</b>	<b>340.0</b>	<b>525.8</b>	<b>663.6</b>
Less: Balance sheet resources	133.4	116.1	116.0	115.0	113.9
<b>New borrowing (Treasury investments)</b>	<b>-58.6</b>	<b>24.1</b>	<b>224.0</b>	<b>410.8</b>	<b>549.7</b>

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

2.11 There is a planned increase in the CFR due to increases in the capital programme, in particular Our Cultural Heart, town and district centre regeneration programmes the investment in two special schools as part of the Council Safety Valve agreement with the DfE and investment in our Housing stock. The Council will be required to borrow up to £525.6 million to fund the increase in the Loans CFR over the 3 year period from 31 March 2026 to 31 March 2029.

### Liability Benchmark

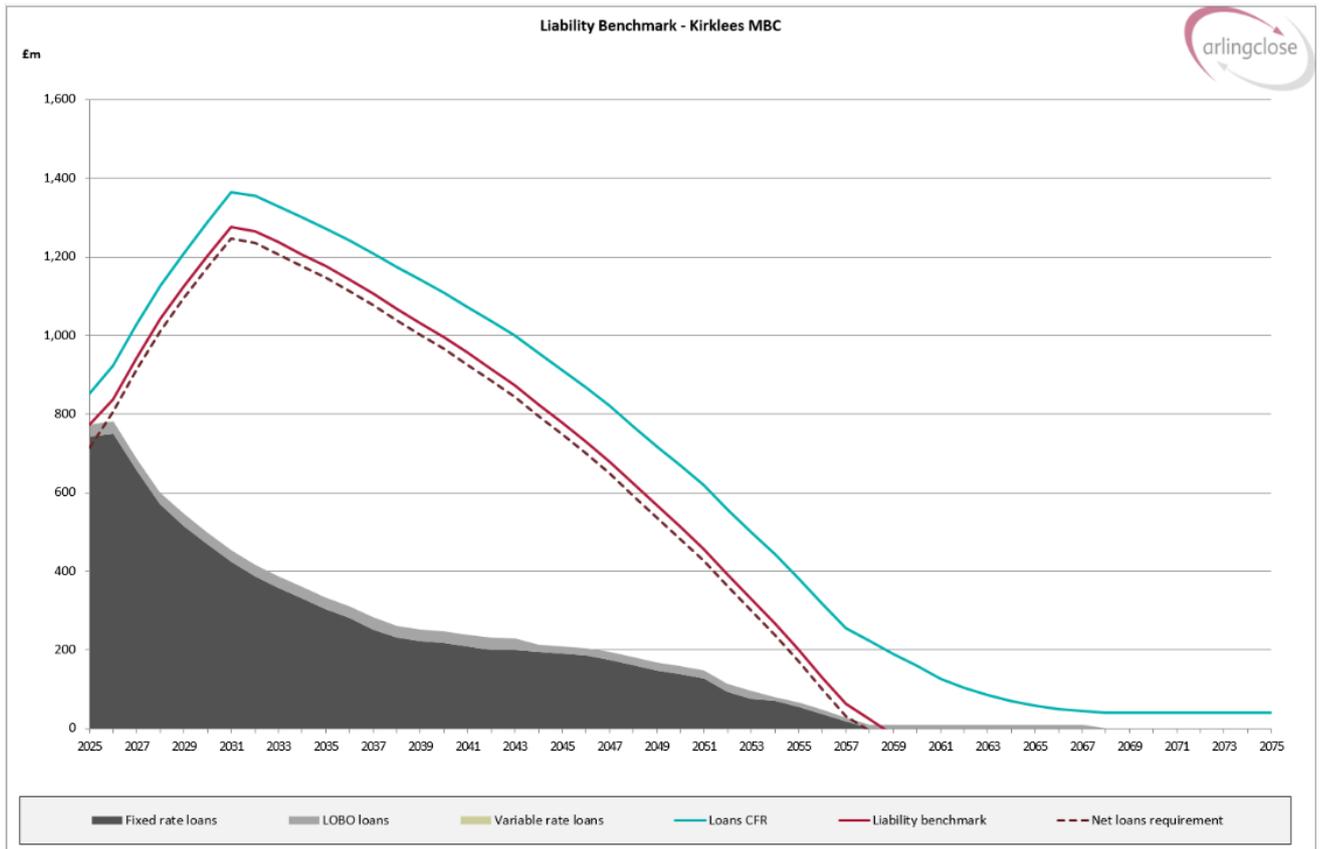
2.12 To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as Table 1 above, but that cash and investment balances are kept to a minimum level of £30.0 million at each year-end to maintain sufficient liquidity but minimise credit risk.

2.13 The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow. The liability benchmark estimates the Council will hold £1124.9 million of borrowing at 31 March 2029.

Table 2: Prudential Indicator: Liability Benchmark

	31.03.25 Actual £m	31.03.26 Estimate £m	31.03.27 Forecast £m	31.03.28 Forecast £m	31.03.29 Forecast £m
Loans CFR	848.8	922.1	1027.0	1127.0	1208.8
Less: Balance sheet resources	133.4	116.1	116.0	115.0	113.9
<b>Net loans requirement</b>	<b>715.4</b>	<b>806.0</b>	<b>911.0</b>	<b>1012.0</b>	<b>1094.9</b>
Plus: Liquidity allowance	58.6	30.0	30.0	30.0	30.0
<b>Liability benchmark</b>	<b>774.0</b>	<b>836.0</b>	<b>941.0</b>	<b>1042.0</b>	<b>1124.9</b>

2.14 The total liability benchmark is shown in the chart below together with the maturity profile of the Council's existing borrowing. The red line is the liability benchmark which reaches a peak in 2031 highlighting the gap between current borrowing identified in grey, which is reducing over time with repayments, and the additional borrowing required to fund the capital plan.



## Borrowing Strategy

- 2.15 The Council is forecast to hold around £836.0 million of external borrowing at 31 March 2026, an increase of £62.0 million on the previous year as part of its strategy for funding the capital programmes. The balance sheet forecast in table 1 shows the Council expects to borrow up to a further £105.0 million during 2026/27. The Council may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £1047.0 million for 2026/27.
- 2.16 The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period when funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective. The Council is in regular contact with its Treasury advisors who provide appropriate support and advice in delivering this objective.
- 2.17 The Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.
- 2.18 The Council's strategic approach over the last few years has been to take a combination of long, medium and short-term borrowing to ensure a more balanced risk approach. During the first three quarters of the 25/26 financial year, the Council took £55.0 million of medium-term EIP Borrowing from the PWLB, and £67.5m of short to medium-term borrowing from other Authorities.

- 2.19 Short-term interest rates have fallen over the past year, and are expected to fall a little further, and it is therefore likely to be more cost effective over the medium-term to either use internal resources, or to borrow short-term loans instead, which can then be re-financed when rates are lower. The risks of this approach will be managed by keeping the Council's interest rate exposure within the limit set in the treasury management prudential indicators.
- 2.20 However, the Council has a large long-term borrowing requirement which will ultimately require longer term borrowing and therefore the Council will continue to take a combination of short, medium and long-term loans during 2026/27, diversifying the borrowing and maturity structure of the loans.
- 2.21 In addition the Council may borrow short-term loans to cover unplanned cash flow shortages.
- 2.22 The Council currently holds LOBO (Lender's Option, Borrower's Option) loans, where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. With interest rates remaining high, there is a good chance that lenders will exercise their options. If they do, the Council will take the option to repay loans to reduce refinancing risk in later years. Total borrowing via LOBO loans is currently £30.0 million which is 3.8% of debt.
- 2.23 The Council has previously raised most of its long-term borrowing from the PWLB but will consider long-term loans from other sources including banks, pension funds and local authorities, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield. The Council intends to avoid this activity in order to retain its access to PWLB loans. The Code allows the Council to borrow for purposes essential to its core aims, such as for housing and regeneration projects, or for treasury management purposes.
- 2.24 The approved sources of borrowing are:
- HM Treasury's PWLB lending facility
  - Any bank, building society or insurance company authorised to operate in the UK
  - Any other UK public sector body
  - Capital market bond investors
  - Special purpose companies created to enable local authority bond issues
  - UK public and private sector pension funds
  - National Wealth Fund Ltd (formerly UK Infrastructure Bank Ltd)
  - Community Municipal Investments (Bond or Loan) raised from the public (including a climate change investment opportunity).
- 2.25 The Council may arrange forward starting loans, with alternative lenders as these are not available through the PWLB, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

- 2.26 The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk. The rise in interest rates means that more favourable debt rescheduling opportunities should arise.
- 2.27 Borrowing policy and performance are monitored throughout the year and are reported to Members via a Half Yearly Report and also an Outturn Report in line with approved guidance.

### **Treasury Investment Strategy**

- 2.28 The Council holds around £30.0 million of invested funds (including the CCLA property fund), an amount considered to meet the day-to-day cashflow requirements of the Council, and representing income received in advance of expenditure plus balances and reserves held. The Council may hold more than this amount as borrowing is taken at various points throughout the year in order to spread risk resulting in potential higher investment balances. In the past 12 months, the Council's treasury investment balance has ranged between £41.5 million and £139.4 million, and similar levels are expected to be maintained in the forthcoming year.
- 2.29 The CIPFA Code requires the Council to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking a higher rate of return or yield, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. The Council's objective when investing money is to strike an appropriate balance between risk and return. The Council aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing. The Council is currently undertaking a review of its Ethical Procurement and Investment Policy and once completed any relevant changes will be reflected as part of the 2027/28 strategy.
- 2.30 As demonstrated by the liability benchmark in table 2 above, the Council expects to be a long-term borrower and new treasury investments will therefore be made primarily to manage day-to-day cashflows using short-term low risk instruments. The existing portfolio of £10.0 million in the strategic pooled funds will be maintained to diversify risk into different sectors and boost investment income.
- 2.31 Environmental, social and governance (ESG) considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing and therefore the Council's ESG policy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. When investing in banks and funds, the Council will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.

- 2.32 The Council's investment criteria are detailed in Appendix A, maintaining a low risk strategy giving priority to security and liquidity, and as such invest an average of around £20.0 million externally in short-term liquid investments through the money markets. Cash balances may be higher dependent upon at what stage in the year borrowing is taken.
- 2.33 Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. The Council uses credit ratings from the three main rating agencies - Fitch, Moody's and Standard & Poor's to assess the risk of investment defaults (Appendix B). The lowest credit rating of an organisation will be used to help determine credit quality. Long term ratings are expressed on a scale from AAA (the highest quality) through to D (indicating default). Ratings of BBB- and above are described as investment grade, while ratings of BB+ and below are described as speculative grade.
- 2.34 Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:
- No new investments will be made,
  - Any existing investments that can be recalled or sold at no cost will be, and
  - Full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a rating is on review for possible downgrade ("negative watch") so that it is likely to fall below the required criteria, then only investments that can be withdrawn (on the next working day) will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

- 2.35 Full regard will be given to other available information on the credit quality of banks and building societies, including credit default swap prices, financial statements and rating agency reports. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the approved criteria.
- 2.36 Annual cash flow forecasts are prepared which are continuously updated to determine the maximum period for which funds may prudently be committed.

### **Statement of Policy on the Minimum Revenue Provision (MRP)**

- 2.37 MRP is the statutory requirement for local authorities to set aside some of their revenue resources as provision for reducing the underlying need to borrow (Capital Financing Requirement – CFR), the borrowing taken out in order to finance capital expenditure.
- 2.38 Current DHLUC guidance (MHCLG) recommends that Council's prepare a statement of policy on making MRP in respect of the forthcoming year, with approval by full Council before the start of the financial year. If these proposals subsequently need to be varied, a revised statement should be put to full Council. Appendix C details the Council's policy for the provision of MRP.

## **Policy on the Use of Financial Derivatives**

- 2.39 Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives.
- 2.40 The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of financial risks that the Council is exposed.
- 2.41 Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.
- 2.42 In line with the CIPFA Code, the Council will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

## **Treasury Management Prudential Indicators**

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

## **Other Matters**

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

(i) *Investment Consultants*

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

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

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

(ii) *Investment Training*

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

(iii) *Investment of money borrowed in advance of need*

The Council may, from time to time, borrow in advance of need, where this is expected to provide the best long-term value for money. However, as this would involve externally investing such sums until required and thus increasing exposures to both interest rate and principal risks, it is not believed appropriate to undertake such a policy at this time. As noted in 2.29, the Council does invest externally short term when cashflows are positive and to manage unexpected payments.

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

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

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

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

#### **3.1 Council Plan**

N/A

#### **3.2 Financial Implications**

N/A

#### **3.3 Legal Implications**

N/A

#### **3.4 Climate Change & Air Quality**

N/A

#### **3.5 Other (e.g Risk, Integrated Impact Assessment or Human Resources)**

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

The Council must have regard to the CIPFA Code of Practice on Treasury Management; the Prudential Code for Capital Finance in Local Authorities (the

Prudential Code) 2021 the Local Government Act 2003 and the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (as amended). The Council has the power to borrow under section 1 of the Local Government Act 2003 and the Council has powers to invest under section 12 of the Local Government Act 2003.

#### **4 Consultation**

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

#### **5 Engagement**

#### **6 Options**

##### **6.1 Options considered**

N/A

##### **6.2 Reasons for recommended option**

N/A

#### **7 Next steps and timelines**

The report and recommendations be submitted to Cabinet on 10 February 2026 and Council on 25 February 2026.

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

#### **8 Contact officers**

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

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

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

#### **10 Appendices**

Appendix A: Investment Policy for 2026/27  
Appendix B: Credit ratings  
Appendix C: Minimum Revenue Provision Policy  
Appendix D: Treasury Management Prudential Indicators  
Appendix E: Glossary of Treasury Terms  
Appendix F: Investment Strategy 2026/27

**11 Service Director responsible**

Kevin Mulvaney      01484 221000

### Investment Policy for 2026/27

#### ***Investment Limits:***

- The Council is able to invest an unlimited amount with the UK Government for up to 6 months.
- The Council is able to invest up to £10.0 million and up to three months with UK banks and building societies with a “high to upper medium grade” credit rating.
- The Council is able to invest up to £10.0 million and up to two months with foreign banks with a “high to upper medium grade” credit rating.
- The Council is able to invest up to £10.0 million and up to three months with individual local authorities & other government entities.
- The Council is able to invest up to £10.0 million in individual MMFs (instant access or up to 2 day notice). There will be an overall limit of £50.0 million\* for MMFs (non-government funds), plus up to £10.0 million invested in a fund backed by government securities.
- The Council is able to invest up to £10.0 million in Local Authority Pooled Investment Funds.

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

\*increased from £40.0m due to cash balances being higher at certain times during the year

#### **Note:**

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

#### **Liquidity management:**

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

	Short-term Credit Ratings / Long-term Credit Ratings			Investment Limits per Counterparty		Counterparties falling into category as at 30 Nov 2025	
	Fitch	Moody's	S & P	£m	Period (2)		
UK Banks / Building Societies (Deposit accounts, fixed term deposits and REPOs)	F1	P-1	A-1	10.0	<3mth	HSBC Lloyds Group Santander UK Barclays	Bank of Scotland Handelsbanken Nationwide BS
	AAA,AA+,AA,AA-,A+,A, A-	Aaa,Aa1,Aa2,Aa3,A1,A2,A3	AAA,AA+,AA,AA-,A+,A,A-				
Foreign Banks (Deposit accounts, fixed term deposits and REPOs)	F1	P-1	A-1	10.0	<2mth	Various	
	AAA,AA+,AA,AA-,A+,A,A-	Aaa,Aa1,Aa2,Aa3,A1,A2,A3	AAA,AA+,AA,AA-,A+,A,A-				
MMF (1)	AAAmmf	Aaa-mf	AAAam	10.0	Instant access/ up to 2 day notice	Aberdeen Deutsche Bank	Aviva Goldman Sachs
UK Government (Fixed term deposits)	-	-	-	Unlimited	<6mth		
UK local authorities (Fixed term deposits) (2)	-	-	-	10.0	<3mth		
Local Authority Pooled Investment Funds	-	-	-	10.0	>6mth		

- (1) Overall limit for investments in MMFs of £50.0 million – the assets the funds invest in are securities and structures secured on government securities  
(2) The investment period begins from the commitment to invest, rather than the date on which funds are paid over.

**Credit ratings**

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

## CURRENT MINIMUM REVENUE PROVISION POLICY

### 1. Background

- 1.1 Where the Authority funds capital expenditure with debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the Ministry of Housing, Communities and Local Government's Guidance on Minimum Revenue Provision (the MHCLG Guidance) most recently issued in April 2024
- 1.2 The broad aim of the MHCLG Guidance is to ensure that capital expenditure is financed over a period that is aligned with that over which the capital expenditure provides benefits. The MHCLG Guidance requires the Authority to approve an Annual MRP Statement each year and provides a number of options for calculating a prudent amount of MRP but does not preclude the use of other appropriate methods. The following statement incorporates options recommended in the Guidance.

### 2 MRP Policy

- 2.1 MRP is calculated by reference to the capital financing requirement (CFR) which is the total amount of past capital expenditure that has yet to be permanently financed, noting that debt must be repaid and therefore can only be a temporary form of funding. The CFR is calculated from the Authority's balance sheet in accordance with the Chartered Institute of Public Finance and Accountancy's Prudential Code for Capital Expenditure in Local Authorities, 2021 edition. Detail of the Council's current capital financing requirement and future projections are provided in the treasury management strategy report 2025/26 to which this Policy is appended.
- 2.2 For capital expenditure incurred as below:
  - General Fund Supported Borrowing – MRP will be determined by charging the expenditure with regard to the 50 year PWLB annuity rate in 2007/08, the year in which the annuity policy has been applied from and use a 34 year period from 1st April 2023, being the remainder of the 50 year life since 1st April 2007.
  - General Fund Unsupported Borrowing (for expenditure up to 31 March 2023) - MRP will be determined by charging the outstanding historic expenditure based on a single annuity calculation, which combines each historic year on a weighted average life basis.
  - General Fund Unsupported Borrowing (for expenditure from 1 April 2023) – MRP will be determined by charging the expenditure based on the expected average useful life of the relevant assets as the principal repayment on an annuity with an annual interest rate equal to the average relevant PWLB rate for the year of expenditure, starting in the year after the asset becomes operational.
  - HRA Borrowing – No MRP is required to be charged in respect of assets held within the Housing Revenue Account as depreciation on those assets will be charged instead in line with regulations. However, the Council may opt to make further

provision for debt repayments equal to its share of any scheduled external debt repayments

- PFI schemes - Provision to equal the part of the unitary payment that writes down the balance sheet liability, together with amounts relating to lifecycle costs incurred in the year.
- Former Operating Leases (brought onto the balance sheet due to IFRS 16 Leases adoption) - MRP charges will be adjusted so that the overall charge for MRP over the life of the lease reflects the value of the right-of-use asset recognised on transition rather than the liability.

### **3 Capital Loans**

3.1 For capital expenditure incurred on capital loans as below:

- On loans to third parties which were made primarily for financial return rather than direct service purposes, MRP will be charged in accordance with the policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational. This MRP charge will be reduced by the value any repayments of loan principal received during in the year, with the capital receipts so arising applied to finance the expenditure instead.
- On loans to third parties which were made primarily for service purposes, the Authority will make nil MRP except as detailed below for expected credit losses. Instead, the Authority will apply the capital receipts arising from the repayments of the loan principal to finance the expenditure in the year they are received.
- For capital loans made on or after 7th May 2024 where an expected credit loss is recognised during the year, the MRP charge in respect of the loan will be no lower than the loss recognised. Where expected credit losses are reversed, for example on the eventual repayment of the loan, this will be treated as an overpayment.
- For capital loans made before 7th May 2024 and for loans where expected credit losses are not applicable, where a shortfall in capital receipts is anticipated, MRP will be charged to cover that shortfall over the remaining life of the assets funded by the loan.

### **4 Capital Receipts**

4.1 Proceeds from the sale of capital assets are classed as capital receipts and are typically used to finance new capital expenditure. Where the Authority decides instead to use capital receipts to repay debt and hence reduce the CFR, the calculation of MRP will be adjusted as follows:

- Capital receipts arising on the repayment of principal on capital loans to third parties will be used to lower the MRP charge in respect of the same loans in the year of receipt, if any.
- Capital receipts arising on the repayment of principal on finance lease receivables will be used to lower the MRP charge in respect of the acquisition of the asset subject to the lease in the year of receipt, if any.

## TREASURY MANAGEMENT PRUDENTIAL INDICATORS

### Gross Debt and the Capital Financing Requirement (CFR)

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

### Liquidity Exposure

The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three-month period, without additional borrowing.

Liquidity risk indicator	Target £m
Total cash available within 3 months	20.0

### Interest Rate Exposure

This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

Interest rate risk indicator	Target £m
Upper limit on one-year revenue impact of a 1% rise in interest rates on borrowing costs	5.2

The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at new market rates.

### Maturity Structure of Borrowing

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

Amount of projected borrowing that is fixed rate maturing in each period as percentage of total projected borrowing that is fixed rate		
	Upper Limit (%)	Lower Limit (%)
Under 12 months	25	0
Between 1 and 2 years	25	0
Between 2 and 5 years	60	0
Between 5 and 10 years	80	0
More than 10 years	100	20

### Long-Term Treasury Management Investments

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

Price risk indicator	2025/26 £m	2026/27 £m	2027/28 £m	No Fixed Date £m
Limit on principal invested beyond year end	0	0	0	10.0

Long-term investments with no fixed maturity date is the Local Authority Property Fund.

## 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 (IAPF)</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></p>

	<p>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> 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 uprated 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.

## Investment Strategy 2026/27

### Introduction

The Council invests its money for three broad purposes:

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

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

The statutory guidance defines investments as “all of the financial assets of a local authority as well as other non-financial assets that the organisation holds primarily or partially to generate a profit; for example, investment property portfolios.” The Council interprets this to exclude (a) trade receivables which meet the accounting definition of financial assets but are not investments in the everyday sense of the word and (b) property held partially to generate a profit but primarily for the provision of local public services. This aligns the Council’s definition of an investment with that in the 2021 edition of the CIPFA Prudential Code, a more recent piece of statutory guidance.

### Treasury Management Investments

The Council typically receives its income in cash (eg. from taxes and grants) before it pays for its expenditure in cash (eg. through payroll and invoices). It also holds reserves to remain stable, deal with shocks/unplanned events and manage emergencies. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments is expected to average £30.0 million during the 2026/27 financial year. Cash balances may be higher dependent upon at what stage in the year borrowing is taken.

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

**Further details:** Full details of the Council’s policies and its plan for 2026/27 for treasury management investments are covered in the treasury management strategy report 2026/27 to which this Investment Strategy is appended.

### Service Investments: Loans

**Contribution:** The Council lends money to a variety of organisations, including local businesses, the local education college, and local residents to support local public services and stimulate local economic growth.

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

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

Additionally, the Council provided a loan to WD Kingsgate to remodel the Kingsgate Shopping Centre to provide a cinema, food and leisure facilities in addition to existing retail units as part of delivering the Blueprint vision. This was repaid in full in December 2025.

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

The Council will continue to roll forward from last year's Investment Strategy, the option to provide financial loans to support 3<sup>rd</sup> sector partners and anchor organisations, along with loans and/or match funding in support of community asset transfers. Any new loans would have to meet strict criteria and have a clear business case.

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

**Table 1: Loans for service purposes in £ millions**

Category of borrower	31.03.2025 actual			2026/27
	Balance owing	Loss allowance	Net figure in accounts	Approved Limit
Further education college	12.6	-0.3	12.2	12.6
Leeds City Region revolving investment fund	3.0	0.0	3.0	3.0
Local businesses and charities	24.4*	-8.7	15.8	12.6**
Local residents	2.1	-0.1	2.0	2.1
<b>TOTAL</b>	<b>42.1</b>	<b>-9.1</b>	<b>33.0</b>	<b>30.3</b>

\* This is made up of numerous investments, the largest of which is £12.2 million towards 103 New Street and £7.5 million relates to Kingsgate.

\*\*Limit less than balance as Kingsgate loan repaid and KSDL shares disposed of during 25/26

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

**Risk assessment:** The Council assesses the risk of loss before entering into and whilst holding loans. This will include the nature of the market/sector to which the loan relates, and loan security

against business/sector assets. The single largest current loan relates to Kirklees College which is a public sector entity and considered to be a viable going concern. The strength of the Council's partnership with key anchor organisations in the district like the College, and ability to influence, support and monitor the College's ongoing financial position, are also key factors.

Development finance loans such as Property Investment Fund (PIF) will allow the Council to offer loans to development projects which offer significant economic benefits to the Council and the wider Kirklees district. However, there are none of these loans within the current Capital Plan.

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

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

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

**Service Investments: Shares**

**Contribution:** The Council invests in the shares of local businesses to support local public services and stimulate local economic growth. The main share investment (£0.9 million) is a 9.9% holding in Kirklees School Services Ltd which operates 19 schools on our behalf on a 32 year contract under PFI. The Council also a 14% holding in QED KMC Holdings Ltd (£0.2 million).

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

**Table 2: Shares held for service purposes in £ millions**

Category of company	31.03.2025 actual			2026/27
	Amounts invested	Gains or losses (-)	Value in accounts	Approved Limit
Local businesses	0.2	0.8	1.0	*0.2

\* Approved limit includes amounts already invested.

**Risk assessment:** The Council entered into these shareholdings for the purposes of participating in the governance and control of organisations that it considered to be important for the purposes of securing economic benefits to the borough. The Council is also the sole client in respect of one of these investments. The Council assessed the risk of participation taking account of the financial and public benefits, including the opportunity to make a potential gain in the event of the business being successful, although this was not the core purpose for initial participation. The Council assesses the risk of loss before entering into and whilst holding shares by continued oversight and involvement in the strategic and operational aspects of the business, and participation in decision making, although the financial risk of the investment is perhaps lower than the operational and or reputational impacts of any failure by the companies in which the Council holds share based investments.

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

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

### **Commercial Investments: Property**

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

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

**Table 3: Property held for investment purposes in £ millions**

Property type	Actual	31.03.2025 actual		31.03.2026 expected	
	Purchase cost	Gains or losses (-)	Value in accounts	Gains or losses (-)	Value in accounts
Commercial Property	*See below	1.7	22.1	0.0	22.1

\*The purchase cost cannot be ascertained as the majority of these assets have been owned by Kirklees for many years and purchased by Huddersfield Corporation during the 1920s from Ramsdens Estate. There is a signed legal document and a 'book of acquisition' which is a hard-backed ledger held in legal services.

**Security:** In accordance with government guidance, the Council considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs.

A fair value assessment of the Council's investment property portfolio has been made within the past twelve months, and the underlying assets provide security for capital investment. Should the 2025/26 year-end accounts preparation and audit process value these properties below their purchase cost, then an updated investment strategy will be presented to full Council detailing the impact of the loss on the security of investments and any revenue consequences arising therefrom.

At this stage, the George Hotel is considered a regeneration project and not counted as an investment, however once redevelopment work has been completed this will be re-assessed.

**Risk assessment:** The Council's current commercial asset portfolio held for investment purposes is largely a historical portfolio. It is monitored and reviewed annually as part of the Council's wider asset strategy including potential future appreciation and potential receipt value.

It is not the Council's intention to invest in any new commercial portfolio investments at this time. If any new investments are identified a risk assessment would be performed.

**Liquidity:** Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice and can take a considerable period to sell in certain market conditions. To ensure that the invested funds can be accessed when they are needed, for example to repay capital borrowed, the Council will ensure it has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to which are necessary for the achievement of its business/service objectives. Cash flow projections are prepared on a regular and timely basis.

### **Loan Commitments and Financial Guarantees**

Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments and financial guarantees carry similar risks to the Council and are included here for completeness. The Council does not have any loan commitments, however there are some guarantees that the Council holds including a guarantee on outstanding contributions to the Pension Fund in the event of a default by certain bodies and a guarantee to the Homes & Communities Agency (HCA) in the event of a default by Kirklees Community Association (KCA) on the redevelopment of the Fieldhead Estate.

### **Capacity, Skills and Culture**

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

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

Cabinet is responsible for the implementation and monitoring of any investment policy. The Corporate Governance and Audit Committee undertake a scrutiny role with regard to investment.

Regular training for members of the Committee is provided by our treasury advisors to enable them to make decisions to ensure accountability and responsibility on investment decisions within the context of the Council's corporate values. Any new investment decisions are also approved at full Council.

### **Investment Indicators**

The Council has set the following quantitative indicators to allow elected members and the public to assess the Council's total risk exposure arising from its investment decisions.

**Total risk exposure:** The first indicator shows the Council's total exposure to potential investment losses. This includes amounts the Council is contractually committed to lend but have yet to be drawn down and guarantees the Council has issued over third-party loans.

**Table 4: Total investment exposure in £ millions**

<b>Total investment exposure</b>	<b>31.03.2025 Actual</b>	<b>31.03.2026 Forecast</b>	<b>31.03.2027 Forecast</b>
Treasury management investments	59.0	30.0	30.0
Service investments: Loans	42.1	30.3	30.3
Service investments: Shares	1.0	1.0	1.0
Commercial investments: Property	22.1	22.1	22.1
<b>TOTAL INVESTMENTS</b>	<b>124.2</b>	<b>83.4</b>	<b>83.4</b>
Commitments to lend	0.0	0.0	0.0
Guarantees issued on loans	0.0	0.0	0.0
<b>TOTAL EXPOSURE</b>	<b>124.2</b>	<b>83.6</b>	<b>83.4</b>

**How investments are funded:** Government guidance is that these indicators should include how investments are funded. Since the Council does not normally associate particular assets with particular liabilities, this guidance is difficult to comply with. However, the following investments could be described as being funded by borrowing. The remainder of the Council's investments are funded by usable reserves and income received in advance of expenditure.

**Table 5: Investments funded by borrowing in £ millions**

<b>Investments funded by borrowing</b>	<b>31.03.2025 Actual</b>	<b>31.03.2026 Forecast</b>	<b>31.03.2027 Forecast</b>
<b>Service investments: Loans</b>	42.1	30.3	<b>30.3</b>

**Rate of return received:** This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government \*accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

**Table 6: Investment rate of return (net of all costs)**

<b>Investments net rate of return</b>	<b>2024/25 Actual</b>	<b>2025/26 Forecast</b>	<b>2026/27 Forecast</b>
Treasury management investments	5.0%	4.1%	<b>3.5%</b>
Service investments: Loans	-0.3%	-0.3%	<b>0.0%</b>
Service investments: Shares	None	None	<b>None</b>
Commercial investments: Property	12.0%	5.0%	<b>5.0%</b>

**REPORT TITLE: HOUSING REVENUE ACCOUNT (HRA) RENT, SERVICE CHARGE INFLATION UPLIFT REPORT AND THE HRA BUDGET FOR 2026-27**

<b>Meeting</b>	Cabinet
<b>Date</b>	2 <sup>nd</sup> December 2025 revised
<b>Cabinet Member</b>	Cllr Moses Crook Deputy Leader and Transport and Housing
<b>Key Decision</b>	Yes
<b>Eligible for Call In</b>	Yes
<p><b>Purpose of Report</b> This report provides the financial context and basis for the annual rent and service charges inflationary uplift as well as for the HRA budget which provides for the revised 5-year Capital Plan, which will be considered by Cabinet on 2<sup>nd</sup> December 2025, and by Council in February 2026 for approval.</p> <p>This report is for a decision for the annual rent and service charge inflationary uplift for 2026-2027, which will form part of the HRA budget proposals.</p>	
<p><b>Recommendations</b> Cabinet is being asked to agree the following:</p> <ul style="list-style-type: none"> <li>To approve rent uplifts by an average of £4.19 per week (CPI, 3.8% +1%) and service charges payable between 0.01p and £0.87 per week (4.8%) from 1<sup>st</sup> April 2026, after taking into consideration the affordability to tenants. The increases are summarised in Appendix 1.</li> <li>To approve the increase the service charge for communal grounds maintenance services capped at £1.00 per week each year until full cost recovery is achieved.</li> <li>To approve the increase the charges for Extra Care Services – Intensive Housing Management to be uplifted by between £1.47 and £3.74 (4.8%) and Extra Care Services – Night Care Service to be uplifted by £1.13 per week (4.8%).</li> <li>To note the national and local financial challenges outlined as part of the HRA budget proposals for 2026-27.</li> <li>To delegate authority to and the Executive Director of Place in consultation with the Portfolio Holder for Transport and Housing to approve any changes to the rate for sheltered heating and district heating.</li> <li>That the draft HRA Revenue Budget for 2026/27 is recommended to Council in February 2026 for approval; Appendix 2</li> <li>That the revised proposed five-year Capital Plan Budget is recommended to Council for approval; Appendix 6. (Funding summary Appendix 4)</li> </ul>	
<b>Reasons for Recommendations</b>	

- To maximise rent and service charge income which complies with the requirements of the Local Government and Housing Act 1989 to have a balanced HRA and the Welfare Reform and Work Act 2016 and the rent standard.
- To ensure resources are available to invest into tenants' homes to make sure they are safe and that they meet the decent home standard. A breakdown of the capital plan is summarised at Appendix 5.
- To ensure the appropriate mechanisms are in place to support vulnerable tenants.
- To propose a balanced HRA revenue and capital budget for 2026-27.
- To hold reserves at a level which is set at £519 per property at c£11.2m.

**Resource Implications**

The proposed budget provides for additional staffing costs of £383k to support the delivery of the Capital programme.

**Date signed off by Executive Director & name**

David Shepherd – Executive Director of Place  
5 November 2025

**Is it also signed off by the Service Director for Finance?**

Kevin Mulvaney – Service Director of Finance  
21 November 2025

**Is it also signed off by the Service Director for Legal Governance and Commissioning?**

Samantha Lawton - Service Director of Legal, Governance and Commissioning (Monitoring Officer)  
21 November 2025

**Electoral wards affected:** All

**Ward councillors consulted:** No

**Public or private:** Public

**Has GDPR been considered?** Yes

**1. Executive Summary**

1.1 The Council is required to maintain a self-financing Housing Revenue Account (HRA), which is a ring-fenced account separate to the General Fund and is a record of all revenue expenditure and income relating to the authority's own housing stock. It is the responsibility of all Councils with an HRA to set a balanced budget and make provision for adequate resources to invest in council properties. This ensures tenants safety and that they are living in properties that meet a decent home standard including energy efficiency which will support tenants with the cost of living. This report sets the provisional budget for 2026-27 for the HRA, details of which are included in the following pages and appendices.

1.2 The Council regularly reviews and updates the HRA business plan with the aim to produce a self-financed and balanced budget position over the 30-year plan that delivers the key objectives.

1.3 The main source of income for the HRA is from rents and service charges, income from leaseholder service charges and charges paid by tenants for specific services. The income is used to support the management and maintenance of the Council's circa 21,500 housing

stock, is reviewed annually, and is increased as required within the guidelines agreed by Government. This report sets out the approach to the annual rent and service charge inflationary uplift for council tenants for the 2026/27 financial year. The annual proposed uplift to social housing rents and service charges is based on the government formula of CPI + 1% (Consumer Price Index). This was agreed for a ten-year period from April 2026 to March 2036 where the CPI rate is taken from September each year. This complies with the requirements of the Rent Standard set by the Regulator of Social Housing.

- 1.4 This year the rate of inflation at the end of September 2025 was 3.8% which means a proposed uplift of 4.8%. We charge a formula rent for the majority of properties, where the formula is calculated based on the property valuation, number of bedrooms, location, and local earnings levels in line with the Rent Standard. Where rents are currently charged below the formula rent, government have announced a plan of how Registered Providers can move towards rent convergence, which will take effect from 1<sup>st</sup> April 2027. The Council is also proposing a 4.8% uplift for the extra care - Intensive Housing Management service and night-time security service charges where the costs are linked directly to staffing and the increase for the National Living Wage.
- 1.5 We have aimed to sensitively increase costs recognising financial challenges for our tenants. To support this agenda the proposed budget has allocated funds to provide additional support to tenants. This will aim to provide support to the financial challenges that the rent/service charge increase brings along with the impact of rent convergence. The support will be for a transitional period offered as part of a package of wider support.
- 1.6 The proposed rent and service charge increase, are required to enable investment in our tenants' homes. Within the financial plan is a proposed five-year Capital Programme outlining investment in our homes including new roofs, doors, environmental works, kitchens, bathrooms, and heating systems benefitting the fabric of our properties and improving the quality of tenants' homes.
- 1.7 A review of service charges has been carried out because the Council needs to ensure that it recovers income to cover the cost of providing services to tenants and leaseholders in an equitable manner.
- 1.8 The Regulator of Social Housing benchmarking data for 2024-25 shows that Kirklees continues to charge one of the lowest average rents. The Yorkshire and Humberside region reports the second lowest average social rent across the country, with only the Northeast charging a lower average social rent. The average weekly social rent for Kirklees being proposed for 2026-27 is £91.57. (*Local Provider Social Housing in England – Stock and Rents 2024-25*)

<b>Comparative rent data</b>	<b>Local Authority Net</b>	<b>Private Registered Providers Net</b>	<b>Average Net</b>
	<b>rent</b>	<b>rent</b>	<b>rent</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Kirklees</b>	£85.87	£104.49	£88.62
<b>Yorkshire and the Humber</b>	£90.88	£101.73	£95.36
<b>England</b>	£107.88	£118.15	£113.6_

- 1.9 Where new council housing is being developed for rent, there will be consideration, subject to a business case to charge social rent or an affordable rent, which is 80% of the market rental charge. The affordable rent would be less than the agreed local housing allowance and supports the published rent standard. When a property is relet, the tenant will automatically be charged the formula rent for that property, plus any relevant service

charge unless the property is subject to an affordable rent, in which case the agreed affordable rent will be charged.

- 1.10 The Proposed HRA revenue budget is £114m, where 28% is budgeted to be spent on repairs and maintenance, 24% to be spent on management costs, 5% to be spent on community facility costs which is recoverable through a service charge, 10% to be spent on extra care schemes which is recoverable through grant, rents and service charges, 23% to contribute to the cost of capital and major works, 7% for financing costs and 3% for other provisions and taxes.

### **Capital Plan**

- 1.11 As part of our budget setting work a review of the five-year capital plan has taken place. This ensures that our plan is affordable and, after several years underspending on capital budgets, that it can be delivered by teams in Homes and Neighbourhoods, working closely with Property Services, and our wider sub-contracting supply chains.
- 1.12 During the last 12 months the service has benefitted from a range of resources brought in to develop our programme and capacity to deliver. We have recently appointed a new Head of Asset Management and Building Safety (employment with the Council commences in January 2026) and prior to the new financial year will have recruited a new management team and significantly reduced the officer level vacancy rate to support the delivery. These actions are being taken to ensure that over the life of the five-year capital plan we have the resources required to deliver and reduce capital expenditure slippage.
- 1.13 Our priorities over the next 5 years are to:
- Ensure compliance with our regulatory responsibilities (Consumer Standard - Quality & Safety Standard)
  - To reduce the maintenance backlog and elemental component failures
  - To deliver our fire and building safety programme over a five-year programme.
  - Improve homes to ensure they are compliant with the Decent Homes Standard.
  - Continue to reduce the number of homes that are affected by DMC.
  - Completing fire and building safety investment to ensure our homes remain safe.
  - Achieve EPC C across our stock by 2030 (6,800 approx. homes)
  - Deliver our neighbourhood and communal investment priorities.
  - Develop plans to increase the supply of new Council homes through new build, acquisition & conversions.
  - Complete delayed regeneration projects and deliver strategic priorities
  - Maximising external funding opportunities to deliver our agreed priorities with tenants and, the HRA Business Plan ambitions
- 1.14 The capital plan has been updated from the Council Housing Asset Strategy, which was approved by Cabinet on 12 March 2024, ensuring our existing Council homes are safe, warm, well maintained and, our capital investment is reducing long-term repairs and maintenance costs. It will also reduce current maintenance backlog and, will deliver on updated regulatory responsibilities, tenant priorities, and tenants' satisfaction with the quality of their homes.
- 1.15 In March 2024 we estimated that a capital plan budget of £170million would be required to improve our stock of council homes including a backlog maintenance of £70m. However, that plan had not fully considered the extent of future building cost inflation and did not include other strategic Council's priorities including additional investment required to reduce the levels of non-decency; compliance with Regulator for Social Housing Consumer Standards including new requirements held within Awaab's Law; fire & building safety legislation; or growth ambitions.

- 1.16 This plan rectifies the above points by bringing together all required investment and strategic priorities into one capital plan with relevant building cost inflation (BCIS formula) applied. This ensures affordability and robustness across a balanced thirty-year asset management programme.
- 1.17 With the successful completion of the full fire risk assessment (FRA) programme on all properties requiring an FRA we have been able to complete a review of the fire & building safety programme. The result is a proposed detailed 5-year investment programme (reduced from 7 years) that will ensure all our homes meet the required legislation. It means that work is carried out at the earliest opportunity to address required actions and recommendations made to the Council regarding fire safety.
- 1.18 The proposed 5-year Capital Plan including inflation is as follows:

<b>HRA 5-Year Capital Plan</b>	<b>£</b>
Improving the quality of Council Homes	264m
Strategic Priorities: Completing Regeneration Projects, Acquisitions & New Council Homes etc	105m
Adaptations	21m
<b>Total Cost (5-Years)</b>	<b>390m</b>

- 1.19 The financial detail of the capital plan is provided at Appendix 5. There is a high degree of confidence in the total value of the programme over the five-year period, but at this stage of reporting there could still be variation in the spend profile within years, and particularly in Year one as the programme mobilises. The work required to confirm the final profile will be completed in December and early January with a final year one investment spend confirmed for the final decision in February 2026. The work required to confirm includes programme risk assessment and potentially soft market testing, will be concluded ahead of final approval of the budget.
- 1.20 The capital plan includes our ambition to increase the supply of new homes on HRA land. This will be achieved through a robust review of land that will be suitable for new Council homes; demolition and rebuild projects; acquisition of new homes via section 106 and on open market; continuation of our LA Housing Fund (LAHF); And working in partnership with other Registered Providers via the West Yorkshire Housing Partnership and WYCA to secure funding and deliver homes under the Homes England Social and Affordable Housing Programme 2026-2031 and any other available external funding to help us deliver our ambitions.
- 1.21 A priority for the HRA Business Plan is the long-term viability of this plan, to replace homes lost from RTB; to increase the supply of new Council housing to meet ever growing demand for social housing to reduce the number of households in temporary accommodation. The outcome of this work will be the subject of a separate Cabinet report during 2026/27 and is likely to refresh the assumptions included in the five-year Capital Plan.

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

- 2.1 The Council is required to deliver a balanced thirty-year business plan. The HRA (Housing Revenue Account) business plan has been modelled based on an inflationary uplift of 4.8% with the additional £1 or £2 per week to achieve rent convergence and this is required to be able to fund all its commitments in the capital plan and support a minimum reserve balance of £519 per unit, (2025-26 - £10.8m). A minimum reserve of £519 per unit is considered prudent and provides for unexpected costs or economic shocks.

- 2.2 An inflationary provision of 3.5% for staffing costs has been provided for, until the pay award for 2026-27 has been finalised.
- 2.3 Homes and Neighbourhoods have implemented a new housing management system (CX) which includes an integrated customer contact and relationship module. This will support the ongoing transformation work, which includes end to end process reviews, a focus on compliance, statutory, legislative, regulatory and a culture review. This will be supported by better insight and data provided by more efficient systems and processes.
- 2.4 Service revenue management budgets have increased by £653k, which includes £383k for additional staff costs for the Assets and Development team to provide additional capacity and the right skills to deliver the capital plan programmes. An additional £200k has been included to support transitional arrangements for tenants in receipt of partial or no housing benefit assuming rent convergence will be applied. A further £70k has been set aside to assist with preparations for an expected inspection by the Regulator of Social Housing.
- 2.5 The proposed budget for repairs and maintenance is £32.7m, which is a net increase of £1.4m. Resources will be set aside to carry out stock condition surveys; additional funding for meeting the cost of an increase in responsive repair call volumes; increasing funding to ensure we are compliant with new Legislation including fire and building safety work, implementation of Awaab's Law; reducing backlog maintenance. An inflationary increase of at least 3.5% has been allocated to repairs related works and an increase of 4.5% will be applied to works related budgets, where additional demand pressures have been identified or to address any outstanding works.
- 2.6 The grounds maintenance service is provided to tenants and leaseholders in Kirklees and currently costs £1.7m. A service charge has been introduced which will be a maximum increase each year of £1 per week, per year until full cost recovery is achieved. Charges have been divided equally between tenants and leaseholders based on each property they live in, on an estate-by-estate basis. Service standards will be issued, and regular monitoring will take place.
- 2.7 For district heating schemes, meters will be reviewed at least annually and adjusted by the appropriate cost per kwh to match current prices. It is requested that the decision to approve any changes to charges is delegated to the Executive Director of Place in consultation with the Portfolio Holder for Transport and Housing.
- 2.8 Similarly for sheltered heating schemes, it is requested that the decision to approve any additional charges is delegated to Executive Director of Place in consultation with the Portfolio Holder for Transport and Housing.
- 2.9 The amended UK Decent Homes Standard was introduced in 2006. Compliance with this standard does not stand still and properties each year will be made 'decent' whilst others will fall 'out of decency' because some of the key elements of a home may have reached the end of their lifecycle (e.g. roof & chimneys, windows, heating, kitchens & bathrooms etc). At the end of 2024/25 had 21.19% (5,224 Council homes); 21.7% including other social units (PFI units and others) that did not meet the Government Decent Home Standard (DHS). This measure is calculated on a quarterly basis. We are already seeing improvements against non-decency this year because of work that is being undertaken and further stock condition validation. In October 2025, non-decency stood at 13.9%.
- 2.10 Over the next five years £390 million will be required to be invested in our homes based on current information. This is updated annually and, will be further informed by more up to date stock condition surveys that will be undertaken over the next three years for all existing homes. All homes that do not meet the Decent Homes Standard are now included

in the capital plan. This will include our commitment to taking a fabric first approach, retrofit measures targeted at homes where there are recurrent or ongoing damp, mould, and condensation or cold home issues.

- 2.11 Until such time as more current stock condition information is available and data has been integrated to support capital planning, surveys will take place for each year's capital programme to ensure that homes included in the capital plan will continue to prioritise work on a 'worst first approach' , whilst also taking a geographical approach to planning investment so that those homes that are in urgent need of investment are prioritised. Annual programmes and budgets will be developed in a way that enables flexibility in year to deal with unforeseen issues through the dynamic planned maintenance initiative and will be kept under regular review.
- 2.12 There is a requirement to propose a rent and service charge uplift of 4.8% for the financial year 2026-27. The report aims to provide context in terms of the key challenges for the Housing Revenue Account even with the proposed 4.8% rent uplift. The appendix to the report sets out the full schedule of proposed weekly dwelling rent, service and other charge inflationary uplifts to Council tenants for 2026/27, noting that these will be calculated on a basis that matches the billing period to the number of weeks in the year (i.e., 52 weeks for 2026/27) Appendix 1.
- 2.13 The proposed inflationary uplift will mean an average uplift across all tenancies of £4.19. The following table summarises the proposed average rent to be charged and increase for each bedroom size:

Average weekly rent increases	2025-26	2026-27	Increase	Increase
	£	£	£	%
<b>All</b>	87.38	91.57	4.19	4.80
<b>Average 1 bedroom</b>	77.39	81.10	3.71	4.80
<b>Average 2 bedroom</b>	91.72	96.12	4.40	4.80
<b>Average 3 bedroom</b>	103.09	108.04	4.95	4.80
<b>Average 4+ bedroom</b>	110.18	115.47	5.29	4.80

- 2.14 Following the Government consultation carried out earlier this year in relation to rent convergence, there is an additional £1 or £2 per week per property increase being proposed where the formula rent is not currently being charged.
- 2.15 There are 73% of council tenants that are currently in receipt of some benefit either Universal Credit or Housing Benefit and so the Council needs to ensure that they consider the impact of the proposed uplift for the 27% of tenants who are not in receipt of any benefits and those on partial benefits. The Council have a dedicated Income Management and Money Advice Team who will work with these tenants to support them with completing claims for benefits and signposting them to other agencies. Tenants can also access Kirklees corporate support. [Local Welfare Provision | Kirklees Council](#)
- 2.16 Where new council housing is being developed for rent, there will be the consideration, subject to a business case to charge a social rent/formula rent or an affordable rent. An affordable rent may be charged, which is 80% of the market rental charge and is inclusive of service charges. This is supported by the rent standard published by the Regulator of Social Housing.
- 2.17 There are 51% of tenants that are currently reported as having some arrears of which 72% are in receipt of Universal Credit and so it cannot be guaranteed that payments will be made because the benefit goes direct to the tenant, although claims to have the benefits paid direct to Kirklees can be made if the tenant is reported to have more than eight weeks

arrears. There are 42% of tenants who pay by direct debit and 58% who pay by alternative methods of payment. Tenants are encouraged to sign up for direct debit arrangements.

- 2.18 All services are looking to achieve efficiencies to address the cost-of-living inflationary increases and in total savings of £1.1m for 2026-27 have been proposed. These savings have been built into the proposed budget to ensure there is budgetary control and accountability. Savings include a reduction of 128 void properties over the year, reducing rent lost by £291k; recovery of service charge income of £386k for grounds maintenance; £14k for cleaning; heating charges of £25k; and £172k efficiency proposed from better ways of working.
- 2.19 The Intensive Housing Management service charge provides a manager presence in the extra care schemes and the provision of a housing related support service to tenants to help them maintain their tenancies. Of the total cost of this service tenants pay for 80% and the charge is eligible for housing benefit. An uplift of 4.8% is proposed as the costs are linked directly to staffing and the increase for the National Living Wage.
- 2.20 There are two service charges which are commissioned by the Council's Adult Social Care. The Night-time Security service charge provides a staff presence in the extra care schemes overnight and to respond to emergency calls made by tenants during the night. The charge that tenants pay for this service amounts to 50% of the total cost and the service charge is eligible for housing benefit. The total cost of this service will increase annually due to an uplift to the National Living Wage. An uplift of 4.8% is proposed as the costs are linked directly to staffing and the increase for the National Living Wage.
- 2.21 The Council assumes a number of properties will be sold through the RTB Scheme, which on average is around two hundred properties per annum. The number of sales has reduced over the last two years but due to the budget announcement to amend the discount levels with effect from 21<sup>st</sup> November 2024, there has been additional applications and so there is an assumption that there will be 190 sales in 2026-27.

### **3. Implications for the Council as part of the Council Plan**

#### **3.1 Working with People by providing direct support to tenants.**

- 3.1.1 The rollout of Universal Credit (UC) started in June 2015 and is now accelerating due to DWP Managed Migration with 55% of tenants currently in receipt of UC, 18% partial or full Housing Benefit (HB) and 27% in receipt of no benefits and so there are dedicated staff to support tenants transitioning from Housing Benefit to Universal Credit. As of 29<sup>th</sup> September 2025, there were 5438 tenants who were not in receipt of any benefits of which 3306 (61%) of those tenants who are already on an arrangement to pay by Direct Debit. The Money Advice team will support these tenants to assess whether they will be eligible for any benefits, will support them to claim any entitlements and to put in place an arrangement to pay by Direct Debit. Contact details for support and additional information will be sent out to all tenants with the statutory increase notice.
- 3.1.2 Tenants will have access to a Discretionary Housing Payment (DHP) which is still available to fund short term gaps in customer benefit entitlement etc. All assessments are made on specific need.

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

- 3.2.1 Homes & Neighbourhoods Income Management resources are being made available and targeted towards new and transitioning UC claimants to ensure that they receive the support that they need to successfully make the change and keep in control of their rent accounts. The waiting period is around 5 weeks before the first payment is received.

although tenants can claim an advance payment. There are significant strategic and operational challenges in dealing with the claimants in receipt of benefits in Kirklees Council tenancies and as UC continues to be rolled out in Kirklees, with increased risks associated with managing the HRA, cashflow and income collection rates. The Homes & Neighbourhoods Income Management team work with partners to oversee the delivery of a set of action plans designed to directly mitigate the impact of welfare reform changes such as UC on tenants through a dedicated debt advice team that adopts a restorative approach to debt management.

### **3.3 Place Based Working**

3.3.1 Engagement proposals are informed by intelligence and evidence gathered from previous successful place-based engagement programmes delivered by Homes & Neighbourhoods and other partner services. This includes consultation at the high-rise blocks at Berry Brow and Harold Wilson Court in 2021 to inform full regeneration and fire safety improvement programmes, working with ward members and tailored to the needs of Kirklees as a place and the individual needs of its distinct communities.

3.3.2 There have been several issues regarding the delivery of the capital programme in recent years which have been addressed. This includes lack of oversight, significant vacancies within the services, changing priorities for investment and lack of effective planning. These issues have been addressed through the introduction of the Homes & Neighbourhoods Capital and Revenue Investment Board (HCRIB), reporting into H&N Senior Management Team and appropriate Council Governance meetings with a close alignment with the Council's Capital Board; by reviewing the five-year Capital Plan alongside the resources required to deliver this programme; robust delivery performance management of the programme and, the re-structure of the service. This has also included changes within Property Services.

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

3.4.1 Kirklees Council are investing in new heat sources for a number of their council properties to make them more efficient. They have been successful in accessing grants to support the review of existing networks and to support the cost of new heat networks. They also have the use of a number of electric vehicles which will support the climate and clean air agenda.

3.4.2 The planned programme includes the work required to bring around 6,800 Council homes up to EPC C by 2030. Programmes designed to improve energy efficiency and environmental impact (decarbonisation and fabric first retrofit) will be reviewed as part of the ongoing stock condition surveys and Health and Housing Safety Rating System (HHSRS) to inform future investment planning. West Yorkshire Combined Authority have awarded Kirklees £2.6 million to support our Capital Plan.

### **3.5 Improving outcomes for children**

3.5.1 The current baseline capital plan is forecast to invest £390m over the next five years, which includes resources set aside for component replacements, estate improvements, compliance, fuel poverty, and adaptations. Investing in council properties will improve living conditions by providing a warm and safe home for tenants to live in, which will improve outcomes for children. The capital plan has been reviewed and updated during 2025-26 which will provide additional investment into existing homes.

3.5.2 The Money Advice team work closely with tenants to assess whether they are entitled to benefits and then support them to claim entitlements. This relieves poverty in the

household and therefore supports children to have a better start in life, which improves outcomes.

### **3.6 Financial Implications**

- 3.6.1 The Council will propose a balanced budget for 2026-27 and maintain a balanced 30-year HRA business plan, which will be supported by funding from reserves and additional borrowing.
- 3.6.2 A number of key policy announcements have been made following the enactment of the Welfare Reform and Work Act 2016 and the Housing and Planning Act 2016. The implications of the new legislation have been included within the 30-year financial modelling for the HRA. The budget proposals for 2026-27 result from a review of the HRA with the key objective to deliver a balanced 30-year HRA business plan.
- 3.6.3 People living or working in Kirklees will have access to the Kirklees local welfare provision: [Local Welfare Provision | Kirklees Council](#)
- 3.6.4 The proposed 30-year capital plan to support delivery of the Asset Management Strategy requires £390 million investment in Council housing over the next 5 years. This will be financed through the Major Repairs Reserve (MRR), Grants, and revenue contributions to capital outlay (RCCO) from the HRA with any additional amounts being financed through new borrowing. This balance assumes the most critical priority is to improve the quality of existing Council homes for tenants alongside maximising opportunity and funding to increase year on year acquisitions and new provision to support this plan to ensure long-term viability of the HRA BP. The proposed budget provides for corporate resource to support the delivery of this plan. The HRA Business Plan is reviewed annually, and as stock condition survey information is updated this will feed into the annual review process to ensure the capital plan is adjusted to reflect current investment needs.

### **3.7 Legal Implications and governance**

- 3.7.1 The approval of the above recommendations will ensure that a balanced HRA is achieved, which means the Council is compliant with section 76 of the Local Government and Housing Act 1989. The HRA is a ring-fenced account and cannot be subsidised by the General Fund. Section 24 of the Housing Act 1985 allows the Council as a registered provider the discretion to set its own rents, but the charges must be reasonable and are subject to legislative rent caps imposed by the government. The Local Government and Housing Act 1989 also covers the recovery of service charges, and the rent standard applies to both rents and service charges. Changes to rent and service charges are excluded under section 105 (2) of the Housing Act 1985 from the statutory duty to consult with tenants on matters of "housing management" under section 105 of the Housing Act 1985.
- 3.7.2 The Equality Act 2010 (Section 149) requires the Council to have due regard to the need to:
- a) eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited by or under the Act.
  - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
  - c) Foster good relations between people who share a relevant protected characteristic and those who do not.

3.7.3 A landlord, including a social landlord has the legal right to impose charges for services they provide which are payable in addition to the charges imposed for rent. The tenancy agreement or lease the landlord has with a tenant sets out the obligations on the tenant to pay these service charges. The service charges each tenant is required to pay should be clearly set out at the commencement of the tenancy. The Council, as a landlord must ensure it meets its statutory obligations when deciding to increase or introduce service charges and ensure the right to impose such charges is clearly set out in the tenancy agreement/lease as this may limit the ability to charge. The amount of service charges each tenant is required to pay should be reasonable. This applies to both secure and leasehold tenants.

3.7.4 Improved Governance has been introduced for capital programme delivery in 2025/26, this has involved the establishment of a Homes & Neighbourhood Capital and Revenue Investment Board (HCRIB), focus on robust financial management and monitoring the delivery of the capital plan against approved budgets, robust investment planning, enhanced project and contract management and delivery. This brings together representation and expertise from across the Council to ensure this plan is delivered. With an increased focus on performance management and KPI reporting. All HRA Capital being managed by a single Homes & Neighbourhoods Capital Board reporting into H&N SMT and, alignment with the Corporate Capital Board.

### **3.8. Other (e.g. Risk, Integrated Impact Assessment or Human Resources)**

3.8.1 In planning of the five-year Capital Plan this provides the opportunity to review the approach to procurement to avoid unnecessary tenant disruption and, the move to appoint through a procurement compliant process the opportunities to move away from smaller, single elemental replacement programmes to a smaller number of strategic contractors or framework partners carrying out greater volumes of work delivering a range of improvements, coordinating work programmes to reduce tenant disruption, improving operational efficiency and allow for more robust contract management, whilst managing any relevant risks of such an approach.

3.8.2 It is believed that the proposals to change rents and other charges set out in this report will not have an unduly adverse impact on any persons in any of the nine protected characteristics namely, age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion, or belief, sex, and sexual orientation. All tenants affected by any approved changes to rents and other charges will be notified of the specific changes to their charges and be provided with information and guidance on how to access information and guidance on housing and other benefits. Ref: [IIA-667140185](#)  
Ref: [IIA- 656525132](#).

## **4. Consultation**

4.1.1 Consultation was undertaken with tenants and leaseholders to introduce a service charge for the provision of communal Grounds Maintenance (GM) services capped at £1.00 per week from 2025/26.

4.1.2 Resident involvement is essential and, to ensure the quality of improvements to homes supports our tenants' priorities and, we have their support to improving their homes. The five-year capital plan will be used to introduce a range of ways to communicate with tenants about planned improvements. A new Tenant & Leasehold Communications Plan key that will improve engagement with our tenants and leaseholders. This will include improvements to the website providing more information that is easily accessible and, routine update testing out new channels of communications and information available in our communities. This will be developed over the next few months to coincide with the approval of the five-year Capital Plan by the Council.

4.1.3 The overall programme quantum over a five-year period will not change, but Cabinet should be advised that the profile of the programme may adjust particularly in the early years as officers work through the programme risk profile associated with procurement and delivery. This will be confirmed in advance of the final budget report in February 2026. Careful planning of the programme is taking place to minimise disruption but to also reduce the need for decanting tenants. Additional support will also be available to provide support to tenants in planning the work programme, during the works and minimising disruption. Additional support is in place for any household with vulnerabilities.

4.1.4 Capital Project Delivery teams will include Quality Liaison Officers whose role is to understand the individual needs of tenant & residents and households who will work closely with Housing Management officers so that plans can be developed together in a way that will minimise disruption and supports residents. These officers will manage day to day communications throughout the delivery of work in homes to ensure it is tailored to their needs and support for any vulnerable household as part of the planning of any work to homes.

## **5. Engagement and communication**

5.1.1 The five-year, £390m plan is a significant programme and has been carefully planned to provide the opportunity to maximise social value benefits (through capital contracting) beyond supporting voluntary initiatives. A priority for the borough and in line with Kirklees strategic priorities is the opportunity to maximise apprenticeship and trainee opportunities with contractors and the supply chain. This could be targeted at areas of worklessness, working closely with local schools, colleagues and children's parenting board whilst targeting workplace opportunities for those furthest away from the labour market.

5.1.2 There is a requirement to give tenants 28 days' notice of any uplift in rents or service charges.

## **6 Options**

### **6.1 Options considered**

6.1.1 To do nothing would mean that Kirklees would have to either increase its borrowing to cover the cost of services, make additional savings or would have to consider reducing the level of services delivered.

6.1.2 To maximise rental income based on the government formula to uplift rents annually by CPI +1% and to move to a full cost recovery for service charges.

### **6.2 Reasons for recommended option**

6.2.1 To maximise income so that Kirklees can invest in tenants' safety and decent homes and so it can set a balanced budget.

6.2.2 To recover income where Kirklees Homes and Neighbourhoods has incurred costs on behalf of tenants, so that tenants are charged for the service they receive.

6.2.3 To recover service charge income to cover the cost of services provided to tenants and leaseholders to achieve a full cost recovery position.

## **7 Next steps and timelines**

- 7.1 In order to comply with the requirements of the Local Government and Housing Act 1989 to have a balanced HRA and the Welfare Reform and Work Act 2016 and the rent standard which requires registered providers to comply with specified rules about their levels of rent set under section 194(2A) of the Housing and Regeneration Act 2008; to implement the uplift of 4.8% (CPI + 1%) subject to Cabinet approval.
- 7.2 Council Officers will prepare for the implementation of rents and service charge changes from 1<sup>st</sup> April 2026 as set out in Appendix 1 and the issuing of prior notification letters to individual tenants in accordance with the statutory 4 week notice period.

## **8 Contact officer**

Jacqui Fieldhouse, Head of Finance – Homes & Neighbourhoods  
Email: [jacqui.fieldhouse@kirklees.com](mailto:jacqui.fieldhouse@kirklees.com) Tel: 01484 221000 ext 79267  
Janet Sharpe, Interim Director – Homes and Neighbourhoods Asset Team.  
Email: [janet.sharpe@kirklees.gov.uk](mailto:janet.sharpe@kirklees.gov.uk) Tel: 01484 221000 ext 79267

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

- 9.1 Rent setting report to Cabinet – 10<sup>th</sup> December 2024 and Approved budget for 2025-26.

## **10 Appendices**

- 10.1 Appendix 1 – Schedule of weekly rent and service charges for 2026-27.
- 10.2 Appendix 2 – Revenue Medium Term Financial Plan - April 2026 to March 2031.
- 10.3 Appendix 3 – HRA Reserves – March 2027.

## **11 Service Director responsible**

Phil Jones for Homes & Neighbourhoods  
Tel: 01484 221000 ext 75312  
Email: [philip.jones@kirklees.gov.uk](mailto:philip.jones@kirklees.gov.uk)

## Schedule of Weekly Rent and Service Charges for 2026/27

	Schedule as at 7 April 2025 £	Schedule as at 6 April 2026 £	Increase %
<b>RENTS</b>			
Average Dwelling Rent	87.38	91.57	4.8
Split:			
Average 1 Bedroom Rent	77.39	81.10	4.8
Average 2 Bedroom Rent	91.72	96.12	4.8
Average 3 Bedroom Rent	103.09	108.04	4.8
Average 4 and Over Bedroom Rent	110.18	115.47	4.8
Garage Rents (Excl VAT)	6.57	6.89	4.8
<b>51</b>			
<b>Housing Benefitable Service Charges</b>			
Concierge	2.77 to 18.12	2.90 to 18.99	4.8
Door Entry Systems	0.49	0.51	4.8
Communal Cleaning	1.13 to 8.70	1.18 to 9.12	4.8
Communal Cleaning (contract extension)	2.51	2.63	4.8
Window Cleaning	0.25 to 2.89	0.26 to 3.03	4.8
<b>Sheltered Housing:</b>			
Scheme Management	15.95	16.72	4.8
Independent Living Officer	5.88	6.16	4.8
Furnishings	20.55, 21.90	21.54, 22.95	4.8
<b>PFI Service Charges</b>			
Communal Cleaning	12.32 to 16.77	12.91 to 17.57	4.8
Communal Utilities	2.53 to 13.42	2.65 to 14.06	4.8
External Lighting (General Needs Only)	1.98 to 2.93	2.08 to 3.07	4.8
Grounds Maintenance	3.32 to 8.62	3.48 to 9.03	4.8
Intensive Housing Management (Extra Care Only)	30.57 to 77.97	32.04 to 81.71	4.8
Management and Admin	1.49 to 1.50	1.56 to 1.57	4.8
Night Time Security (Extra Care Only)	23.63	24.76	4.8
Property Management (Extra Care Only)	25.10	26.30	4.8
R&M Com fac&ut cost	5.89 to 13.46	6.17 to 14.11	4.8
<b>Other Charges</b>			
Parking Spaces	5.65	5.92	4.8
Other Utilities charges	16.70, 23.32	17.50, 24.44	4.8
Older People Support	6.95, 24.05	6.95, 25.20	4.8
Council Tax	5.72, 8.98	5.99, 9.41	4.8 TBC
Gardening	3.77	3.95	4.8
<b>Sheltered heating:</b>			
Bedsit	11.86	12.43	4.8
1 bed	13.59	14.24	4.8
2 bed	15.24	15.97	4.8
3 bed	16.74	17.54	4.8

## Appendix 2

SERVICE ACTIVITY	25-26	CHANGES	26-27	CHANGES	27-28	CHANGES	28-29	CHANGES	29-30	CHANGES	30-31
	BUDGET AMENDED		BUDGET PROPOSAL								
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Repairs & Maintenance	31,309	1,409	32,718	982	33,700	69	33,769	1,013	34,782	1,043	35,825
<b>Housing Management</b>											
Policy & Management	14,205	532	14,737	438	15,175	455	15,630	469	16,099	484	16,583
Council Services bought in	8,283	(430)	7,853	275	8,128	284	8,412	294	8,706	304	9,010
Homes & Neighbourhoods Man't	18,213	125	18,338	(200)	18,138	0	18,138	-	18,138	-	18,138
Property Services	(190)	18	(172)		(172)		(172)		(172)		(172)
Special Services (Communal	3,668	12	3,680	110	3,790	114	3,904	117	4,021	120	4,141
sub-total	44,179	257	44,436	623	45,059	853	45,912	880	46,792	908	47,700
<b>Other Expenditure</b>											
Depreciation charge on HRA Assets	23,989	1,948	25,937	778	26,715	801	27,516	825	28,341	850	29,191
Interest payable on capital debt	7,507	616	8,123	1,125	9,248	1,125	10,373	1,125	11,498	1,125	12,623
Bad debt provision	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000
Revenue Contribution to Capital	0	0	0	400	400	1,200	1,600	-	1,600	-	1,600
Rents, Rates, Taxes & other charges	829	-	829	-	829	-	829	-	829	-	829
Inflation Provision	723	615	1,338	264	1,602	140	1,742	139	1,881	22	1,903
Sub total	34,048	3,179	37,227	2,567	39,794	3,266	43,060	2,089	45,149	1,997	47,146
<b>Total Expenditure</b>	<b>109,536</b>	<b>4,845</b>	<b>114,381</b>	<b>4,172</b>	<b>118,553</b>	<b>4,188</b>	<b>122,741</b>	<b>3,982</b>	<b>126,723</b>	<b>3,948</b>	<b>130,671</b>
Dwelling Rent income	(95,453)	(4,687)	(100,140)	(3,880)	(104,020)	(3,958)	(107,978)	(3,831)	(111,809)	(3,792)	(115,601)
Non-Dwelling Rent Income	(284)	(7)	(291)	(8)	(299)	(7)	(306)	(7)	(313)	(7)	(320)
Tenant & Leaseholder charges for services & facilities	(5,152)	(586)	(5,738)	(285)	(6,023)	(223)	(6,246)	(144)	(6,390)	(149)	(6,539)
HRA Interest income on cashflow	(735)	435	(300)	-	(300)	-	(300)	-	(300)	-	(300)
Excellent Homes for Life (PFI)	(7,912)	-	(7,912)	-	(7,912)	-	(7,912)	-	(7,912)	-	(7,912)
<b>Total Income</b>	<b>(109,536)</b>	<b>(4,845)</b>	<b>(114,381)</b>	<b>(4,172)</b>	<b>(118,553)</b>	<b>(4,188)</b>	<b>(122,741)</b>	<b>(3,982)</b>	<b>(126,723)</b>	<b>(3,948)</b>	<b>(130,671)</b>
<b>Net Operating Expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>								

## Appendix 3

HRA RESERVES	Balance at 31st March 2026	Contribution to Reserves	Contribution from Reserves	Balance at 31st March 2027
	£000	£000	£000	£000
<b>Set aside for business risks</b>	-10,800		-410	-11,210
<b>Repairs reserve</b>	-1,000			-1,000
<b>Set aside to meet investment needs</b>	-7,510		7,510	0
<b>Total</b>	<b>-19,310</b>	<b>0</b>	<b>7,100</b>	<b>-12,210</b>

## Appendix 4

CAPITAL PLAN	2026/27	2027/28	2028/29	2029/30	2030/31	Total
	£	£	£	£	£	£
<b>FUNDING SUMMARY</b>						
Borrowing	24,247,161	47,464,460	43,027,703	45,764,409	25,796,612	186,300,345
Grants	5,576,867	4,697,300	2,982,391	2,661,200	2,226,000	18,143,758
Capital Receipts	4,514,000	6,466,357	16,045,094	10,787,821	2,677,700	40,490,972
HRA RCCO	7,510,000	0	0	0	0	7,510,000
HRA MRR	25,937,000	26,715,110	27,516,563	28,342,060	29,192,322	137,703,055
<b>Overall Total</b>	<b>67,785,028</b>	<b>85,343,227</b>	<b>89,571,751</b>	<b>87,555,490</b>	<b>59,892,634</b>	<b>390,148,13</b>

## Appendix 5

Reference Number	Service Area	Proposal Title	Proposal Description	2026/27	2027/28	2028/29	Staffing Implication?
HN2601	Property	Reduce absence across the service to 9.6%	Proposing to reduce absence across the service to 9.6% equivalent to 1.5 days per FTE, this will be cashable through reduction in agency staff costs.	-72	-32	-30	N
HN2602	Property	Efficiency target to increase turnover without additional overhead cost	Additional capital delivery required as part of acceleration of the 5-year capital programme, efficiency target to increase turnover without additional overhead cost and limited increase in trade resource, through a more planned and efficient programme.	-100	-100	-100	N
HN2603	Property	Void Rent Loss	This is based on a reduction of 65 units of the overall void stock within the financial year 26/27, current actions within the new empty homes action plan reduce the stock figure void within the financial year 25/26, this is in addition.	-36	-	-	N

## Appendix 6

Capital Programme	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	5 Year Spend proposed
	Required Budget					
<b>Total Overall Cost all budget areas</b>	<b>£67,785,028</b>	<b>£85,343,227</b>	<b>£89,571,751</b>	<b>£87,555,490</b>	<b>£59,892,634</b>	<b>£390,148,130</b>
<b>Capital Plan Total Costs</b>	<b>£20,495,547</b>	<b>£21,882,213</b>	<b>£24,824,064</b>	<b>£27,226,747</b>	<b>£29,702,952</b>	<b>£124,131,523</b>
Communications Installation	£35,000	£35,000	£35,000	£35,000	£35,000	£175,000
Electrical Installation	£1,722,900	£2,532,663	£3,988,944	£4,188,391	£4,397,811	£16,830,710
External walls domestic	£1,545,757	£1,624,977	£1,533,307	£1,609,972	£1,690,471	£8,004,485
Heat Source	£3,026,958	£3,078,566	£3,133,958	£3,587,590	£3,766,969	£16,594,041
Kitchen Fittings	£3,868,973	£3,971,223	£4,324,551	£4,493,019	£5,124,130	£21,781,896
Chimney	£48,572	£51,000	£53,550	£56,228	£59,039	£268,390
Roofs	£3,630,894	£4,051,217	£4,504,495	£4,992,972	£5,519,037	£22,698,614
Sanitary appliances (bathrooms)	£1,011,375	£1,299,334	£1,562,913	£2,058,144	£2,380,021	£8,311,786
Space Heating	£1,255,508	£744,975	£782,224	£948,674	£996,107	£4,727,488
Ventilating System	£180,319	£213,001	£248,502	£287,019	£328,768	£1,257,608
Windows	£1,663,035	£1,746,187	£2,062,683	£2,406,464	£2,779,465	£10,657,834
External doors domestic	£556,257	£584,070	£643,937	£613,273	£676,134	£3,073,670
Asbestos Remedial Work	£300,000	£300,000	£300,000	£300,000	£300,000	£1,500,000
Structural works	£400,000	£400,000	£400,000	£400,000	£400,000	£2,000,000
Ad-hoc minor schemes	£150,000	£150,000	£150,000	£150,000	£150,000	£750,000
Void capital costs TBC	£1,100,000	£1,100,000	£1,100,000	£1,100,000	£1,100,000	£5,500,000
<b>Building Safety</b>	<b>£2,696,031</b>	<b>£2,970,029</b>	<b>£2,896,810</b>	<b>£2,990,610</b>	<b>£3,840,152</b>	<b>£15,393,632</b>
Lifts and Conveyors - replacement of units	£800,000	£1,000,000	£500,000	£0	£0	£2,300,000
Lift upgrades - LED lighting, digi switch etc	£44,000	£0	£0	£0	£0	£44,000
Minor Buildings - Bin stores	£60,000	£60,000	£60,000	£60,000	£60,000	£300,000
Protective Installation	£195,027	£283,675	£679,639	£1,241,079	£2,056,645	£4,456,065
Water Installation (tank renewal)	£10,000	£10,000	£10,000	£10,000	£10,000	£50,000

Fire door renewals	£0	£0	£0	£0	£0	£0
Compartmentation and fire lining	£0	£0	£0	£0	£0	£0
External doors and screens communal	£587,004	£616,354	£647,172	£679,531	£713,507	£3,243,568
Damp, Mould & Condensation	£1,000,000	£1,000,000	£1,000,000	£1,000,000	£1,000,000	£5,000,000
<b>Other Asset Capital Programmes</b>	<b>£26,749,284</b>	<b>£23,751,628</b>	<b>£22,520,055</b>	<b>£32,067,697</b>	<b>£19,971,830</b>	<b>£125,060,494</b>
Estate Improvement (Neighbourhood Investment) projections	£1,100,000	£1,100,000	£1,100,000	£1,100,000	£1,100,000	£5,500,000
Six Storey Blocks building safety and refurb projections	£18,599,335	£13,702,386	£10,266,888	£19,093,002	£9,138,760	£70,800,371
Low Rise Blocks building safety and refurb projections	£2,306,341	£1,594,181	£1,593,012	£2,310,196	£168,445	£7,972,175
Retirement Living Schemes building safety and refurb projections	£3,035,858	£6,355,061	£7,760,155	£7,764,499	£7,764,625	£32,680,198
Decarbonisation and fabric first retrofit requirements	£1,707,750	£1,000,000	£1,800,000	£1,800,000	£1,800,000	£8,107,750
<b>STRATEGIC PRIORITIES</b>	<b>£17,844,166</b>	<b>£36,739,357</b>	<b>£39,330,822</b>	<b>£25,270,436</b>	<b>£6,377,700</b>	<b>£125,562,481</b>
Acquisitions	£2,722,970	£2,400,000	£2,400,000	£2,400,000	£2,400,000	£12,322,970
Council Housing Build Programme	£1,114,000	£1,114,000	£1,114,000	£1,114,000	£0	£4,456,000
Regeneration Projects	£1,000,000	£2,952,357	£12,531,094	£7,273,821	£277,700	£24,034,972
Approved Regeneration Projects	£7,516,020	£25,873,000	£19,585,728	£10,782,615	£0	£63,757,363
Fernside Module Build (Remediation works)	£145,000	£0	£0	£0	£0	£145,000
Adaptations	£5,346,176	£4,400,000	£3,700,000	£3,700,000	£3,700,000	£20,846,176

## 2026/27 Budget Consultation – Summary Report

### Methodology

An online survey was launched with the public, capturing views on how people felt about the budget proposals for 2026/27.

The survey was launched on the 3 December 2025 and closed at midnight on the 7 January 2026.

403 people responded to the survey.

### Views of overall budget proposal

26% said they agreed with how the council plans to spend money in 2026/27 with 29% feeling neutral and 45% disagreeing.

267 respondents provided comments on the overall proposal.

The top 3 themes discussed in the comments around the overall budget were:

- **Roads, Pathways, Drainage Highways & Infrastructure** – The most common theme amongst the comments received was on poor road/highway conditions, potholes, signage, markings, drainage and vegetation; with calls for these issues needing greater investment.
- **Town Centre Regeneration** A range of mixed views were received on large-scale regeneration projects and investment in Huddersfield and Dewsbury town centres, markets, and cultural schemes. Criticism was given regarding investing large funds during times of hardship, whilst others noted the positive impact this would have on local businesses and the local economy.
- **Council Tax & Fairness** – Comments were received about council tax increases, affordability concerns, fairness and demands for transparency on how extra revenue benefits residents. Objections were received on the proposed 4.99% increase with suggestions for introducing inflation-only rises. Concerns were raised about affordability for working households and pensioners. Alternative suggestions were given to generate income from other sources (e.g. reclaiming loans, efficiency savings).

### Support levels for each budget area

The proposal for money spent in Adults and Health received the highest level of support with 57% agreeing with the plans.

The proposals for money spent in Public Health and Corporate Resources received the lowest level of support with 23% agreeing with the plans.

### Impact levels for each budget area on respondents

The proposals for Adults and Health reported having the highest level of positive impact (15%) on respondents. The proposals for Children and Families were reported as having the highest level of negative impact (43%) on respondents.

### Impact levels for each budget area on other people

The proposals for Adults and Health reported having the highest level of positive impact (15%) on other people.

The proposals for Children and Families were reported as having the highest level of negative impact (52%) on other people.

## Adults and Health

- 57% said they agreed with how the council plans to spend money on this service area, with 22% feeling neutral and 19% disagreeing.
- 15% said the proposals will have positive impact on them, with 52% answering neutral/no impact and 33% saying they would feel negative impacts.
- 42% said the proposals will have positive impact on other people, with 26% saying neutral/mixed impact and 32% answering that other people would feel negative impacts.

73 respondents provided comments on the proposal.

The highest 3 themes discussed around the proposals for Adults and Health were:

- **Preventative/Early Intervention & Direct Support** - Responses emphasised the importance of early targeted support, preventative measures, and community-based initiatives to reduce future demand on services and improve wellbeing.
- **Workforce Capacity & Capability** - concerns were raised about staffing shortages, burnout, and the need for better pay and training to attract and retain skilled care workers. Concern was raised of chronic understaffing in care teams and social work, along with burnout among existing staff due to high workloads and stress.
- **Support for Older Adults & Carers** - Many respondents emphasised the need for more resources and services for older people and carers, as well as concerns about current gaps in provision. Calls were heard for prioritising care for older adults and ensuring they can live independently for as long as possible. Several comments showed recognition that unpaid carers need more support and respite options.

## Children and Families

- 42% said they agreed with how the council plans to spend money on this service area, with 23% feeling neutral and 37% disagreeing.
- 11% said the proposals will have positive impact on them, with 58% answering neutral/no impact and 43% saying they would feel negative impacts.
- 32% said the proposals will have some positive impact on other people, with 28% answering neutral/mixed impact and 39% saying other people would feel negative impacts.

75 respondents provided comments on the proposal.

The highest 3 themes discussed around the proposals for the Children and Families proposals were:

- **Budget sufficiency & how money is used** - Mixed views were received on overall spend with some feeling too much is spent on this area whilst others feeling that not enough is allocated. Concern was raised that current and proposed funding isn't enough to meet demand or even cover basics. Requests were received for clearer breakdowns of how the funds will be spent. Frustration was displayed about perceived overspending and avoidable costs (e.g., missed EHCP deadlines leading to tribunals).
- **Early help, support & intervention** – It was emphasised that there was a need to invest in early intervention strategies to prevent problems from escalating and reduce future demand on services, leading to less reactive spending. It was suggested that current expenditure focuses on immediate crises, leaving early help underfunded. Suggestions were received for parenting programs and community-based initiatives to prevent neglect and improve outcomes. It was highly emphasised by several respondents that early investment will deliver long-term savings and better outcomes for children and families.
- **Capacity & staffing** – Concerns were raised about workforce shortages, vacant posts, and the strain this is having on existing staff. It was suggested more social workers and family support workers were needed to be recruited to reduce harm and improve outcomes for children and families.

## Homes and Neighbourhoods

- 45% said they agreed with how the council plans to spend money on this service area, with 25% feeling neutral and 31% disagreeing.
- 12% said the proposals will have positive impact on them, with 58% answering neutral/no impact and 30% saying they would feel negative impacts.
- 42% said the proposals will have positive impact on other people, with 27% answering neutral/mixed impact and 32% saying other people would feel negative impacts.

70 respondents provided comments on the proposal.

The highest 3 themes discussed around the proposals for the Homes and Neighbourhoods proposals were:

- **Benefits, Personal Responsibility & Hardship Support** - Frustration was expressed in several comments that some people receive more in benefits than working individuals earn. While some respondents support helping the most disadvantaged, they also want stricter enforcement against abuse of the system. Some comments suggested that generous benefits reduce incentives to work and create dependency. Criticism was received of the hardship funds, with some feeling taxpayers should not subsidize those who “choose not to work.” Several comments discussed the need for tenants and benefit recipients to take more personal responsibility for maintaining homes and contributing financially.
- **Homelessness & Housing Supply** - Many respondents emphasized that waiting lists are too long and there is insufficient affordable housing. The importance of implementing proactive measures to stop people from becoming homeless and to provide compassionate support for those who do was discussed. Suggestions were made for innovative approaches to increase housing supply like container homes or modular housing for disadvantaged individuals. Criticism was received of current building strategy with concerns raised about building on greenbelt land and in areas without adequate infrastructure. Questions were received about meeting government targets with requests for clarity on how the council plans to meet housing supply goals.
- **Repairs, Damp & Cyclical Maintenance** - Issues raised amongst the comments included the need to resolve and maintain persistent damp, repairs, long waits, and lack of cyclical maintenance (e.g. cleaning gutters and painting communal areas). It was suggested there was a need for improved quality control and contractor oversight with clearer communication about repair status and planned maintenance programmes.

## Place

- 32% said they agreed with how the council plans to spend money on this service area, with 23% feeling neutral and 46% disagreeing.
- 24% said the proposals will have positive impact on them, with 31% answering neutral/no impact and 45% saying they would feel negative impacts.
- 28% said the proposals will have positive impact on other people, with 25% answering neutral/mixed impact and 47% saying other people would feel negative impacts.

91 respondents provided comments on the proposal.

The highest 3 themes discussed around the proposals for the Place proposals were:

- **Highways & Potholes / Road Improvements** - Many comments were received on this area to greater improve roads, potholes and highways with some feeling there is not enough allocated in the budget for this area. Criticism was received on current schemes which were causing disruption with concerns raised on contractor quality with comments mentioning poor performance of contractors which is leading to repeat repairs. Suggestions were made for better collaboration with utilities (Yorkshire Water, gas) to avoid repeated disruption. Winter maintenance was also highlighted in the comments with requests for more grit bins and clearing vegetation from paths

- **Support for outdoor and community spaces/assets** - Respondents advocate for investment in outdoor spaces, green areas, and community assets as essential for wellbeing, safety, and community cohesion. There is a preference shown in some comments for basic maintenance and accessibility over costly regeneration projects.
- **School Transport Policy & Parental Responsibility** - Many respondents expressed concern about the significant budget allocated to home-to-school transport and questioned why costs are increasing, stating that school transport costs dominate the budget and divert funds from other priorities. Views were given that parents should take responsibility for transporting their children, especially if they have cars or choose schools further away. Suggestions were given for stricter criteria and reviews to prevent misuse of the system (e.g. families with Motability cars still receiving transport). Further suggestions included reducing reliance on expensive taxis and escorts and instead use public transport or more cost-effective solutions.

## **Public Health and Corporate Resources**

- 23% said they agreed with how the council plans to spend money on this service area, with 36% feeling neutral and 41% disagreeing.
- 13% said the proposals will have positive impact on them, with 49% answering neutral/no impact and 38% saying they would feel negative impacts.
- 16% said the proposals will have positive impact on other people, with 32% answering neutral/mixed impact and 52% saying other people would feel negative impacts.

59 respondents provided comments on the proposal.

The highest 3 themes discussed around the proposals for the Public Health and Corporate Resources proposals were:

- **Digital Transformation & Efficiency of Services** - This theme reflects a strong focus on modernising council services through digital platforms and improving operational efficiency. While some respondents support digital transformation as “the way forward,” others express concerns about high costs, poor return on investment (ROI), and wasteful spending on IT systems and consultants. There is a clear expectation that digital improvements should lead to better customer experience, cost savings, and streamlined processes, not just expensive technology upgrades.
- **School Meals & Cost of Living** - Respondents express concern about increasing school meal costs during a cost-of-living crisis. Several people propose free meals for all children and highlight the negative impact on working families who do not qualify for support. Many respondents criticized proposals to raise school meal costs, describing it as unfair and harmful to families already struggling. Suggestions were made to ensure better procurement and working with local suppliers to keep costs down.
- **Equity & Fairness in Funding/Benefits** - Respondents felt that current funding and benefit policies are inequitable, leaving working families worse off than those on benefits. There were calls for fairer thresholds or universal provision to prevent hardship and resentment.

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

**KIRKLEES METROPOLITAN COUNCIL**  
**COUNCIL MEETING - 25 FEBRUARY 2026**  
**COUNCIL TAX**

1. That the Revenue Budget for the year 2026/2027, as submitted, be approved.
2. That it be noted that the Service Director -Finance (acting under delegated powers from Council 22 February 2023 and delegated decision published on 30 January 2026) calculated the following amounts for Kirklees for the year 2026/27 in accordance with Section 31A of the Local Government Finance Act 1992 in accordance with Regulations 3-to 5 of the Local Authorities (Calculation of Council Tax Base (England) Regulations 2012):-
  - (a) 129,790.04 being the amount calculated by the Council, in accordance' with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 2012, as its council tax base for the year
  - (b) Part of the Council's area

Parish of Denby Dale	6,420.74
Parish of Holme Valley	10,848.49
Parish of Kirkburton	9,702.55
Parish of Meltham	3,055.75
Parish of Mirfield	7,081.80

being the amounts calculated by the Council, in accordance with regulation 6 of the Regulations, as the amounts of its council tax base for the year for dwellings in those parts of its area to which one or more special items relate.
3. Calculate that the Council Tax Requirement for the Council's own purposes for 2026-27 (excluding parish precepts) is £267,682,000
4. That the following amounts be now calculated by the Council for the year 2026-2027 in accordance with Sections 31 to 36 of the Act:-
  - (a) £ 1,151,024,730 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
  - (b) £ 882,071,150 being the aggregate of the amounts which

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

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

- (c) £ 268,953,580 being the amount by which the aggregate at 4(a) exceeds the aggregate at 4(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act)
- (d) £ 2,072.22 being the amount at 4(c) above (Item R), all divided by Item T (2(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
- (e) £ 1,271,580 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.
- (f) £ 2,062.42 being the amount at 4(d) above, less the result given by dividing the amount at 4(e) above by Item T (2(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its council tax for the year for dwellings in those parts of its area to which no Parish precept relates.

g)

<u>Part of the Council's area</u>	Base Council Tax £	Parish Precept £	Resultant Council Tax £
Parish of Denby Dale	2062.42	45.73	2108.15
Parish of Holme Valley	2062.42	41.28	2103.70
Parish of Kirkburton	2062.42	17.21	2079.63
Parish of Meltham	2062.42	77.95	2140.37
Parish of Mirfield	2062.42	17.65	2080.07
Other Kirklees areas	2062.42	0.00	2062.42

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

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

(h)                      Kirklees                                      Valuation Bands

Part of the Council's area	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Denby Dale	1,405.44	1,639.67	1,873.91	2,108.15	2,576.63	3,045.10	3,513.59	4,216.30
Holme Valley	1,402.47	1,636.21	1,869.95	2,103.70	2,571.19	3,038.68	3,506.17	4,207.40
Kirkburton	1,386.42	1,617.49	1,848.56	2,079.63	2,541.77	3,003.91	3,466.05	4,159.26
Meltham	1,426.92	1,664.73	1,902.55	2,140.37	2,616.01	3,091.64	3,567.29	4,280.74
Mirfield	1,386.72	1,617.83	1,848.95	2,080.07	2,542.31	3,004.54	3,466.79	4,160.14
All other parts	1,374.95	1,604.10	1,833.26	2,062.42	2,520.74	2,979.05	3,437.37	4,124.84

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

5. That it be noted that for the year 2026-2027 the major precepting authorities have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings in the Council's area as shown below:-

Precepting Authority	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
West Yorkshire Fire & Civil Defence Authority	59.66	69.60	79.55	89.49	109.38	129.26	149.15	178.98
West Yorkshire Police Authority	185.52	216.44	247.36	278.28	340.12	401.96	463.80	556.56

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

6. That, having calculated the aggregate in each case of the amounts at 4(g) and 5, the Council, in accordance with Sections 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of council tax for the year 2026-2027 for each of the categories of dwelling shown below:-

Valuation Bands

Part of the Council's area	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
	£	£	£	£	£	£	£	£
Denby Dale	1,650.62	1,925.71	2,200.82	2,475.92	3,026.13	3,576.32	4,126.54	4,951.84
Holme Valley	1,647.65	1,922.25	2,196.86	2,471.47	3,020.69	3,569.90	4,119.12	4,942.94
Kirkburton	1,631.60	1,903.53	2,175.47	2,447.40	2,991.27	3,535.13	4,079.00	4,894.80
Meltham	1,672.10	1,950.77	2,229.46	2,508.14	3,065.51	3,622.86	4,180.24	5,016.28
Mirfield	1,631.90	1,903.87	2,175.86	2,447.84	2,991.81	3,535.76	4,079.74	4,895.68
All other parts	1,620.13	1,890.14	2,160.17	2,430.19	2,970.24	3,510.27	4,050.32	4,860.38

7. The Council has determined that its relevant basic amount of Council Tax for 2026-2027 is **not** excessive in accordance with principles approved under section 52ZB Local Government Finance Act 1992.

As the billing authority, the Council has **not** been notified by a major precepting authority that its relevant basic amount of Council Tax for 2026-2027 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK Local Government Finance Act 1992.

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

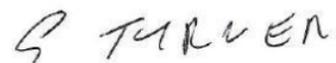
**Motion to be presented by Cllr Carole Pattison (Leader), Cllr Moses Crook (Deputy Leader) and Cllr Graham Turner (Finance Portfolio Holder).**



**Cllr Carole Pattison**



**Cllr Moses Crook**



**Cllr Graham Turner**

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## Kirklees' School Funding Arrangements for Financial Year 2026/2027

<b>Meeting:</b>	Cabinet
<b>Date:</b>	10 February 2026
<b>Cabinet Member</b> (if applicable)	Cllr Graham Turner Cllr Jane Rylah Cllr Viv Kendrick
<b>Key Decision</b>	Yes
<b>Eligible for Call In</b>	Yes
<b>Purpose of Report:</b> To receive information and seek approval for funding arrangements for the Dedicated Schools Grant for the financial year 2026/27	
<p><b>Recommendations</b></p> <p>Cabinet are recommended to:</p> <ul style="list-style-type: none"> <li>• Approve the proposed local formula factors for the distribution of Dedicated Schools Grant (DSG), Schools Block funding for 2026/27 as detailed in this report in Appendix A.</li> <li>• To note the decisions made by Schools Forum in terms of central budgets, de-delegated budgets and a fund for significant growth for 2026/27 as detailed in this report and the accompanying appendices.</li> <li>• Approve the submission of the schools' local funding formula to the Department for Education (DfE) for 2026/27.</li> <li>• Note the disapplication request made to the DfE, which has now been agreed.</li> <li>• Note the DfE exceptions application.</li> <li>• Delegate authority to the Executive Director for Children's Services in consultation with the Portfolio Holder for Children's Services and Portfolio Holder for Education , to take account of the outcomes of the provider consultation, the views of the Early Years and Childcare Reference Group and Schools Forum and make a final decision on the Early Years local funding formula 2026/27 and the value of the Special Education Needs and Disability Inclusion Fund.</li> </ul> <p><b>Reasons for Recommendations</b></p> <p>The statutory guidance given by the Secretary of State under s.48(4) and paragraph 2A(2) of Schedule 14 to the School Standards and Framework Act 1998 outlines the requirements for local authorities in England regarding the financing of schools. Here are the key points:</p> <ul style="list-style-type: none"> <li>• Publication of Schemes- Local authorities must publish schemes that detail the financial relationship between them and the schools they maintain.</li> <li>• Content of Schemes- The guidance specifies the provisions that a local authority's scheme must, should, or may include. While the format of the schemes does not need to follow the guidance exactly, any directed revisions must be included as specified.</li> </ul>	

- Consultation and Approval- When making changes to their schemes (other than directed revisions), local authorities must consult all maintained schools in their area. They also need to obtain approval from the members of their Schools Forum who represent maintained schools.
- Taking Guidance into Account- Local authorities must consider this statutory guidance when revising their schemes, ensuring that the changes are made in consultation with the Schools Forum.

**Resource Implications:**

This report sets the proposed budget resource allocations for 2026/27 details of which are included in the following pages and appendices.

**Date signed off by Strategic Director & name**

Rachel Spencer Henshall  
Tom Brailsford

**Is it also signed off by the Service Director for Finance?**

Kevin Mulvaney

**Is it also signed off by the Service Director for Legal Governance and Commissioning?**

Sam Lawton

**Electoral wards affected:** All

**Ward councillors consulted:** None

**Public or private:** Public

**Has GDPR been considered?** Yes. This report contains no information that falls within the scope of General Data Protection Regulations.

**1. Executive Summary**

- 1.1 This report outlines the funding arrangements for Kirklees Council's Dedicated Schools Grant (DSG) for the 2026/2027 financial year, including allocations across the four funding blocks, Schools block, High Needs block, Early Years block and Central Schools and Services block (CSSB).
- 1.2 The schools block per pupil funding rates have increased to £5,849 from £5,548 (2025/26) for primary and £7,560 from £7,201 (2025/26) for secondary. Kirklees' schools block allocation has increased to £412.07 million. Schools Forum approved a transfer (disapplication) of £3.6 million to the High Needs block which will continue to support SEND transformation initiatives.
- 1.3 The High Needs block for Kirklees has been allocated £75.1 million for 2026/2027. A £3.6 million transfer from the Schools Block will help support a range of investment measures as part of the broader Kirklees SEND transformation plan and align with Kirklees' ongoing Safety Valve intervention programme.
- 1.4 The Early Years block has received an allocation for 2026/2027 of £80.3 million.

Local consultation on the Early Years Funding Formula and the SEND Inclusion Fund (SENDIF) has taken place between 19 December 2025 and 25 January 2026. Engagement with Schools Forum will follow.

- 1.5 The Central School Services Block (CSSB) for Kirklees has been allocated £57.51 per pupil (up from £43.38 in 2025/2026), totalling £3.7 million.

This increase is due to the inclusion of two grants for Centrally Employed Teachers and Staff, which we received as a separate grant in 2025/26 over and above the DSG allocation.

This block supports statutory and regulatory duties for all pupils across the borough, regardless of the type of school they attend.

- 1.6 The increased funding across the DSG between financial year 2025/26 and 2026/27 is distorted due to the rolling together of grants in the Schools Block and Central School Services Block, which have previously been separate. Alongside this, the High Needs Block, continues to bring challenge. Kirklees welcomes the additional step towards an increased funding allocation, given we are one of the worst funded LA for High Needs per capita in the country. There is further pressure because of growing demand from children with SEND and the need for block transfers resulting from the Safety Valve arrangements. When much of the funding for schools is predicated on pupil numbers, falling rolls in the primary phase are creating funding challenges for several schools. The overall position is one of significant financial challenge for the local school system.
- 1.7 The required consultations for school funding have been undertaken with Schools Forum. Schools Forum has also made the decisions it is responsible for.

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

### **2.1 Background**

#### **Dedicated Schools Grant**

- 2.1.1 Dedicated Schools Grant (DSG) is the funding that is provided to Councils in four blocks to fund:

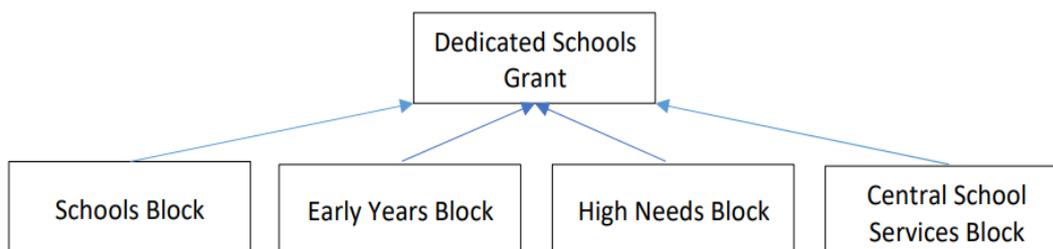
Schools Block - statutory school age mainstream education (4–16-year-olds).

High Needs Block - children and young adults from birth to age 25 having Special Education Needs & Disability (SEND).

Early Years Block - the free entitlement to early education and childcare provision for eligible children aged 9 months to 4 years old.

Central Schools Services Block (CSSB) - to pay for some of the Council's statutory and regulatory duties they have for all pupils educated within the borough.

Allocations to Kirklees for all four funding blocks within the Dedicated Schools Grant are now essentially determined by National Funding Formula (NFF), calculations.



### **Schools Forum and Council responsibilities for the DSG**

2.1.3 Every local authority is required to have a Schools Forum to act as the main consultative group on revenue funding issues affecting local schools and related providers. The Schools Forums (England) Regulations 2012 determine the role, powers and responsibilities of the Forum. The local authority proposes and decides upon the shape and effect of the local school funding formula on an annual basis but must consult with the Schools Forum about changes to be made. There is also a requirement to consult annually with the Forum on both High Needs and Early Years funding arrangements.

2.1.4 Whilst Schools Forum has a generally consultative role, there are situations in which they have decision making powers. The areas on which Schools Forums make decisions on local authority proposals include:

- de-delegation from mainstream maintained schools budgets.
- to create a fund for significant pupil growth.
- agreeing other centrally retained budgets, including for local authority statutory responsibilities.

2.1.5 The maintained primary and secondary school representatives to the Forum decide on the arrangements that will apply for their phase (having consulted their constituencies). In cases where the Local Authority and the Forum cannot reach an agreement on central retention and de-delegation issues the Secretary of State for Education would adjudicate.

### **Formal submissions to the Department for Education**

2.1.6 Any exceptions (disapplication) requests seeking permission to make variations to the operation of the schools funding formula were made before the DfE deadline of 17<sup>th</sup> November 2025 (see Section 2.3 below for more details).

2.1.7 The structure of the local 2026/2027 schools funding formula and factor values used are required to be submitted to the DfE by 22<sup>nd</sup> January 2026, based upon a pupil dataset provided by the DfE which is derived largely from October 2025 pupil census information. The Authority Pro Forma Tool (APT) return to the DfE is required to show that political approval has been or is expected to be secured for the funding allocations reported. The submission of the funding figures to the DfE by 22<sup>nd</sup> January 2026 must be regarded as an indicative return until Cabinet approval is achieved. If amendments are required a subsequent submission would have to be made.

### **Schools revenue funding issues for 2026/2027 discussed with Schools Forum**

2.1.8 These included the following:

- The changes made to the National Funding Formula for schools for 2026/2027.
  - De-delegation arrangements for mainstream maintained schools
  - Central School Services Block (CSSB)
  - High Needs Block funding
  - Early Years Block funding
- These topics are covered in more detail in sections 2.2 to 2.8 below, with the Forum's recommendations to Cabinet shown at section 3 below.

## **2.2 Direct National Funding Formula (NFF) transition for schools and changes**

2.2.1 Local Authorities will be required to bring their own local formulae closer to the schools NFF for 2026/2027.

- Local authorities must move their local formula factor values at least a further 10% closer to the NFF, except where local formulae are already 'mirroring' the NFF. These criteria do not apply to Business Rates, PFI or exceptional circumstances factors.
- School Budget Support Grant and National Insurance Contributions Grant will be brought into the NFF for 2026/2027.
- Local authorities must follow the local formula requirements for growth funding (first introduced in 2024 to 2025), whereby additional classes (driven by basic need) must be funded by at least the minimum funding level set out in the funding calculation. Kirklees Council, in conjunction with Schools Forum, has established a clear, objective criteria for when growth funding is triggered. This ensures transparency and fairness in the allocation of funds. See Appendix B

## **2.3 Exceptional disapplication request made to the Department for Education:**

2.3.1 Local authorities can apply to the DfE to use exceptional circumstances relating to school premises, for example rents, or joint-use sports facilities. Unavoidable rental costs for five schools (Birkenshaw CE (VC)Primary, Denby Dale First & Nursery, Gomersal St Mary's CE (VC) Primary and Wellhouse Junior & Infants) have been submitted for approval based on the latest criteria issued by the DfE.

## **2.4 De-Delegation Arrangements for Mainstream Maintained Schools (see Appendix C)**

2.4.1 Annual proposals on de-delegation are made by the local authority to maintained primary and secondary schools. The DfE only permits de-delegation against a number of specified headings. The maintained primary and secondary schools representatives to the Schools Forum formally decide on de-delegation issues on behalf of their phase.

2.4.2 The de-delegated budget arrangements proposed for 2026/2027 are: -

- Schools contingency

- Historic voluntary early retirements
- Free school meals eligibility checks
- Maternity, paternity and adoptive leave costs
- Trade union facilities time (maintained primary schools only)
- Public duties
- International New Arrivals service
- School Improvement Commissioning

2.4.3 Maintained Schools representatives of Schools Forum considered the de-delegation arrangements for 2026/2027 16 January 2026 and approved the proposals as set out in Appendix C below.

## Dedicated Schools Grant (DSG) Funding Settlement 2026/2027

### 2.5 DSG Schools Block

2.5.1 The 2026/2027 per pupil units of funding for the DSG Schools Block settlement are £5,849 (£5,548 2025/2026) per primary pupil and £7,560 (£7,201 2025/2026) per secondary pupil. The revised rates reflect the rolling of the 2025/2026 School Budget Support Grant and National Insurance Contributions Grant into the NFF. This approach diminishes the significance of comparing annual increases in the NFF rates and is a national funding decision.

2.5.2 Noting the rolling up of separate grants above into the NFF rates, the confirmed Schools Block allocation for Kirklees for 2026/2027 has increased by £14.6 million (£394.1 million in 2025/26 to £408.7 million in 2026/2027). This apparent increase in funding is distorted by the inclusion of the previous grant referred to above. The Table below shows the breakdown of the funding:

Kirklees Council - Dedicated schools grant (DSG) 2026/2027						
Total Primary Schools	Total secondary schools	Total Premises factor	Growth funding	Total schools block	School Business Rates DfE deduction	Total schools block
£205,444,826	£199,722,823	£6,486,626	£416,431	£412,070,706	-£3,399,487	£408,671,219

2.5.3 The Schools Block funding formula factors to be used in the 2026/2027 funding allocation to schools will largely be those prescribed by the National Funding Formula (see Appendix A below for a list of these funding factors and values).

2.5.4 On 10 October 2025 Schools Forum agreed to a Schools Block Transfer of £3.6 million to the High Needs Block to support a range of investment measures as part of the broader Kirklees SEND Transformation plan and as required in the Safety Valve agreement.

### 2.6 High Needs Block Funding 2026/2027

2.6.1 The settlement for 2026/2027 totals £75.1 million, before deductions, as shown in the table below:

## Kirklees Council High Needs DSG Block Allocation

Total high needs block before additional funding and deductions	Additional high needs funding	Total high needs block before deductions	Mainstream Academies Pre-16 special educational needs places funded at £6,000	Special Academies Pre-16 special educational needs places	Special Academies Post-16 special educational needs places	Alternative provision (AP) academies and free schools	Further education (FE) and independent learning provider (ILP)	Total high needs block after deductions
75,147,094	0	75,147,094	-864,000	-1,800,000	-240,000	-820,000	3,282,000	68,141,094

2.6.2 Ongoing revisions to the national budget for the High Needs National Funding Formula have resulted in Kirklees being allocated £75.1 million for High Needs in 2026/2027 (**before deductions**) a £3.1 million increase on 2025/2026.

2.6.3 Schools Forum agreed on 10 October 2025 to support a funding transfer of £3.6 million to High Needs from the Schools Block for 2026/2027 as required by the Safety Valve Agreement. The intention is that the funding will support a range of investment measures as part of the broader Kirklees SEND Transformation agenda.

2.6.4 The Council is now in the fifth year of the Safety Valve intervention programme, which offers support to Local Authorities with large DSG Deficits. The Safety Valve agreement has been extended until 2029/2030. Monitoring against this is an ongoing process with periodic updates reported to Schools Forum and Cabinet working alongside the DfE.

## 2.7 Early Years Block Funding 2026/2027

2.7.1 The initial settlement for 2026/2027 totals £80.3 million, as shown in the table below:

Funding stream	Confirmed rates	2026/2027 funding allocation
3 & 4 yr olds - Universal	£6.20	£21,103,422
3 & 4 yr olds - Extended	£6.20	£9,720,585
2 yr olds - Disadvantaged	£8.30	£5,118,705
2 yr olds - Working parent	£8.30	£18,125,833
Under 2s	£11.26	£24,263,813
<b>Total place funding</b>		<b>£78,332,358</b>
Early Years Pupil Premium (EYPP)	£1.15	£1,460,900
Disability Access Funding (DAF)	£975.00	£336,375
Maintained Nursery School Supplementary Funding (MNSSF)	£5.72	£190,049
<b>Total Early Years Block</b>		<b>£80,319,682</b>

2.7.2 The Early Years block funding is estimated to increase by 17.7% from £68.3m in 2025-26 to £80.3m in 2026/2027. The main factors underpinning this increase are the final phase of the expansion to the early years entitlements in September 2025 and an increase in the funding rates by around 4.5%. There have also been increases to the Early Year Pupil Premium rate from £1 to £1.15 per hour per eligible child and Disability Access Fund from £938 to £975 per eligible child.

- 2.7.3 The main changes to the funding formula requirements include an increased minimum pass-through requirement for local authorities in 2026-27. The pass-through rate will increase from 96% to 97% meaning that the amount local authorities can retain for administration will reduce to 3% of the entitlement funding, reflecting the significant increase in funding levels in the last 3 years.
- 2.7.4 The DfE has confirmed that from April 2026 they will move from a funding system based on one headcount per year to a termly headcount in January, May and October. This is a welcome move as it will better align how local authorities are funded with the way they are required to fund early years providers.
- 2.7.5 The Early Years National Funding Formulae (EYNFF) are used to determine the hourly funding rates for each of the entitlements:
- an hourly funding rate for 9-months-olds up to 2-years for the working parent entitlement
  - an hourly funding rate for 2-year-olds which will be the same for both criteria; families in receipt of additional support (FRAS) and the working parent entitlement
  - an hourly funding rate for 3 and 4-year-olds for the universal and extended (working parent) hours entitlements
- 2.7.6 Funding provided through the 2025 to 2026 early years national insurance contributions and teachers' pay grant (EYNTPG) has been rolled into the national average funding rate for 3 and 4-year-olds, 2-year-olds and 9 months to 2-years-old. Local authorities will not, therefore, receive a separate EYNTPG allocation in 2026 to 2027.

### **Early Years Block - Local consultation process and timelines**

- 2.7.7 Local Authorities are required to consult with early years providers each year.
- 2.7.8 After receiving initial allocations from the DfE an online consultation was opened on 19 December 2025 and closed 25 January 2026. The consultation document covers:
- The amount of funding retained centrally to support local authority statutory duties around the early years entitlements including administration of the funding.
  - Retaining a contingency fund.
  - Change to the number of funded weeks per term to align with the weeks funded by the DfE
  - Transfer of funds from the Early Years Block to the High Needs Block.
  - The amount of funding allocated to the Special Educational Needs and Disabilities Inclusion Fund (SENDIF).

Further details can be found in Appendix E.

- 2.7.9 Feedback from the consultation with the early years and childcare sector will be presented at the Early Years and Childcare Reference Group on 4 February 2026, the group's recommendations will be presented to Schools Forum on 6 February 2026. The Early Years and Childcare Reference Group includes provider representation for childminders, pre-schools, day nurseries, out of school provision and schools and academies with nursery provision.

## 2.8 Central School Services Block (CSSB) 2026/2027

- 2.8.1 Kirklees has been allocated £57.51 for every 4 to 16 year-old pupil attending schools and academies in the borough (an increase from the £43.38 rate received in 2025/2026). The Council has bid for a protected sum of £170,000 to reflect historic annual pension commitments charged to the DSG. This submission has been acknowledged by the DfE.
- 2.8.2 A breakdown of proposed use of the CSSB can be found in Appendix B.
- 2.8.3 The CSSB within the DSG allocates funding to Councils for a range of statutory and regulatory duties relating to all pupils within the authority no matter what type of school they attend. This used to be supported by Education Services Grant that ended in 2017, then was brought into the CSSB.
- 2.8.4 For 2026/27, the CSSB also includes the grants for Centrally Employed Teachers and Staff which were previously received in addition to the DSG, at a value of £974,260. If these had not been included we have actually seen a slight decrease in the amount of CSSB received.
- 2.8.5 Although this funding comes directly to the Council, Schools Forum has the responsibility for making an annual decision about the budget provision in response to local authority proposals. The allocation for 2026/2027, whilst we await the decision to protect the Historic commitments, is shown below:

Kirklees Council Central School Services Block (CSSB) 2026/2027			
CSSB Unit of funding	Number of pupils	Historic commitments	Total central school services block
£57.51	62,439	£136,000	£3,726,792

## 3. Implications for the Council

### 3.1 Working with People

The scale of the financial challenges facing both maintained schools and academy schools inevitably means there will be implications for staff. The schools have been very successful in managing workforce reductions where this has been required in the past and will continue to work with colleagues and union partners to find satisfactory solutions in the future.

### 3.2 Working with Partners

Partnerships with parents, academy trusts, community organisations, business, health services, religious groups are essential to support the education and welfare of children through funding resources, extracurricular programs, health services and shared projects creating a supportive network. Schools Forum are to be recognised for the work they do strategically to ensure that children are well served across the district, and that financial implications are well understood by the wider system.

### 3.3 Place Based Working

The schools funding allocation recognises that the needs of different communities within Kirklees vary widely. Within the constraints of the national funding formula requirements,

the allocation considers additional need funding factors to target support towards children from particularly disadvantaged backgrounds.

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

There are no direct implications for climate change and air quality.

#### **3.5 Improving outcomes for children**

Well managed school finances can significantly improve outcomes for children by enabling smaller class sizes, attracting and retaining high-quality teaching staff, and providing enhanced learning resources. It also supports additional services such as counselling and special education, offers a range of extracurricular activities, and ensures a safe and healthy environment. By strategically allocating resources, schools can create an environment that fosters academic achievement and personal growth for all children.

#### **3.6 Financial Implications**

The DSG proposals contained within this report have been developed alongside the DfE guidance to ensure that funding is made available in the areas that will allow the schools to further improve the outcomes for individuals and communities as a whole.

#### **3.7 Legal Implications**

The Education Act 2002 gives the Secretary of State the power to give financial assistance to (Local Authorities) for purposes related to education – financial assistance may be given in any form including by way of grants and may be given on such terms as the Secretary of State considers appropriate. The Dedicated Schools Grant is the principal way in which the Secretary of State funds local authorities for the provision of pre-16 education in their respective areas. The Schools and Early Years Finance (England) Regulations 2025 and associated statutory guidance (to which the Council must legally have regard) set out in significant detail how the DSG is to be allocated as discussed in this report.

#### **3.8 Other (eg Risk, Integrated Impact Assessment or Human Resources)**

#### **3.9 Consultation**

The Education and Learning Partnership Board sits alongside Schools Forum as a consultative group. The two operate together in a complementary approach to work in partnership with our schools and settings. There are representatives from the school sector that sit on both the Education and Learning Partnership Board as well as Schools Forum. The work of each body is supportive of a single strategic oversight of the system.

Schools Forum consults with school groups through Kirklees High School Headteachers, Kirklees Primary Head Teachers groups and School briefings via Heads Up. Non-school members from the early years' private, voluntary, and independent sectors, trade unions, and the Post 16 sector ensure consultation and feedback from their representative groups. All relevant consultation with Schools Forum has now taken place in respect of the local schools funding formula.

A formal consultation with the Early Years Providers about 2026/2027 funding arrangements has concluded. The outcome of which will be shared with the Early Years and Childcare Reference group and Schools Forum.

The Early Years and Childcare Reference group consists of representatives from all sectors of the childcare market. This group consider proposals for the Early Years

Funding Formula and monitors spending of the Early Years Block. The views of this group are reported to Schools Forum.

The Portfolio Holder for Learning chairs the Education and Learning Partnership Board and attends Schools Forum. Updates for the Portfolio Holders for Children's Services and Learning are provided regularly.

### **3 Engagement**

Engagement takes place between Schools Forum members and the school system they represent.

Engagement events are taking place to support Early Years Providers to respond to the formal consultation.

### **4 Options**

#### **5.1 Options considered**

The move toward a National Funding formula continues to restrict options for local flexibility. However, options have been considered across the funding arrangement in consultation with Schools Forum. An illustration of the options available for the schools local funding formula are illustrated in Appendix A.

#### **5.2 Reasons for recommended option**

The options recommended are compliant with DfE requirements and represent a consensus view established with Schools Forum.

### **5 Next steps and timelines**

Based on the DfE funding timeline, it is expected that the local authority will inform maintained schools of their 2026/2027 budget shares by 28<sup>th</sup> February 2026. The DfE will inform academies of their budget allocations for the academic year 2026/2027 by the 31<sup>st</sup> March 2026.

In order to provide schools with nursery classes with the full picture of their budget by the 28<sup>th</sup> February decisions about the Early Years funding formula and SENDIF value must be made by mid-February. Delegate authority to the Strategic Director for Children's Services in consultation with the Portfolio Holder for Children's Services and Portfolio Holder for Education, to take account of the outcomes of the provider consultation, the views of the Early Years and Childcare Reference Group and Schools Forum and make a final decision on the Early Years local funding formula 2026/2027 and the value of the Special Education Needs and Disability Inclusion Fund.

### **7 Contact officer**

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### **8 Background Papers and History of Decisions**

Kirklees Schools Forum papers can be found at the following link:

<https://democracy.kirklees.gov.uk/ieListMeetings.aspx?CId=158&Year=0>

## **9 Appendices**

Appendix A: 2026/27 DfE APT December 2025 National Funding Formula Funding Rates and Proposed Local Funding Formula Factors

Appendix B: Dedicated School Grant: Central Budget Retention 2026/2027 [for mainstream maintained schools and academies]

Appendix C: De-Delegation 2026/2027 - Maintained Schools Only

Appendix D: Meeting schedule

Appendix E: Consultation on the Kirklees Early Years Funding Formula

## **10 Service Director responsible**

Kevin Mulvaney, Service Director – Finance.  
Jo-Anne Sanders – Learning & Early Support

2026/27 DfE APT December 2025 National Funding Formula Funding Rates and Proposed Local Funding Formula Factors

Factor	25-26 NFF including ACA	25-26 APT	Difference between 25-26 APT and 25-26 NFF	26-27 NFF including ACA	26-27 APT minimum	26-27 APT maximum	Difference between 26-27 APT and 26-27 NFF	Rate Used
Primary basic entitlement	£3,847.65	£3,847.65	£0.00	£4,064.69	£3,963.07	£4,166.31	£0.00	
KS3 basic entitlement	£5,422.92	£5,287.35	-£135.57	£5,686.97	£5,544.79	£5,829.14	-£135.89	£5,551.08
KS4 basic entitlement	£6,114.04	£5,961.19	-£152.85	£6,411.09	£6,250.81	£6,571.37	-£160.28	
Primary FSM	£495.08	£482.71	-£12.37	£505.09	£492.46	£517.71	£0.00	
Secondary FSM	£495.08	£482.71	-£12.37	£505.09	£492.46	£517.71	£0.00	
Primary FSM6	£1,060.18	£1,033.68	-£26.50	£1,210.21	£1,179.95	£1,240.46	£0.00	
Secondary FSM6	£1,555.26	£1,516.38	-£38.88	£1,725.29	£1,682.16	£1,768.43	£0.00	
Primary IDACI F	£235.04	£192.98	-£42.06	£240.04	£202.19	£246.04	£0.00	
Primary IDACI E	£285.05	£231.22	-£53.83	£290.05	£241.60	£297.30	£0.00	
Primary IDACI D	£445.08	£364.59	-£80.49	£455.08	£382.64	£466.45	£0.00	
Primary IDACI C	£490.08	£399.64	-£90.44	£500.09	£418.69	£512.59	£0.00	
Primary IDACI B	£520.09	£424.20	-£95.89	£530.09	£443.79	£543.34	£0.00	
Primary IDACI A	£685.12	£559.87	-£125.25	£700.12	£587.40	£717.62	£0.00	
Secondary IDACI F	£340.06	£277.43	-£62.63	£345.06	£288.69	£353.69	-£56.37	
Secondary IDACI E	£450.08	£368.69	-£81.39	£460.08	£386.83	£471.58	-£73.25	
Secondary IDACI D	£635.11	£520.46	-£114.65	£650.11	£546.93	£666.36	-£103.18	
Secondary IDACI C	£695.12	£568.05	-£127.07	£710.12	£595.76	£727.87	-£114.36	
Secondary IDACI B	£745.13	£609.01	-£136.12	£760.13	£637.62	£779.13	-£122.51	
Secondary IDACI A	£950.16	£777.41	-£172.75	£970.16	£814.69	£994.42	-£155.47	
Primary EAL	£595.10	£580.22	-£14.88	£610.10	£594.85	£625.36	-£15.25	
Secondary EAL	£1,595.27	£1,555.39	-£39.88	£1,630.28	£1,589.52	£1,671.03	-£40.76	
Primary LPA	£1,175.20	£1,145.82	-£29.38	£1,200.20	£1,170.20	£1,230.21	-£30.00	
Secondary LPA	£1,785.30	£1,740.67	-£44.63	£1,825.31	£1,779.68	£1,870.94	-£45.63	
Primary mobility	£965.16	£941.03	-£24.13	£985.17	£960.54	£1,009.80	-£24.63	
Secondary mobility	£1,385.24	£1,350.60	-£34.64	£1,415.24	£1,379.86	£1,450.62	-£35.38	
Primary lump sum	£145,124.67	£145,124.67	£0.00	£152,725.96	£148,907.81	£156,544.11	£0.00	
Secondary lump sum	£145,124.67	£145,124.67	£0.00	£152,725.96	£148,907.81	£156,544.11	£0.00	
Primary sparsity	£57,409.76	£55,974.51	-£1,435.25	£58,609.96	£57,144.71	£60,075.21	-£1,465.25	
Secondary sparsity	£83,414.18	£81,328.82	-£2,085.36	£85,214.48	£83,084.12	£87,344.85	-£2,130.36	
Middle-school sparsity	£83,414.18	£17,064.57	-£66,349.61	£85,214.48	£25,499.84	£87,344.85	£59,714.64	-
All-through sparsity	£83,414.18	£17,064.57	-£66,349.61	£85,214.48	£25,499.84	£87,344.85	£59,714.64	-
Split sites basic eligibility funding	£54,009.18	£54,009.18	£0.00	£55,109.37	£53,731.63	£56,487.10	£0.00	
Split sites distance funding	£27,004.59	£27,004.59	£0.00	£27,604.69	£26,914.57	£28,294.81	£0.00	
London fringe	1.0000	1.0000	0.0000	1.0000	1.0000	1.0000	0.0000	

The boxes highlighted in pink represent the proposed local funding formula which are supported by Schools forum. Subject to Cabinet approval these will be submitted in the APT to the DfE.

**Dedicated School Grant: Central Budget Retention 2026/2027**  
**[for mainstream maintained schools and academies]**

**1. Growth Funding Within the Schools Block**

<b>Budget provision</b>	<b>£</b>	<b>Notes</b>
Pupil Growth Fund	600,000	Supports mid-year basic need pupil growth of sufficient scale to trigger a new class arrangement. Also supports schools struggling to meet the KS1 class size regulation. Pupil Growth Fund is only allocated where a school cannot address the issue from its own budget resources
Future Pupil Growth	300,000	The Schools Block allocation includes an element of funding towards the cost of future pupil growth within the system. e.g., new schools growing by one year group per annum, schools asked to vary their admission number to take in additional pupils in a 'bulge' class arrangement.
<b>Total</b>	<b>£900,000</b>	

As the population peak associated with the Year 7 cohort entering secondary schools eases the need for Future Pupil Growth element is reducing. The £300K budget for 2026/2027 has been agreed by Schools Forum to be half of the value of 2025/2026 (£600K).

**2. The Central School Services Block (CSSB)**

<b>Budget Heading</b>	<b>Revised Allocation 2025/2026 £</b>	<b>Proposed Allocation 2026/2027 £</b>
Servicing of Schools Forum	8,016	8,297
Strategic Learning	34,000	35,190
Standing Advisory Council on Religious Education (SACRE)	46,800	48,438
Pupil Admissions Service	433,264	448,428
School Organisation & Planning	150,592	155,863
Finance Support Costs	13,208	13,670
Payroll Support Costs	16,016	16,577
Personnel Costs	9,152	9,472
School Reorganisation Support	335,608	347,354
Historic DSG pension commitments	170,000	136,000
Former Teachers Pay & Pension Grant funding in respect of centrally employed teachers – <i>Specialist Provision Coordination</i>	21,008	21,743
Former Teachers Pay & Pension Grant funding in respect of centrally employed teachers – <i>Portex ICAN EYSEN</i>	14,248	14,747
Kirklees Business Solutions (KBS)	80,000	80,000
Centrally Employed Staff NICS (National Insurance Contributions)		559,892
Centrally Employed Staff SBSG (School Budget Support Grant)		414,368
National Copyright Licence charge	453,775	453,775
Per pupil allocation to the Council in respect of statutory and regulatory duties for all children in Kirklees	1,092,917	911,582
<b>TOTAL</b>	<b>£2,878,604</b>	<b>£3,675,396</b>

### 3. Funding Retained within Early Years Block

Budget area	2025-26	Additional resources for 2026-27	Total	3.5% increase	Final total 2026-27	Description
Early Learning and Childcare	£837,205	£43,300	£880,505	£30,818	<b>£911,323</b>	Free Early Education Funding, Childcare Sufficiency and Early Years Outcomes Teams – funding to providers, free entitlement place sufficiency, supporting standards of delivery
Back office / management costs	£81,682	£0	£81,682	£2,859	<b>£84,541</b>	Finance, payroll, HR, Legal, IT etc
Inclusion Support	£254,301	£0	£254,301	£8,901	<b>£263,202</b>	Contribution to the Early Years SEND team
Miscellaneous	£13,759	£0	£13,759	£482	<b>£14,241</b>	Contribution to admissions, maternity, union duties etc.
<b>Total</b>	<b>£1,186,947</b>	<b>£43,300</b>	<b>£1,230,247</b>	<b>£43,059</b>	<b>£1,273,306</b>	

## De-Delegation 2025 / 2026 - Maintained Schools Only

De-Delegation Description	Primary per pupil rate 2025/2026	Proposed Primary per pupil rate 2026/2027	Secondary per pupil rate 2025/2026	Proposed Secondary per pupil rate 2026/2027
School Contingency	£13.44	£20.16	£16.85	£25.28
Voluntary Early Retirement (VER)	£3.05	£3.22	£3.82	£4.03
Free school meals eligibility checks	£1.28	£1.35	£1.60	£1.69
Maternity, paternity & adoptive leave	£43.61	£47.97	£43.61	£47.97
Trade union facilities time	£7.10	£8.52	£0.00	£0.00
Public duties	£0.20	£0.21	£0.24	£0.25
International new arrivals	£1.96	£2.07	£2.46	£2.60
School Improvement Commissioning	£5.59	£5.90	£14.91	£15.73
<b>Total</b>	<b>£76.23</b>	<b>£89.40</b>	<b>£83.49</b>	<b>£97.55</b>

## Meeting Schedule

Consultation focus	Meetings	Meeting date	DfE Response Date
<b>Schools Block, High Needs Block and Central Schools Services Block</b>  <b>Implications of National Funding Formula for the Council and schools from 2025/2026</b>	Consultation & Engagement with schools	Block Transfer (Safety Valve) reviewed and agreed 10 October 2025  De-delegations engagement 12 December 2025	22 January 2025
	Schools Forum	16 January 2026	
	Schools Funding paper to Cabinet	10 February 2026	
<b>Early Years Block</b>	Online survey	19 December 2025 to 25 January 2026	28 February 2025
	Virtual briefing sessions	12, 14 and 15 January 2026	
	Early Years and Childcare Reference group	4 February 2026	
	Schools Forum	6 February 2026	

## Consultation on the Kirklees Early Years Funding Formula

### Introduction

The Department for Education (DfE) published details of the Early Years Funding Formula 2026-27 and the local authority hourly funding rates on 15 December 2025 followed by the local authority dedicated schools grant (DSG) initial allocations on 17 December 2025. The rates include a national average increase between 4.3% for under 2-year-olds to 4.9% for 3 and 4-year-olds which is above the rate of inflation.

The funding rate for the Early Years Pupil Premium (EYPP) will increase from £1 to £1.15 per hour per eligible child, and the Disability Access Fund (DAF) will increase from £938 to £975 per eligible child per year.

Full details can be found here: [Early years funding: 2026 to 2027 - GOV.UK](#)

Although this adds further investment to early years, Kirklees along with one third of other local authorities will still receive the lowest funding base rate in the country for three-and four-year olds from April 2026.

The proposals included in this consultation are based on the information published by the DfE. Further clarification is required regarding some of the information published which may impact the final decision on the funding formula.

### Kirklees Early Years Block Funding 2026-27

The figures in the table below represent the initial allocation received from the DfE based on the estimated take-up of places, the allocations will be updated following each termly census submission during the year.

Table 1: Initial funding allocation for 2026-27

Funding stream	2026-27 Initial funding allocation
3- & 4-year-olds - Universal	£21,103,422
3- & 4-year-olds - Extended	£9,720,585
2-year-olds - Disadvantaged	£5,118,705
2-year-olds - Working parent	£18,125,833
Under 2-year-olds - Working parent	£24,263,813
<b>Total place funding</b>	<b>£78,332,358</b>
Early Years Pupil Premium (EYPP)	£1,460,900
Disability Access Funding (DAF)	£336,375
Maintained Nursery School Supplementary Funding (MNSSF)	£190,049
<b>Total Early Years Block</b>	<b>£80,319,682</b>

## Changes for 2026-27

The main changes to the national funding formula system are:

- an increased minimum pass-through requirement for local authorities in 2026-27. The pass-through rate will increase from 96% to 97% meaning that the amount local authorities can retain for administration will reduce to 3% of the entitlement funding.
- confirmation that local authorities must announce their funding rates to childcare providers by 28 February 2026.
- move to a termly funding system from April 2026, this means that there will be an early years census return to submit to the DfE each term based on child headcounts in January, May and October.

## Consultation

As stated in the **Early years entitlements: local authority funding operational guide 2026 to 2027**;

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“Local authorities must determine their funding formulae before the beginning of the financial year. Where a local authority proposes to make changes to the funding formula it used during the previous financial year that will affect early years providers, it must first consult its schools forum, maintained schools, and early years providers. Local authorities must also seek approval from their schools forum to agree any entitlements funding they intend to retain to fund central functions. *Local authorities are not permitted to amend their funding formulae after the financial year has started*”.

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The Council are not proposing to make any significant changes to the current funding formula used in 2025-26, this document sets out the proposals for 2026-27.

## Key areas for consultation in 2026-27

The Council is seeking providers views on the following elements:

- A. The amount of funding retained centrally to support local authority statutory duties around the early years entitlements including administration of the funding.
- B. Retaining a contingency fund for each of the five entitlement funding streams.
- C. Change to the number of funded weeks in the summer and spring terms.
- D. Transfer of funds from the Early Years Block to the High Needs Block.
- E. The amount of funding allocated to the Special Educational Needs and Disabilities Inclusion Fund (SENDIF).

# Consultation timeline

Table 2: Consultation timeline

Event	Dates
Online survey	19 December 2025 to 25 January 2026
Virtual briefing sessions	12, 14 and 15 January 2026
Early Years and Childcare Reference group includes provider representation for childminders, pre-schools, day nurseries, out of school provision and schools and academies with nursery provision.	4 February 2026
Schools Forum	6 February 2026
Funding formula and rates communicated to providers	Before 28 February 2026

## Section A: Centrally retained funds

From 2026-27 local authorities are required to pass through 97% of the early years funding to providers, for the following formula elements for each of the entitlement funding streams:

- base rate funding for all providers
- supplements for all providers
- the funding paid directly to providers from the special educational needs and disabilities inclusion fund (SENDIF)
- contingency funding

These funds contribute to the cost of the Free Early Education Funding, Childcare Sufficiency, Early Years Outcomes and Early Years SEND Teams to support funding distribution, free entitlement place sufficiency, standards of delivery and inclusion. See table below for details.

The Council proposes a small increase of £86,359; this includes £43,059 to reflect the anticipated impact of the local authority pay award (3.5%) for each of the local authority support teams and £43,300 to increase resources in the Free Early Education Funding Team to support changes in the early years funding system and associated local authority duties, these include;

- From January 2026, providers will be required to publish their fee structures and provide clear invoices to parents, the Council must monitor compliance with these requirements.
- From April 2026, termly Early Years Census returns will be implemented which is a significant increase to the current annual return.

This is equivalent to 0.1% of the total Early Years Block which is a very small increase when compared with an increase of 17.7% to the total Early Years Block Funding this year.

After considering the proposed amounts to be retained centrally, the average funding pass through rates will exceed the requirement of 97%. This demonstrates that the Council continues to maximise the available funding for providers whilst being realistic about administration and the affordability of important services.

Table 3: Proposed amounts to be retained centrally

Budget area	2025-26	Additional Resources	3.5% increase	2026-27	Description
Early Learning and Childcare	£837,205	£43,300	£30,818	<b>£911,323</b>	Free Early Education Funding, Childcare Sufficiency and Early Years Outcomes Teams – funding to providers, free entitlement place sufficiency, supporting standards of delivery
Back office / management costs	£81,682		£2,859	<b>£84,541</b>	Finance, payroll, HR, Legal, IT etc
Inclusion Support	£254,301		£8,901	<b>£263,202</b>	Contribution to the Early Years SEND team
Miscellaneous	£13,759		£482	<b>£14,241</b>	Contribution to admissions, maternity, union duties etc.
<b>Total</b>	<b>£1,186,947</b>	<b>£43,300</b>	<b>£43,059</b>	<b>£1,273,306</b>	

## Section B: Contingency fund

In 2024-25 it was agreed to establish a contingency fund of 0.8% due to the increasing value of the Early Years block and the significant expansion of the entitlements up to September 2025. In 2025-26 it was agreed to retain the contingency fund of 0.8% as a full year of the new entitlements will not be realised until 2026-27 and it could take another year or two for the new entitlements to be fully embedded and for take-up to stabilise.

From April 2026, termly national Early Years Census returns will be implemented which means that the way funding is distributed to local authorities will change for the established entitlements, i.e. the universal and extended entitlements for 3- and 4-year-olds and the entitlement for 2-year-olds whose families receive additional support. This change will mean that in this first year of implementation local authorities will receive less funding for the 3- and 4-year-old entitlements due to the overall number of funded hours being less. To maintain the status quo the DfE have adjusted for this in the 3- and 4-year-old funding rates by adding an average of 2.94% to local authority base rates prior to applying the national funding formula and increases for inflation etc.

In Kirklees the change to a termly funding system will mean a further reduction in funding because the national termly census headcounts are set early in the term i.e. the third Thursday in January, the third Thursday in May and the first Thursday in October whereas Kirklees currently funds children starting at a provider until 2 weeks before each school term ends hence is much later. As a guide the estimated cost to the Kirklees Early Years Block Budget of children starting after the national termly census dates is £662,000 for the year, this is based on funding claims received in 2025. One option to reduce the cost of this shortfall in funding would be to bring forward the deadline for accepting funding claims for children starting later in the term however in the interests of balancing costs against, children's learning and meeting the needs of working parents and sustainable providers the Council is not proposing to make any changes at this time.

There is also a risk of a shortfall of funding associated with children who stretch their entitlement and move from one funding stream to another after the summer term. For example, children aged 2 in the summer term that become aged 3 on or before 31 August will move to the 3- and

4-year-old funding stream and could exceed their maximum entitlement hours due to limitations of the IT system. The same situation will apply to 9-month-old children that become aged 2 on or before 31 August.

Taking into account the change in the national funding system from April 2026 and to ensure there is sufficient funding available so that no provider loses out in a situation where a child is stretching their entitlement, it is proposed that a contingency fund of 1% from each funding stream is retained until such risks are fully mitigated. The contingency fund is set aside to reduce risk of an overspend and will be paid to providers in the final term of the financial year if sufficient funds are available.

## Section C: Change to the number of funded weeks in the summer and spring terms

From 2026-27 the DfE will provide funding as follows; 13 weeks in the summer term 2026, 14 weeks in the autumn term 2026 and 11 weeks in the spring term 2027. Currently and for a number of years Kirklees Council has funded providers as follows; 12 weeks in the summer term, 14 weeks in the autumn term and 12 weeks in the spring term. To avoid further complications and a mismatch of the funding received from the DfE and the funding distributed to providers the Council is proposing to change the funded weeks to match the DfE funded weeks from April 2026. Without this change further increases in the contingency fund would be required.

Sometimes the number of weeks in the term does not match the number of funded weeks due to the timing of Easter, the above proposal does not change the current requirement for term-time only providers to deliver 38 weeks of free early learning and childcare over the academic year.

## Section D: Transfer of funds from the Early Years Block to the High Needs Block

The Dedicated Schools Grant (DSG) consists of the following funding blocks:

- Early years block
- High needs block
- Schools block
- Central school services block

The Special Educational Needs and Disabilities Inclusion Fund (SENDIF) has historically been funded from the Council's General Fund Budgets. DfE guidance states that SENDIF should be funded from the High Needs (HN) Block and/or the Early Years (EY) Block of the Dedicated Schools Grant (DSG). A decision was taken by the Council in the financial year 2022-23 to transfer the funding of SENDIF to the HN Block from April 2023 onwards.

For the past two years (2024-25 and 2025-26), in consultation with the early years sector, it was agreed that £0.5 million would be transferred from the EY Block to the HN Block to help fund the costs relating to SENDIF.

As a result of overspending on the whole HN Block, the Council is working with the DfE under an agreement, referred to as the Safety Valve agreement, which is expected to run until the financial year 2029-30. Whilst this will bring additional funding, the Council have agreed in principle with the DfE for an EY Block Transfer and for this to continue for the duration of the Safety Valve agreement to support financial sustainability, but this will be subject to review and

consultation each year. This will be particularly important when the details of the governments promised SEND reforms have been fully announced and the full impact is understood.

It is therefore proposed, to transfer £0.5 million in 2026-27 from the EY Block to the HN Block to continue to support costs relating to SENDIF.

For context, the Council have also agreed in principle with the DfE for a Block Transfer from the Schools Block of the DSG which is expected to be £3.6 million in 2026-27.

## Section E: The special educational needs and disabilities inclusion fund (SENDIF)

In Kirklees, the special educational needs inclusion fund (SENIF) is referred to as 'SENDIF'.

Following consultation last year, the SENDIF budget for 2025-26 was set at a total of £3 million with £2 million from the Early Years Block and £1 million agreed from the High Needs Block. This was a consequence of the increase in demand in Summer 2024, with more SENDIF claims being received than expected.

Following regular budget reviews and cautious analysis of projected possible demand, based on the entitlement expansions, expenditure is predicted to be within the set £3 million budget.

It is recognised that there is a desire for consistency in the hourly SENDIF rate and so far, this financial year the rate has been maintained at £6.20 for both the Summer and Autumn term. For the Spring Term 2026 it is anticipated that the rate can be increased to £6.96.

To maintain a similar SENDIF offer in 2026-27, the Council proposes an inflationary uplift to the budget and anticipates that a rate around £6.96 could be maintained throughout the year assuming demand remains as predicted.

Therefore, the proposed value of SENDIF in 2026-27 is £3 million (plus an amount for inflation costs), £1 million from the High Needs block funding plus £2 million from the Early Years block funding.

## Appendix A: Illustration of the proposed Early Years Funding Formula for 2026-27

The table below shows the 2026-27 proposed formula values compared with the current formula values in 2025-26. These figures are for illustrative purposes only; the final formula funding values and the provider base rates will be confirmed after this consultation.

Table 4: 2026-27 proposed formula values compared with the 2025-26 formula values

	2025-26	Proposed 2026-27	Difference £	Difference %
Deprivation allocation	£320,000	<b>£320,000</b>	£0	0%
Central retention	£1,186,947	<b>£1,273,306</b>	+£86,359	+7.3%
Contingency (1%)	£532,542	<b>£783,324</b>	+£250,782	+47.1%
Transfer to High Needs Block	£500,000	<b>£500,000</b>	£0	0%
SENDIF (£2m from Early Years Block and £1m from High Needs Block, plus 3.5% increase for inflation costs)	£3,000,000	<b>£3,105,000</b>	+£105,000	+3.5%
<b>Total Early Years Block *</b>	<b>£66,567,740</b>	<b>£78,332,358</b>	<b>£11,764,619</b>	<b>+17.7%</b>

\* Excludes Early Years Pupil Premium, Disability Access Funding and Maintained Nursery School Supplementary Funding.

## Appendix B: Current Early Years Funding Formula (2025-26)

### Base rates

- £10.23 for under two-year-olds
- £7.52 for two-year olds
- £5.38 for three- and four-year olds (universal and extended hours)

### Deprivation

The allocation is £320,000. Funding is allocated using the current metric IDACI (Income deprivation affecting children index) the rates are:

- Band A: £0.27
- Band B: £0.21
- Band C: £0.20
- Band D: £0.18
- Band E: £0.11
- Band F: £0.09

### Special educational needs and disabilities inclusion fund (SENDIF)

The allocation is £3 million for low level and emerging needs to support providers from all sectors delivering the free entitlements. £1 million contribution from the High Needs block funding and £2 million contribution from the Early Years block funding.

### Central retention

£1,186,947 is retained to fund local authority statutory duties around the early years entitlements including administration of the funding, quality improvement, sufficient places and SEN support.

Table 5 Central retention budget breakdown

Budget area	Budget	Description
Early Learning and Childcare	£837,205	Free Early Education, Childcare Sufficiency and Early Years Outcomes Teams – funding to providers, free entitlement place sufficiency, supporting standards of delivery
Back office / management costs	£81,682	Finance, payroll, HR, Legal, IT etc
Inclusion Support	£254,301	Contribution to the Inclusion Officer team
Miscellaneous	£13,759	Contribution to admissions, maternity, union duties etc
<b>TOTAL</b>	<b>£1,186,947</b>	

### Additional funding

100% of additional funding is passed directly onto providers.

- a) Early Years Pupil Premium (EYPP), the hourly rate is £1. EYPP is only payable for the first 15 hours used by children taking up the eligible working parents entitlements for 3 and 4-year-olds and 2-year-olds and under. The EYPP is not payable on the additional 15 hours for these entitlements.
- b) Disability Access Funding (DAF), a lump sum payment of £938 available each year to funded children in receipt of Disability Living Allowance (DLA)



## Consideration to establish an Alternative Provision Free School

Meeting	Cabinet
<b>Date</b>	<b>10<sup>th</sup> February 2026</b>
<b>Cabinet Member</b> (if applicable)	<b>Cllr Jane Rylah Cllr Viv Kendrick Cllr Graham Turner</b>
<b>Key Decision</b> <b>Eligible for Call In</b>	<b>Yes</b> <b>Yes</b>
<p><b>Purpose of Report</b></p> <p>The SEND Big Plan sets out our strategy to improve our local provision for children, young people and families with additional needs. As part of this strategy, we need to secure sufficient local Alternative Provision (AP) to meet the needs of our children and young people now and in the future.</p> <p>An application was made to the DfE in 2022 to establish an Alternative Provision Free School in partnership with a Multi Academy Trust.</p> <p>An Alternative Provision Free School is a state-funded, academy-status school that delivers specialist Alternative Provision for pupils who cannot attend mainstream or special schools. It provides full-time suitable education for excluded pupils or those unable to access school for behavioural, medical, or other reasons and must meet strict quality, safeguarding, and partnership requirements set by the government.</p> <p>Following recent communication from the DfE, we were informed we have been successful in this application. This report will present the two options that the DFE have made available to the Local Authority in relation to securing government funded Alternative Provision and requires a decision in relation to those options.</p>	
<p><b>Recommendations</b></p> <p>It is recommended to Cabinet that a decision is taken to;</p> <ul style="list-style-type: none"> <li>• Confirm with the Department for Education that Kirklees should progress with the establishment of a 125 place Alternative Provision Free School.</li> <li>• Give delegated authority to the Executive Director for Children and Families and the Portfolio Holder for Education to work with the Department for Education and the appointed Multi Academy Trust, Delta, to take forward the project.</li> </ul> <p><b>Reasons for Recommendations</b></p> <ul style="list-style-type: none"> <li>• We have set out as part of our sufficiency assessment the need for increased Alternative Provision places. The number of places that was included in the original application made</li> </ul>	

to the Department for Education to serve children and young people locally in Kirklees continue to be required.

- The proposed school enables us to secure excellent teaching and learning opportunities and a personalised learning programme for learners led by Delta Multi Academy Trust who have experience in leading Alternative Provision Free Schools. The aim is to provide learners with a rigorous and high-quality alternative to a mainstream curriculum including:
  - Offering Children and Young People who have previously not thrived in the mainstream system a creative and engaging opportunity to re-join the world of education.
  - Supporting and raising the aspiration, attainment and achievement of learners to ensure that they achieve at the highest level possible
  - Supporting learners to successfully transition to their next phase of education and training with the provision of good quality tailored careers guidance, support and work experience.
  - Putting place a specialist ‘task force’ multi agency team to work with learners and their families.
- Securing 125 Alternative Provision Free School places in state funded provision represents value for money and contributes to greater ongoing sustainability in terms of High Needs expenditure, as the cost per place is on average £12,000 less than a commissioned independent place. In addition, with state funded places, we are able to draw down £10,000 per place into our High Needs Block. Whilst the Capital Funding alternative would mean that we could invest into alternative sufficiency solutions, this would mean we would still be reliant upon a strategy whereby all Alternative Provision needs, including those that fulfil Local Authority statutory duties would need to be commissioned, without any guarantee that some or all of those would be state funded.

**Resource Implication:**

To enable the establishment of the Free School will require us to work in partnership with the appointed Multi Academy Trust who are responsible for leading the project, and will require officer time from across the council including finance, legal, corporate landlord and the learning and inclusion service.

Securing a suitable site and building for the Free School would form part of the project with the DfE and, once agreed there may need to be some Capital investment to enable the school to be established.

At this stage it is not anticipated that this would be a new school build, and, it is likely that some modest capital investment may be required. This would require further exploration with the DfE as to from where any capital costs would be funded. All LAs are to receive additional capital funding for High Needs, and, this could be therefore considered as a funding source. Further information is anticipated in the spring about the amount of funding Kirklees will secure.

The work would be undertaken as a project as part of the SEND Transformation programme. There may be one off revenue set up costs required which would be met from the school reorganisation budget from the Dedicated Schools Grant.

**Date signed off by Executive Director & name**

**Tom Brailsford – Executive Director Children and Families**  
**29/01/2026**

<p><b>Is it also signed off by the Service Director for Finance?</b></p>	<p><b>Kevin Mulvaney – Service Director Finance 29/01/2026</b></p>
<p><b>Is it also signed off by the Service Director for Legal Governance and Commissioning (Monitoring Officer)?</b></p>	<p><b>Samantha Lawton – Service Director for Legal, Governance and Commissioning 29/01/2026</b></p>

**Electoral wards affected: All Wards**

**Ward members consulted: N/A**

**Public or private: Public**

**Has GDPR been considered?** Yes, no individual data is included in this report.

## **1. Executive Summary**

Improving the outcomes for our children with special educational and additional needs is at the heart of our agreed ‘Inclusive Ambitions’ (see Appendix 1) to tackle key inequality issues in Kirklees and are detailed in our SEND ‘Big Plan’.

By investing in and working with our children and young people and their families at the earliest opportunity, this will support us to help them in achieving their best possible outcomes, which are:

- All our children and young people to have the best start in life
- Our children and young people to be proud to come from Kirklees
- Our children and young people with Special Educational Needs and Disabilities (SEND) to live and be educated in Kirklees
- Our children and young people with Special Educational Needs and Disabilities to make good educational progress, have high aspirations and good life opportunities.

Kirklees has a comprehensive SEND Strategy – The Big Plan, and a programme of transformation to deliver on that strategy. The Big Plan has, at its core, a sufficiency strategy, ‘enough of the right stuff’ - which focuses on enabling more children and young people to secure places and thrive in local educational settings.

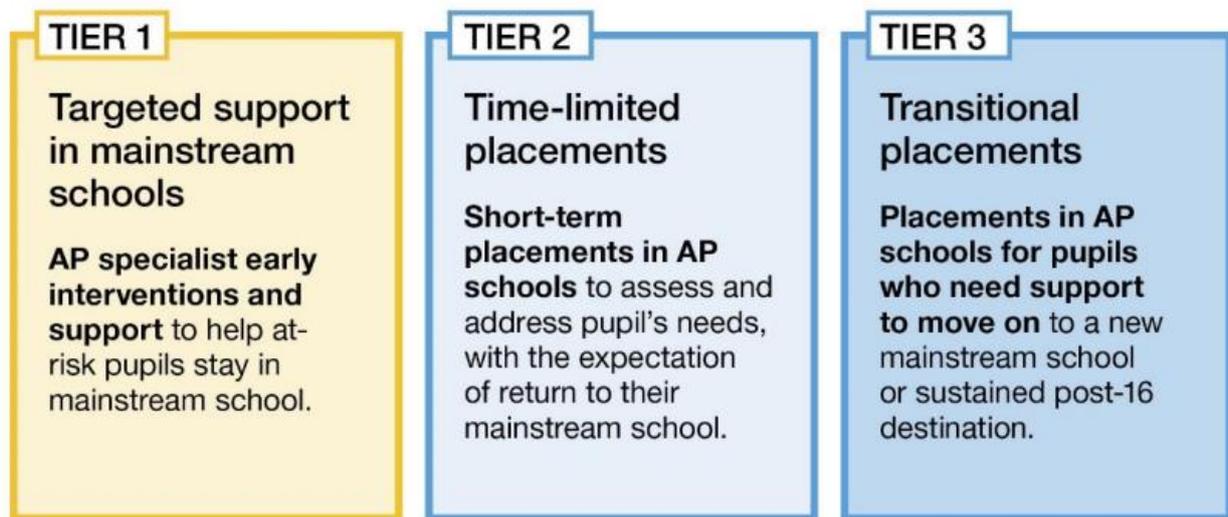
Like many other authorities, over recent years Kirklees Council has seen rising numbers of children with SEND who need additional support. This has had an impact on the sufficiency of Alternative Provision places in Kirklees.

As part of our wider transformation plans, securing sufficient and suitable places for our learners is a key element to enable us to address this. An independent review into Alternative Provision in Kirklees was commissioned in 2020-21 and the key recommendations were incorporated into a cabinet report in 2022 that approved the proposed approach to refresh and expand the Alternative Provision offer across Kirklees. Thereafter a commissioning exercise took place and between April and June 2023 new contracts were awarded. With clearly defined contracts for a range of provision that includes the statutory duties for;

- Day 6 provision which is the education that must be provided for a child or young person who has been permanently excluded from school. By law, this education must start by the sixth school day after the exclusion.
- Fulfilling the responsibility to make sure that children who cannot attend school because of medical reasons are still receive a suitable education.

High Quality Alternative Provision and enabling good outcomes for children and their families underpins our strategy to secure a sufficient breadth of the right places, with the right support at the right time to meet need. As part of our review, we have had reference to DfE Guidance which outlined a 3-tier model for AP and has underpinned our strategy;

## A three-tier model for alternative provision



In addition, we were beginning to understand the impact and opportunities of establishing 'Alternative Provision specialist taskforces' that were being piloted. This tested the impact of co-locating in Alternative Provision schools, specialist workers from across health, education, social care, youth services and youth justice. Co-locating this workforce full-time in Alternative Provision should remove the need for referrals to outside services and provide opportunities for practitioners to build trusted relationships with pupils.

For these reasons, when the DfE had opened up an opportunity for Multi Academy Trusts (MATs) and Local Authorities to work in partnership to apply to establish new Alternative Provision Free Schools, there was support to explore this further as was outlined in the Cabinet Report of 2022.

At that time, there were two partner Multi Academy Trusts that submitted an Expression of Interest to the DfE to open a Free School in Kirklees.

Both applications progressed to interview stage in Summer 2023. Decisions about approved Free Schools were delayed beyond the original Autumn 2023 expectation, but, on March 6<sup>th</sup> 2024, the DfE announced that one of the applications, the joint proposal with Delta Academy Trust had been successful. Delta Academy Trust were one of the partners that had tested the AP specialist task force approach with positive impact.

Since that time, all Free School projects were paused. This was because there was a change of national government and a national review of school capital projects. This meant that the partnership was unable to progress to delivery of establishing the Free School.

In December 2025, the DfE contacted Kirklees Council and put forward 2 options that are available to us. The two options that the Department for Education has made available to Kirklees Council are;

- A. Progress with the establishment of a 125 place Alternative Provision Free School (serving Key Stages 2 - 4) with the appointed Multi Academy Trust, or,
- B. Accept a total capital allocation of £5,875,000 (paid over 3 financial years), as an alternative to enable the Council to secure the places that are needed locally using a different approach.

It is recommended that the option to establish the Free School is agreed.

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

Department for Education guidance states that 'All children, regardless of circumstance or setting, should expect to receive a good education. Commissioners responsible for arranging alternative provision should ensure that it is good quality, registered where appropriate, and delivered by high quality staff with suitable training, experience and safeguarding checks', and that Local authorities are responsible for ensuring that the provision is place that is required to meet current and forecast needs.

The Department for Education defines Alternative Provision (AP) as:

'Alternative Provision (AP) refers to suitable full-time education that is arranged for a pupil from the sixth school day (or earlier) of a suspension or the sixth school day (or earlier) after the first day of a permanent exclusion.

In other circumstances, AP may refer to education arranged for pupils who are unable to attend mainstream or special school and who are not educated at home, whether for behavioural, health, or other reasons. AP includes Pupil Referral Units (PRUs), AP academies and free schools, and hospital schools, as well as a variety of independent, registered, unregistered and further education settings.

*Arranging Alternative Provision - February 2025*

The LA commissioned an external review of Alternative Provision (AP) in 2020/21. Following the recommendations a refreshed approach was proposed to be procured/commissioned.

The detail is outlined in the report that went to Kirklees Council Cabinet in December 2022. [Alternative Provision - Cabinet Report - Dec 22 - final.pdf \(kirklees.gov.uk\)](#)

To make sure there was a comprehensive approach to a sufficient AP offer for all key stages (including Day 6 and Medical provision which are Local Authority statutory duties) and there was best value for the High Needs block the LA tendered for 8 'lots', and since that time, we have been able to work with new providers as a result of the commissioning approach as well as existing providers in the local area.

The quality of providers has meant that this strengthened the pathways of support available for children locally and has allowed for more children to be successful in Kirklees by securing high quality and sufficient Alternative Provision to meet the needs of our children and young people. Together with a range of supporting projects featured within the SEND Transformation Plan, AP is a fundamental element of Kirklees' strategy to improve outcomes for children, parents and carers.

Once in place, in September 2024, we introduced our Inclusion Multi Agency Panel that enables access to support, advice and Kirklees commissioned provision. The purpose of the Kirklees Inclusion Multi Agency Panel is to meet the short-term, bespoke learning needs of Children and Young People who may be supported with access to LA commissioned Alternative Provision (AP) or those with Medical Needs. To do this, the panel considers evidence submitted by schools using a triage process. Members of the panel work to the terms of reference to enable collaborative outcomes that focus on support for young people.

Provision allocated by the Inclusion Multi Agency Panel is expected to be a short to medium-term intervention, with the aim for learners to be able to be fully re-integrated back into mainstream. This approach fits with the Department for Education's 3 tier model shown above and referrals into Inclusions Multi Agency Panel have been significant with 322 referrals made in the Autumn term of this academic year.

We undertook a review of what provision the LA commissions in September 2025, and, sought feedback from school leaders, this informed a market development day that took place in November 2025, so we can continue to explore additional and different opportunities for our learners. Our internal data sets including Inclusion Multi Agency Panel referral data tells us there is a growing need for time limited provision for our children. In addition, data shows there is a growing need in Key stage 1 and 2 with sooner intervention and diagnosis of possible unmet need. There has been a significant increase in the numbers of pupils who are attending Alternative Provision who have a complex level of need and have an EHCP which has led to increased challenges around sufficiency.

As we were embarking on the process for securing our refreshed AP offer in 2022, the DfE opened up an opportunity for Multi Academy Trusts (MATs) and Local Authorities to work in partnership to apply to establish new Alternative Provision Free Schools. The detail is outlined in published government guidance. The guidance sets an expectation that a partnership between, and shared commitment by, the LA and provider is required at all stages.

There were 2 partner MATs that approached us and it was agreed that they both submit an Expression of Interest to open a Free School in Kirklees, however we anticipated that, should we be successful, plans would progress with only one AP Free School.

AP free school places would attract some direct revenue funding (£10k per place), enabling a potential opportunity for significant cost saving. This is also relevant because where we commission AP from providers that are independent, the total cost is funded from the Dedicated Schools Grant (DSG) as we are unable to draw down the place funding.

The original timeframes were:

- Pre-application form completed between 19/9/22 and 24/10/22
- Full Application submitted by 17/02/23.
- Interviews - May 2023.
- Successful applications announced Autumn 23

Both applications progressed to interview stage in Summer 2023. Decisions about approved Free Schools were delayed beyond the original Autumn 2023 expectation, but, on March 6<sup>th</sup> 2024, the DfE announced that the joint proposal with Delta Academy Trust had been successful.

Since that time, all Free School projects nationally were paused, so the partnership was unable to progress to delivery of establishing the Free School and we have awaited further announcements whilst the new government reviewed all school capital projects.

In December 2025, the DfE contacted Kirklees Council in relation to the Alternative Provision Free School and made us aware that there are two options open to Kirklees Council;

- A. Progress with the establishment of a 125 place Alternative Provision Free School (serving Key Stages 2 - 4) with the appointed Multi Academy Trust, or,
- B. Accept a total capital allocation of £5,875,000 (paid over 3 financial years), as an alternative to enable the Council to secure the places that are needed locally using a different approach.

Option	Opportunities	Challenges
<p><b>A. AP Free School</b></p>	<ul style="list-style-type: none"> <li>• Direct DSG place-funding (£10k per place) reduces long-term High Needs Block pressure.</li> <li>• Access to potential DfE capital investment for premises.</li> <li>• Creates sustained, high-quality local AP capacity (KS2–4).</li> <li>• Reduces reliance on external/independent AP placements.</li> <li>• Strong alignment with SEND Transformation Plan and inclusion strategy.</li> <li>• Supports long-term financial sustainability.</li> </ul>	<ul style="list-style-type: none"> <li>• Must meet DfE conditions, including securing a compliant site.</li> <li>• Potential longer implementation period, with phased pupil intake.</li> <li>• Requires sustained partnership governance with the MAT.</li> </ul>
<p><b>B. Capital Allocation (£5.875m)</b></p>	<ul style="list-style-type: none"> <li>• Immediate capital injection to expand or reconfigure provision.</li> <li>• Offers greater local flexibility in design and delivery.</li> <li>• Can enhance existing provision without structural change.</li> </ul>	<ul style="list-style-type: none"> <li>• No DSG place-funding, meaning long-term costs remain fully with the Council.</li> <li>• Does not create the scale or stability of a free school.</li> <li>• Risks ongoing AP insufficiency and reliance on costly external placements.</li> <li>• Does not reduce High Needs Block pressure.</li> </ul>

Taking into account the above, it is recommended that the option to establish the Free School is agreed in order that we may secure high quality sufficient places, now and to meet longer term need from a state funded provider.

Delta Multi Academy Trust were successful in securing the contract from January 2024 to provide our 'Day 6' offer for Key stage 2, 3 and 4 excluded pupils. At the present time, the provision is delivered from The Elland Academy, which is located just across the Kirklees border in Leeds. From our quality assurance and contract monitoring a strong working partnership has developed and our learners are receiving a very good education offer. The opportunity to secure more places, and have those located in Kirklees means that places will be more accessible to more pupils and with less travel time. In the original application Delta outlined 'Delta places pupils at the heart of the learning process providing a safe and secure learning environment where every young person can achieve their potential. We recognise that for some pupils, learning poses more challenges than for others, and we work collaboratively to put in place the support necessary to successfully overcome these challenges.'

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

#### **3.1 Council Plan**

One of the cornerstones of our SEND Big Plan is building provision within Kirklees to ensure there is sufficient capacity locally to meet need wherever possible. We recognise that some children may need to receive support outside of Kirklees, but we want to ensure that is kept to a minimum through better integration of provision and support across partners and Alternative Provision forms an essential part of our graduated approach of provision for Children with SEND, and those who require an alternative curriculum, across Kirklees. We are passionate about ensuring services are accessible to our Children and Young People and their families and plan to move towards a place-based approach of joined up working with services across Education, Health and Care.

#### **3.2 Financial Implications**

There are positives for both of the options that the Department for Education has asked us to consider.

Whilst the capital funding would be well received by Kirklees Council, it would not be allowable to utilise that investment to establish an Alternative Provision Free School. Whilst the capital could be invested in other sufficiency projects, it would not enable us to secure the Alternative Provision places that would meet our assessed need, nor would it support the ongoing revenue efficiencies we could realise to the High Needs Block.

The AP Free School option would allow for savings against the High Needs Block expenditure of approximately £1.9m per annum. This is based on the fact that Place funding of £10K per place would not need to be paid for the first 3 years after opening providing a saving of £1.25m (£10k x 125 places). Additionally, savings would be made from being able to review current AP contracts with a view to reducing or de-commissioning contracts as the new AP Free School would accommodate this offer.

### 3.3 Legal Implications

The Education Act 1996 requires that the local authority shall (so far as their powers enable them to do so) contribute towards the spiritual, moral, mental and physical development of the community by securing that efficient primary education, and secondary education are available to meet the needs of the population of their area.

Section 19 of the Education Act 1996. states that local authorities must arrange suitable and (normally) full-time education for children of compulsory school age who, because of exclusion, illness or other reasons, would not receive suitable education without such provision being arranged. The availability of additional AP places in the Council's area will support compliance with this duty.

### 3.4 Climate Change and Air Quality

The aspiration for our SEND Big Plan is that fewer young people will leave or travel outside of Kirklees. By having services more local and accessible within existing settings to where people live in communities can have a positive impact on their mode of travel and in doing so, we will contribute to the Council's net zero ambition.

### 3.5 Risk, Integrated Impact Assessment (IIA) or Human Resources

Section 149 of the Equality Act 2010 establishes the public sector equality duty (PSED), which requires public authorities to have due regard to the need to:

- Eliminate discrimination, harassment, and victimization.
- Advance equality of opportunity between those who share a protected characteristic and those who do not.
- Foster good relations between persons who share a relevant protected characteristic and those who do not.

An Integrated Impact Assessment (IIA) was completed underpinning the Cabinet report of 2022 with regards to sufficient Alternative Provision places. The positive impacts for addressing inequalities and on the green agenda are noted. All impacts recorded were positive or neutral. If we are able to progress with establishing the Free School the IIA will be revisited as we develop the school.

Tackling inequalities is fundamental to the SEND programme and this opportunity for an AP Free School which would enable children and young people to have sufficient places in the local area. Work is focussed on ensuring an individual's needs are understood and met at the earliest opportunity. The subsequent wrap around support is cognisant of protected characteristics. Pivotal to our approach is the positive promotion of SEND, the dispelling of myths and the embedding of inclusive approaches and practices across the system and within communities.

#### **Human Resources**

The staff in a Free School would be employed directly by the Multi Academy Trust. There are no direct human resource implications therefore for Kirklees Council staff.

## 4 Consultation

The DfE expect that in taking a decision about the preferred option, that we consult with the named partner Multi Academy Trust, Delta to ensure that both parties are still willing to move forwards with the planned Free School. We have been able to liaise with Delta

Multi Academy Trust who are committed to work with us in partnership to establish the Free School.

## **5 Engagement**

When the outcome of the original application was communicated to ourselves and the partner Multi Academy Trust, Delta, we began to consider what the delivery of the project would involve and how we would engage both with the wider system, including schools and education partners, as well as parents and carers. This would form part of the next steps of the delivery of the school if this is the option that is approved.

## **6 Next steps and timelines**

The DfE have set a deadline of the end of February 2026 for Kirklees Council to inform them of the option that they would like to pursue.

Once a decision has been taken that will determine the timeline for next steps but will be determined in conjunction with the Department for Education and the Multi Academy Trust.

## **7 Contact officer**

Jo-Anne Sanders – Service Director – Learning and Inclusion  
[Jo-anne.sanders@kirklees.gov.uk](mailto:Jo-anne.sanders@kirklees.gov.uk)

## **8 Background Papers and History of Decisions**

[Alternative Provision - Cabinet Report - Dec 22 - final.pdf](#)

[Special Educational Needs and Disabilities \(SEND\) and Alternative Provision \(AP\) Improvement Plan](#)

[Alternative provision specialist taskforces](#)

[Arranging Alternative Provision - guide for LAs and schools](#) (February 2025)

## **9 Appendices**

## **10 Service Director responsible**

Jo-Anne Sanders – Service Director Learning and Inclusion



## CQC's Inspection Report and Rating for Adult Social Care

<b>Meeting</b>	<b>Cabinet</b>
<b>Date</b>	<b>10<sup>th</sup> February 2026</b>
<b>Cabinet Member</b> (if applicable)	<b>Cllr Nosheen Dad</b>
<b>Key Decision Eligible for Call In</b>	<b>No</b> <b>No</b>
<p><b>Purpose of Report</b></p> <p>The Care Quality Commission (CQC) carried out an inspection of Adult Social Care services with an onsite visit over 3 days from 26<sup>th</sup> May 2025. The inspection was under the new local authority assurance framework, which looks at how councils meet their Care Act duties across four key themes: leadership, working with people, providing support, and ensuring safety.</p> <p>The overall outcome of the inspection was that Kirklees Adult Social Care Services 'requires improvement' with a score of 59, falling just short of a 'good' rating which would have required a minimum score of 63.</p> <p>This report is to update Cabinet on the wide areas of strengths, along with areas for development and how the latter will be addressed. It should be noted that most of these areas were already in view and being actioned through a multi-year Change Programme focused on redesigning pathways, integrating services, considering the market/commissioning needs and investing in digital and community-based solutions.</p>	
<p><b>Recommendations</b></p> <ul style="list-style-type: none"> <li>• That Cabinet note the content of the CQC published report: <a href="#">Local authority assessment reports - Care Quality Commission</a></li> <li>• That Cabinet note the content of this report along with the accompanying draft improvement plan – Appendix 1.</li> <li>• That Cabinet are updated on the progression of the improvement plan to achieve the required improvements.</li> </ul> <p><b>Reasons for Recommendations</b></p> <ul style="list-style-type: none"> <li>• It is not yet clear how the CQC will undertake the next round of inspections or timeline around this. Adult Social Care will continue to deliver their ambitious Change Programme and progress the improvement plan to achieve the best possible standards of support for residents.</li> <li>• The recommendations above will ensure that there is governance and accountability around the directorate's progress on delivering on the improvement plan.</li> </ul>	
<p><b>Resource Implication:</b> None. Most of the work associated with delivering the improvement plan will be picked up through existing directorate work, including the Change Programme where some additional resource from the Transformation Fund was agreed (£525k). The areas that fall outside of this will be picked up within the relevant services and within the partnership. All these have been collated to form an overarching, combined improvement plan.</p>	

<p><b>Date signed off by <u>Executive Director</u> &amp; name</b></p>	<p>CQC's Inspection Report and Rating for Adult Social Care for Cabinet on 10<sup>th</sup> February 2026. <b>Michelle Cross, Executive Director of Adults and Health – 11/12/2025</b></p>
<p><b>Is it also signed off by the Service Director for Finance?</b></p>	<p>CQC's Inspection Report and Rating for Adult Social Care for Cabinet on 10<sup>th</sup> February 2026. <b>Kevin Mulvaney, Service Director, Finance (S151 Officer) – 11/12/2025</b></p>
<p><b>Is it also signed off by the Service Director for Legal Governance and Commissioning (Monitoring Officer)?</b></p>	<p>CQC's Inspection Report and Rating for Adult Social Care for Cabinet on 10<sup>th</sup> February 2026. <b>Samantha Lawton, Service Director, Legal and Commissioning – 10/12/2025</b></p>

**Electoral wards affected: All**

The action required in existing programmes of work and on the back of the CQC report are likely to bring improvements and change to care and support across Kirklees. There are no specific wards that will be affected at this stage.

**Ward councillors consulted: N/A**

**Public or private:** Public.

**Has GDPR been considered?** The CQC published report does not contain any personal data.

**1. Executive Summary**

The Health and Care Act 2022 put the CQC assessment of Local Authorities on a statutory footing including:

- Implementing an adult social care data framework to improve the quality and availability of data nationally, regionally and locally.
  - A duty for the CQC to independently review and assess local authority performance in delivering their adult social care duties.
  - New legal powers for the Secretary of State to intervene in local authorities to secure improvement.
- Guidance was published 8<sup>th</sup> Aug 2023 to set out the Department of Health and Social Care's (DHSC) approach to enhanced monitoring and support, and statutory intervention in ASC – developed with input from the Local Government Association (LGA), the Association of Directors of Adult Social Services (ADASS) and CQC.
  - CQC are under a duty to inform the Secretary of State for Health and Social Care (the Secretary of State) if it considers an authority is failing to discharge its functions and to recommend any special measures it considers the Secretary of State should take.
  - Where improved data and CQC's assessment of an authority's performance highlight failures, the DHSC aspired to take a more active role in supporting authorities to improve. Their priority will remain supporting authorities to lead their own improvement wherever possible but, where there are serious and persistent failures, DHSC will offer 'enhanced support and monitoring', asking the authority to produce and implement an improvement plan. Where the authority demonstrates improvement, this support may be withdrawn or tapered off.

- If an authority has not been able to tackle sustained problems, the Secretary of State can use new intervention powers introduced through the [Health and Care Act 2022](#), which commenced in April 2023.
- These powers will enable the Secretary of State to intervene where they are satisfied that authorities have failed or are failing to discharge Care Act functions to an acceptable standard
- These powers can be used in the most serious cases – for example, where a serious and persistent risk to people’s safety has been identified, and other forms of support are insufficient to drive improvement
- Unlike interventions in children’s social services, there is no power to set up independent trusts.

The CQC’s inspection process was comprehensive but also lengthy, spanning almost a year, with the key activity outlined as follows:

- **December 2024:** Kirklees received notification of the upcoming inspection.
- **January 2025:** Submission of the Information Return, including self-assessment, data, policies and procedures and other supporting evidence.
- **May 2025:** Onsite CQC inspection took place, involving telephone interviews with providers, focus groups with staff, interviews with key individuals within the council and partners and a case file audit.
- **November 2025:** The inspection report was published on 21<sup>st</sup> November 2025, providing formal feedback and recommendations:

[Local authority assessment reports - Care Quality Commission.](#)

**The key strengths identified in the report are as follows:**

- The report highlights the dedication of frontline staff, strong co-production and effective partnership working as key strengths. Inspectors found that people and unpaid carers consistently felt listened to, respected, and involved in shaping their support. Staff were described as trusted, supportive and committed to strength-based approaches that promote independence and wellbeing.
- They found that the directorate’s approach to learning and improvement was outstanding. Innovation and continuous improvement were evident across services, with inspectors noting creative models of care, digital inclusion initiatives and a commitment to staff development through training and apprenticeships.
- The CQC said the directorate had a clear understanding of safeguarding risks and worked well with partners to prevent abuse and neglect. Safeguarding was person-centred, with prompt action on immediate risks and strong co-ordination through the Kirklees Safeguarding Adults Board.
- The council’s “front door” services received high satisfaction ratings, with most people receiving timely advice and support. Uptake of direct payments was well above the national average, empowering people to make choices about their care. Inspectors also commended the use of assistive technology, which supports people to live more independently.
- The council was recognised for its strong relationships with NHS and independent sector partners, which have improved hospital discharge processes and integrated care. The report also highlighted a robust safeguarding culture, inclusive communication practices and a stable, well-supported workforce.

The key findings for development and actions are as follows (more detailed improvement plan is Appendix A):

Theme	What the CQC Identified	Summary of Actions and Mitigations
<b>1. Waiting Well</b>	The CQC identified that there are still waits for assessments and reviews, especially for people in residential/nursing care.	This is being addressed through the Waiting Well policy, implemented in January 2025. People are proactively contacted while awaiting assessment, and cases are rated for prioritisation. A new Accommodation Team has been established, to complete all reviews for people living in 24-hour placements. Real-time dashboards and weekly data huddles help monitor waiting lists and escalate urgent cases.
<b>2. Transitions</b>	The CQC highlighted delays and uncertainty in transitions, particularly when young people move from children's to adult services.	A focused transformation project is underway, aligning with Ofsted and SEND inspection recommendations. Workshops and audits are planned to strengthen pathways, including those not on the Preparing for Adulthood route. Joint planning between commissioning and housing with the aim of avoiding crisis placements. Resources for Transitions and combined training across teams support smoother handovers.
<b>3. Access &amp; Inclusion</b>	The CQC found that not everyone can easily find or access the right support, with barriers such as digital exclusion, inaccessible information, and unequal access for different groups.	The plan expands digital inclusion initiatives while maintaining face-to-face options. Outreach to groups the council has traditionally found it hard to engage is being strengthened, and co-production is embedded throughout service development. Regular workshops and audits focus on data quality and inclusivity, with a broad community footprint supporting targeted prevention and partnership working.
<b>4. Market Provision</b>	The CQC raised concerns about the sustainability and quality of the local care market, including provider stability, gaps in specialist placements, and the need for better data-sharing and innovation.	Workshops will co-design respite and specialist pathways, and provider forums are being redesigned for better communication. Specialist provision for younger adults is being developed, and procurement processes are being tested and adapted. Provider risk monitoring and contingency plans are in place for critical services.
<b>5. Workforce and Leadership</b>	The CQC identified inconsistencies in supervision, leadership diversity, and	The plan includes a recruitment strategy, annual health checklist, and actions to improve inclusion and career progression. Supervision audits, case

Theme	What the CQC Identified	Summary of Actions and Mitigations
	performance management, as well as the need for improved staff upskilling and safeguarding focus.	file moderation, and safeguarding reviews drive continuous improvement. Workshops will explore staff expectations of senior leaders. Risks are managed through established boards and improvement plans.
<b>6. Reablement</b>	The CQC noted inequalities in access to reablement services, capacity challenges, and the need for better monitoring of outcomes and hospital discharge processes.	The plan reviews exploring enhanced rostering systems, optimising capacity, and strengthening outcome tracking in line with the Adult Social Care Outcomes Framework metrics. Working with Healthwatch ensures inclusivity and cultural responsiveness. Surge demand actions and rapid escalation protocols to support timely discharge and independence.
<b>7. Advocacy</b>	The CQC found that advocacy is not always timely or accessible at critical points and that contingency planning for unpaid carers needs strengthening.	The plan includes reviewing advocacy pathways, increasing provider flexibility, and deep dives into advocacy practice. Workshops will identify gaps. Contract performance is regularly reviewed and will be optimised to ensure effective contract management
<b>8. Underpinning Framework</b>	The CQC emphasised the need for a strong, shared framework to ensure consistency, and a focus on tackling inequalities across the system.	Workshops and training refresh to embed the Inclusive Communities Framework across services. Governance and monitoring are strengthened, and all contracts are being reviewed to reflect inclusive principles.

Overall, the report reflects a strong foundation of care and support in Kirklees, with inspectors encouraging continued focus on accessibility, timeliness and inclusion.

### **Governance**

CQC improvements will be overseen by the CQC Board, chaired by the DASS, will include Corporate Enablers and Partners and will include interdependencies with wider Boards (including Consistent and Confident Practice Board and Contracting and Commissioning Board).

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

N/A

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

The publication of the CQC report marks a pivotal moment for Kirklees Council. The findings provide both validation of the council's strengths and a clear mandate for further improvement. The main implications are:

- **Strategic Direction:** The Council must continue to invest in workforce, digital systems, and partnership working to address shortfalls and build on strengths.

- **Reputation and Accountability:** The inspection outcome could affect the Council's reputation and relationships with partners and the community.
- **Risk Management:** Challenges such as waiting times, staff shortages, and gaps in provision require ongoing attention and transparent communication.
- **Culture Change:** Embedding a culture of openness, learning, and co-production is essential for sustained improvement.
- **Future Assurance:** The Council must be prepared for ongoing scrutiny and assurance, using the inspection as a springboard for continuous development.

Ultimately, the Council's response to the inspection will shape the future of Adult Social Care in Kirklees, with the potential to deliver lasting benefits for people who use services, their carers and families, staff, and partners.

### 3.1 Council Plan

The progression of the improvements identified and included in the improvement plan are closely aligned to the Council Plan, specifically around its vision of 'thriving communities' and 'low inequality where people enjoy better health throughout their lives'. The shared outcomes are at the heart of services where the ambition is to keep people well and independent for as long as possible and for residents to be safe in their communities. Adult Social Care could not operate in isolation, therefore working with partners is a core function and this was recognised in the report as a strength which demonstrates the directorate's ability to contribute to all partnership strategies and work together to achieve mutual outcomes.

### 3.2 Financial Implications

Whilst there are no new and immediate resource requirements, there are several existing key areas of investment and resource allocation:

- **Digital Transformation:** Significant investment has gone into digital systems, notably the MOSAIC case management platform, which supports more efficient and joined-up working.
- **Workforce and Infrastructure:** Targeted funding has been directed towards workforce development, including recruitment, retention, and professional development, as well as infrastructure improvements.
- **Partnerships and Sector Development:** The Council has invested in anchor organisations within the voluntary, community, and social enterprise (VCSE) sector, and in the Kirklees and Calderdale Care Association (KirCCA), which plays a pivotal role in supporting care providers.
- **Joint Funding Streams:** The Better Care Fund enables joint prioritisation and delivery of health and wellbeing initiatives, pooling resources across health and social care.
- **Commissioning and Service Redesign:** Ongoing work to reshape the commissioning offer, particularly in areas where gaps have been identified (e.g., respite, advocacy, specialist placements).

Overall, the approach to costs is strategic, focusing on prevention, early intervention, and building capacity across the system, rather than short-term fixes. Any additional investment will be brought forward through budget-setting routes

### 3.3 Legal Implications

None

### 3.4 Climate Change and Air Quality

N/A

### 3.5 Risk, Integrated Impact Assessment (IIA) or Human Resources

#### Risk

- The main risks associated with the report have already been identified and are reflected within the directorate and corporate risk register, and as outlined in the 'Implications for the Council's' section in this report.

#### Integrated Impact Assessment (IIA)

- An IIA was undertaken in 2023 to assess the impact of the CQC's inspection: <https://www.kirklees.gov.uk/beta/delivering-services/integrated-impact-assessments/home/details/IIA-553688369/>
- An IIA is not required as a result of the report being published but all programmes of work and new initiatives that may be required to continue the improvement journey have IIAs attached to them.

#### Human Resources

- There are no implications regarding HR as a result of the published report.

#### Armed Forces Covenant

- Adult Social Care services are available to all, including the Armed Forces Community. The directorate strives to ensure services are equitable and accessible.

#### Positive or negative impacts

- As covered above.

### 4 Consultation

- Formal consultation was not required for the CQC inspection as it was mandated by the Department of Health and Social Care and there was a clear national framework that Local Authorities had to follow. However, the process did include high levels of engagement, and this is set out under point 5.
- Throughout the process, regular updates have been presented to the Executive Leadership Team, Executive Board and Adult's Senior Leadership Team.
- Full engagement on CQC consultation will continue alongside Yorkshire and Humber ADASS to support the national consultation on the future CQC regime.

### 5 Engagement

- The CQC Inspection Framework was new, there was a need to keep all stakeholders involved and engaged with both the process and what potentially could be required of them. A full communications plan was developed to ensure that at each stage, all stakeholders were kept informed of developments and timescales set by the CQC. Whilst not exhaustive, these included:

- Kirklees Council: Adults and Health, Housing, Children's Services, Public Health, Finance.
- Portfolio Holder, Chair of Scrutiny and Chair of the Health and Wellbeing Board.
- NHS Trusts: Calderdale and Huddersfield NHS Foundation Trust, Mid Yorkshire Hospitals NHS Trust, Southwest Yorkshire Mental Health Trust.
- Primary Care Networks: 9 PCNs across Kirklees.
- Community Health Provider: LOCALA.
- Care Providers: 83 home support providers, 123 care home providers.
- Kirklees and Calderdale Care Association (KirCCA).

- Service User Networks and Groups, such as the Unpaid Carer's Network and the Co-Production Board.
- Voluntary and Community Sector.
- Integrated Care Board and Health and Care Partnership: Strategic leadership and system integration.
- Kirklees Safeguarding Adults Board.
- Other Partners: Housing, Police, West Yorkshire Fire and Rescue, Education.
- Trade Unions.
- Strong engagement with all national and regional networks such as ADASS and the LGA.

This was crucial at the self-assessment stage, but intensive engagement commenced once the date of the onsite inspection was announced.

As well as the continued engagement with the above, this was supplemented by a number of staff sessions for those who would be meeting the inspectors; bespoke briefings for leaders, members and key individuals both within the Council and across the partnership. There were also conversations with service users and carers to gain their consent for their experiences to be able to be shared as part of the case file audit (these were randomly selected by the CQC). Service User Groups and Networks also met with inspectors, and it was recognised early on that this could potentially be a daunting experience, so a high level of contact and engagement happened to make sure that people felt as prepared and comfortable as possible.

## **6 Options**

### **6.1 Options Considered**

N/A

### **6.2 Reasons for recommended Option**

N/A

## **7 Next steps and timelines**

- Initial feedback on the findings and overall process has been sent to the Kirklees Care and Health Improvement Advisor. This will be reviewed by the Partners in Care and Health Director of Adult Social Care Improvement and sent back to the Department of Health and Social Care. The specific monitoring requirements have yet to be determined; however, updates are anticipated to be requested every quarter.
- The draft improvement plan is being developed. The first phase of the improvement plan will have an 18 month timeline, with longer term actions forming part of a phase 2 improvement plan. The improvement plan is intended to get the Council to CQC 'Good' / 'Outstanding'.
- CQC improvements will be overseen by the refreshed CQC Board, chaired by the Executive Director for Adults & Health and will include Corporate Enablers, Partners and will factor in interdependencies with wider Boards (including Consistent and Confident Practice Board and Contracting and Commissioning Board).
- A set of key performance indicators and metrics will be developed against the improvement plan to ensure that progress can be effectively monitored.
- Quarterly updates to Executive Leadership Team and 6 monthly to Executive Board on progression of the improvement plan.

- A series of workshops around theme areas will commence early 2026 and continue throughout the year.
- The Change Programme has been set for 2026/27 so improvements associated with this will continue at pace.
- This report and the draft improvement plan was shared at the Health and Social Care Scrutiny Panel on 14<sup>th</sup> January 2026. These were received positively and the themes of the improvement plan were noted:  
<https://democracy.kirklees.gov.uk/ieListDocuments.aspx?CId=570&MId=8338&Ver=4>

## 8 Contact Officer

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## 9 Background Papers and History of Decisions

### 28/2/24 – Scrutiny

Report pack:

<https://democracy.kirklees.gov.uk/documents/g7437/Public%20reports%20pack%2028th-Feb-2024%2014.00%20Health%20and%20Adult%20Social%20Care%20Scrutiny%20Panel.pdf?T=10;>

Item 7:

<https://democracy.kirklees.gov.uk/documents/s55838/1.%20CQC%20Front%20Sheet.pdf>

Additional documents:

<https://democracy.kirklees.gov.uk/documents/s55839/2.%20CQC%20presentation.pdf>;

<https://democracy.kirklees.gov.uk/documents/s55840/3.%20CQC%20Kirklees%20update.pdf>

### 10/7/24 – Scrutiny:

Report pack:

<https://democracy.kirklees.gov.uk/documents/g7647/Public%20reports%20pack%2010th-Jul-2024%2014.00%20Health%20and%20Adult%20Social%20Care%20Scrutiny%20Panel.pdf?T=10;>

Item 6:

<https://democracy.kirklees.gov.uk/documents/s58013/CQC%20Front%20Sheet.pdf>

Additional documents:

<https://democracy.kirklees.gov.uk/documents/s58014/20240502%20CQC%20presentation.pdf>

### 16/1/25 – Health & Wellbeing Board:

Report pack:

<https://democracy.kirklees.gov.uk/ieListDocuments.aspx?CId=159&MID=7740>

Item 7:

<https://democracy.kirklees.gov.uk/ieListDocuments.aspx?CId=159&MID=7740#AI26187>

### 9/4/25 – Scrutiny

Report pack:

<https://democracy.kirklees.gov.uk/ieListDocuments.aspx?CId=570&MID=7777>

Item 8:

<https://democracy.kirklees.gov.uk/ieListDocuments.aspx?CId=570&MID=7777#AI26955>

**10 Appendices**

Appendix 1 – Draft Improvement Plan

**11 Service Director responsible**

Cath Simms, Service Director for Adult Social Care Operations

## CQC Improvement Plan (January 2026)

### Theme 1 - Waiting Well: Timely support while people wait

#### Theme Scope (Areas for Improvement):

Reducing waiting times for assessments/reviews, managing Occupational Therapy/home adaptation lists, timely financial assessments.

#### Theme Outcome:

People waiting for assessments, reviews, or adaptations are safe, informed, and supported, with delays minimised and proactive communication throughout.

ID	Action	Delivery status
1.1	Implement the Waiting Well policy, ensuring that people are proactively contacted while awaiting an assessment and cases are rated for prioritisation. All urgent cases will be allocated within 5 working days (including Safeguarding).	Complete
1.2	Roll out Waiting Well across all teams and services to ensure consistency.	In Progress
1.3	Implement data huddles and dashboards to monitor and manage waiting lists.	In Progress
1.4	Include KPIs for Waiting Well on all assessment Team Plans	In Progress
1.5	Work with Client Financial Affairs (CFA) to improve public communications and timeliness about financial assessments and charges.	In Progress
1.6	Run a joint workshop with the Accessible Homes Team and Social Care Occupational Therapy to determine waits across Occupational Therapy and opportunities for improvement.	Not Started
1.7	Fully establish the Accommodation Team and prioritise overdue reviews for people living in 24-hour care settings using Waiting Well policy	In Progress
1.8	Allocate overdue community reviews within all assessment teams as part of Waiting Well policy	In Progress
1.9	Explore proactive SMS/call update system for people waiting.	Not Started
1.10	Develop new assessment paperwork to support proportionate and timely assessment interventions	In Progress

**Theme Mitigations:**

Use Waiting Well policy to prioritise allocations and escalate via Risk Register when urgent (RED) priority cases are not allocated within policy guidelines. Use real-time dashboards and weekly data huddles to identify issues early. Cross-team resource redeployment in line with Business Continuity Plans and Risk Register.

## CQC Improvement Plan (January 2026)

### Theme 2 - Transitions: Smooth handovers at life's key points

#### Theme Scope (Areas for Improvement):

Early planning for children-to-adult transitions, and addressing delays in these transitions.

#### Theme Outcome:

Everyone experiences smooth, well-planned transitions at key life stages, with no unnecessary delays or uncertainty.

ID	Action	Delivery status
2.1	Step up a focussed transformation project on Transitions as part of Directorate Change Board from 2026/27.	In Progress
2.2	Align transitions improvement work with Ofsted and Special Educational Needs and Disabilities (SEND) Inspection recommendations to transformation plan (2.1).	In Progress
2.3	Align learning from SEND peer review to transformation plan (2.1).	Not Started
2.4	Deliver workshops covering Complex and Specialist provision for transitions.	Not Started
2.5	Review and strengthen transition pathways into the Adults Preparing for Adulthood (PfA) team.	In Progress
2.6	Review transitions pathway at the adult social care front door to ensure timely support for young people not on the Preparing for Adulthood pathway.	In Progress
2.7	Explore options of 16+ portal on Liquid Logic to support early identification.	Not Started
2.8	Review and strengthen Adult Social Care Involvement in Education, Health and Social Care Plan (EHCP) ensuring information is provided appropriately and Preparing for Adulthood is considered throughout.	Not Started
2.9	Ensure information for unpaid carers and family carers is included on Local Offer website with reference to transitions.	Not Started
2.10	Joint commissioning and housing planning to shape market capacity supporting with transitions, avoiding crisis placements.	In Progress

**Theme Mitigations:**

Joint working with Children's Social Care and SEND teams through Education Health and Care Plan (EHCP) forum and Children's Access to Service (CAS) panel. Transitions protocol providing consistency. New dedicated Service Manager for Transitions in Adult Social Care. Data and training audit across teams. Combined children's and adults training to improve knowledge and skills across Children's, Adults and Education. Soft market testing for complex and specialist support, including connectivity with Specialist Accommodation Board.

## CQC Improvement Plan (January 2026)

### Theme 3 - Access & Inclusion: Everyone can find and use the right help

#### Theme Scope (Areas for Improvement):

Accessible “front door” for all, digital inclusion, accessible information, fair access for all funding types, representative co-production, targeted prevention, meaningful voluntary and community sector engagement, and effective partnership working to

#### Theme Outcome:

Everyone can easily find, access, and use the right support, with services and information that are inclusive, equitable, and tailored to diverse needs.

ID	Action	Delivery status
3.1	Build on and develop system-wide approach to inequalities with shared objectives.	In Progress
3.2	Expand digital inclusion initiatives and maintain face-to-face options building on Library integrated hub model.	In Progress
3.3	Workshops to enhance staff training on data collection and inclusivity.	Not Started
3.4	Quarterly workshops and clinics- to run regular data quality sprint on protected characteristics to inform preventative practice and service development .	Not Started
3.5	Expand outreach to groups that services have traditionally found it hard to reach. Building on integrated Neighbourhood team development and targeted proactive work.	In Progress
3.6	Embed co-production approaches and activities throughout customer journey and intervention developments.	In Progress
3.7	Develop and publish case studies on co-production impact.	Not Started
3.8	Workshops to map and redesign neurodiversity pathways with lived experience input.	Not Started

**Theme Mitigations:**

Dual access approach (digital + face-to-face), accessibility audits, Targeted outreach, maintain alternative formats. Existing co production activity to support developments. Integrated Neighbourhood teams are ahead of the development plan, with some actions already live. Broad community footprint across the council and partners with trusted relationships. Development of neurodiversity commissioning strategy.

## CQC Improvement Plan (January 2026)

### Theme 4 - Market Provision: A sustainable, high-quality local care offer

#### Theme Scope (Areas for Improvement):

Market sustainability and quality, provider stability, supporting smaller providers, effective data-sharing, technology-enabled care, specialist placements, and proactive use of data to predict and co-design solutions.

#### Theme Outcome:

People benefit from a sustainable, high-quality local care market that offers choice, stability, and innovation.

ID	Action	Delivery status
4.1	Workshops covering: Co-design clear respite/short breaks pathway, Complex and Specialist provision, defining local service models (for younger adults).	Not Started
4.2	Address gaps in respite provision and specialist placements.	In Progress
4.3	Redesign Provider Forums in line with our commissioning intentions and market interface, to strengthen the way we communicate with partners and providers.	In Progress
4.4	Develop specialist provision for younger adults (18–25).	In Progress
4.5	Monitor procurement processes and adapt based on feedback.	In Progress

#### Theme Mitigations:

Provider risk monitoring, Strengthened provider forums (move towards a more strategic forum for Directors/ Owners and an Operational Forum for Managers), Contingency plans for critical services, Early engagement with suppliers, Emergency placement

## CQC Improvement Plan (January 2026)

### Theme 5 - Workforce and Leadership: Empowered teams delivering great practice

#### Theme Scope (Areas for Improvement):

Consistent reflective supervision, diverse leadership, data-driven performance, staff upskilling, clear meeting follow-up, evidencing co-production, effective consultation, and a strong Safeguarding focus.

#### Theme Outcome:

Empowered, skilled teams and leaders drive continuous improvement, learning, and accountability across all services.

ID	Action	Delivery status
5.1	Opt in to Local Government Association Annual Health Checklist and use findings to identify improvements and areas to continue to address within the workforce.	Not Started
5.2	Create and embed an Adult Social Care Operations recruitment strategy to support recruitment and retention.	In Progress
5.3	Use Social Care Workforce Race Equality Standard (SC-WRES) action plan to identify areas for improvement for inclusion and career progression initiatives.	In Progress
5.4	Use data and quarterly reviews for performance monitoring within Team Plans.	In Progress
5.5	Complete supervision audit and create action plan with review timescales.	In Progress
5.6	Principal Social Worker (PSW) led Practice Improvement Plan written and prioritised, including practice tools, guidance and spotlight development sessions.	Complete
5.7	Use case file audits and moderation for continuous improvement.	Complete
5.8	Review of online Safeguarding concerns pathway.	In Progress
5.9	Embedding learning from Safeguarding Adult Review outcomes in partnership with Kirklees Safeguarding Adult Board and through the Practice and Quality group.	Complete
5.10	Workshops covering: What people want from senior leaders in respect of communications and visibility.	Not Started

#### Theme Mitigations:

Practice Improvement Plan established reporting through Confident and Consistent Practice Board. Action plan following staff survey (Nov) implemented, vacancies managed through Senior Leadership Team and People Panel. Risk areas identified on Service Risk Plans and Business Continuity Plans enacted where required.

## CQC Improvement Plan (January 2026)

### Theme 6 - Reablement: Independence first, with the right support at the right time

#### Theme Scope (Areas for Improvement):

Reducing inequalities in reablement, capacity and outcome monitoring, timely assessments, and ongoing improvement of hospital discharge processes.

#### Theme Outcome:

More people regain independence quickly and equitably, with effective, timely reablement and hospital discharge support.

ID	Action	Delivery status
6.1	Review current rostering system and explore opportunities to enhance through reprocurement.	In Progress
6.2	Monitor and expand reablement capacity.	In Progress
6.3	Strengthen full outcome tracking in line with local and national ASCOF (Adult Social Care Outcomes Framework) metrics.	In Progress
6.4	Build on the previous work done with Healthwatch to ensure the service is inclusive and culturally responsive.	Not Started

#### Theme Mitigations:

Capacity forecasting, Outcome tracking aligned to ASCOF, track inclusion/cultural responsiveness actions from Healthwatch work, surge demand actions including reducing the current 5 day retainer for reablement capacity to 2 days, rapid escalation for discharge delays through Integrated Transfer of Care (ITOC) model, explore enhancements to current rostering system.

## CQC Improvement Plan (January 2026)

### Theme 7 - Advocacy (Smaller Area of Work): People are heard and their rights upheld

#### Theme Scope (Areas for Improvement):

Timely, accessible advocacy at critical points (e.g., hospital discharge), and routine contingency planning with unpaid carers.

#### Theme Outcome:

People are heard, their rights are upheld, and they have access to independent advocacy and robust contingency planning.

ID	Action	Delivery status
7.1	Include advocacy pathway on Practice Improvement Plan.	Not Started
7.2	Work with advocacy providers to increase flexibility, capacity and responsiveness.	Not Started
7.3	Deep dive on the knowledge and practice for advocacy through hospital discharge.	Not Started
7.4	Ensure contingency planning is part of carers assessment process.	Not Started
7.5	Workshop covering: Developing understanding of the gaps in advocacy from both practice and commissioning/contract perspective.	Not Started

#### Theme Mitigations:

Review current advocacy contracts and optimise contract performance, review advocacy escalation routes, review outcome monitoring.

### Theme 8 - Underpinning framework

**Theme Outcome:**

A strong, shared framework underpins all work, ensuring consistency, partnership, and a focus on tackling inequalities across the system.

ID	Action	Delivery status
8.1	Workshops covering identifying inclusion and accessible services, core understanding of the Inclusive Communities Framework - principles of working alongside communities, understanding what assets are in our communities, working in a strength based way.	Not Started
8.2	Training and development refresh on applying the Inclusive Communities Framework in all service areas.	Not Started
8.3	Embed Governance, monitoring and track progress on Inclusive Communities Framework measures.	In Progress
8.4	Build key partner capability on tackling inequalities and applying the Inclusive Communities Framework principles.	In Progress
8.5	Ensure all contracts and service specifications reflect the Inclusive Communities Framework.	Not Started

**Theme Mitigations:**

Inclusive Communities Framework already socialised through adult social care teams, measures in development in line with emerging national good practice, aligns with a number of other priority actions, focused work on prevention.

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## ANNUAL HOUSING REPORT 2024-25

<b>Meeting</b>	Cabinet
<b>Date</b>	10 February 2026
<b>Cabinet Member</b>	Cllr Moses Crook Deputy Leader and Transport and Housing
<b>Key Decision Eligible for Call In</b>	No No
<p><b>Purpose of Report</b></p> <p>To inform Cabinet of the content of the Annual Housing Report for Homes and Neighbourhoods for the year 2024–2025.</p> <p>The report summarises service activity, performance, and tenant satisfaction for the 2024–25 financial year and provides an overview of compliance with regulatory requirements.</p>	
<p><b>Recommendations</b></p> <p>Cabinet is asked to note the content of the Annual Housing Report 2024–25.</p> <p><b>Reasons for Recommendations</b></p> <p>To provide Cabinet with oversight and assurance in relation to Homes and Neighbourhoods service activity and performance for the 2024–25 reporting year.</p>	
<p><b>Resource Implications</b></p> <p>N/A</p>	
<p><b>Date signed off by <u>Executive Director</u> &amp; name</b></p> <p><b>Date signed off by the Service Director for Finance?</b></p> <p><b>Date signed off by the Service Director for Legal Governance and Commissioning (Monitoring Officer)</b></p>	<p>7 January 2026 – David Shepherd</p> <p>28 January 2026 – Kevin Mulvaney</p> <p>29 January 2026 – Samantha Lawton</p>

**Electoral wards affected:** N/A

**Ward councillors consulted:** N/A

**Public or private:** Public

**Has GDPR been considered?** Yes

## **1. Executive Summary**

- 1.1. This report accompanies the Annual Housing Report 2024–25 and is provided to Cabinet for information.
- 1.2. The Annual Housing Report sets out Homes and Neighbourhoods service activity and performance for the reporting year and includes Tenant Satisfaction Measure (TSM) data and narrative aligned to the Regulator of Social Housing Consumer Standards which include Safety and Quality, Neighbourhood and Community, Tenancy, and Transparency, Influence and Accountability.
- 1.3. The report also references delivery against commitments made in the 2023–24 Annual Housing Report and identifies areas of focus for the 2025–26 reporting period.
- 1.4. Due to service change and change in leadership, the annual report is delayed and would usually be published in the summer following the year end. Preparation for the 2025–26 Annual Housing Report is underway, with publication planned for June 2026, aligned with the national release of Tenant Satisfaction Measures.
- 1.5. Due to its delayed publication, we are able to share the significant progress that has been made across Homes and Neighbourhoods services that has subsequently been made since March 2025, which is briefly set out below:

### **1.5.1. Tenant Satisfaction Measures**

Recent mid-year Tenant Satisfaction Measure data indicates improved performance and tenant perception across safety, repairs, complaints handling, and overall satisfaction, providing Cabinet with assurance that the service is moving in the right direction and that the performance set out in the AHR represents a historic position rather than the current operating reality.

Mid-year satisfaction with the overall service from KHN was 65%, an increase of 8% from the reported position in the AHR. There was also an increase in satisfaction that KHN listen and acts on tenant views, from 49.6% to 58%, and 74% of respondents agreed they were treated fairly and with respect.

### **1.5.2. Safety and Quality Standard**

#### **Fire safety**

In the AHR it was reported that 94.5% of our homes had the required safety checks. Following the commencement of the Fire Risk Assessment (FRA) programme across all housing blocks, as of December 2025 100% of FRA's had been completed.

#### **Damp, Mould and Condensation (DMC)**

There has been a significant improvement in our performance and ability to respond to reported cases of DMC. The position improved from 1700 cases open DMC cases at the end of March 2025, to 393 open cases in December 2025. There were 2278 new cases received between April – December 2025, with 2940 treatments completed.

#### **Water Hygiene**

Following the launch of the water safety risk assessment programme, this has been completed, with 20,418 (99.76%) of assessments conducted on-site and the remaining 49 (0.24%) completed via desktop review. All assessments indicated a low risk level.

#### **Decent Homes**

The Stock condition programme is now underway and a total of 581 stock condition surveys, EPC and HHSRS have been completed.

### **1.5.3 Neighbourhood and Community Standard**

#### **Anti-Social Behaviour**

Since its launch in October 2025, the Tenant Census and vulnerability programme has collected 613 forms, enabling KHN to update tenant records and identify vulnerabilities across our households. The recruitment of the ASB team is ongoing, with a full team expected to be established within the financial year.

#### **Adaptations**

The adaptations team have delivered 271 adaptations up to end of December 2025, supporting tenants to live comfortably in their homes

### **1.5.4 Tenancy Standard**

#### **Fraud**

New fraud training for staff is expected to be delivered by the end of the financial year. Early development has begun on a fraud policy to ensure a consistent and effective approach. Engagement work with tenants will be required, and delivery is expected in financial year 2026-27. The revised tenancy agreement was successfully launched in July 2025 and includes a section on housing fraud and service charge implementation.

### **1.5.5 Transparency, Influence and Accountability**

#### **Complaints**

The Council has received 592 Stage 1 Complaints up to and including quarter three. Of these, the service has effectively managed to improve the performance at Stage 2, with 84.24% of complaint responses being issued within the required timescales. The Housing Ombudsman has reviewed 22 cases up to quarter three this year. KHN continue to use complaints as a source of valuable insight into its effectiveness and to identify areas requiring improvement, demonstrating ongoing commitment to learning and getting the basics right.

#### **Tenant Voice**

This financial year's engagement programme began after the Tenant Voice Strategy Action Plan was agreed by Tenant Led Panel (TLP) in summer 2025. The stated goals for this financial year in the Annual Housing Report are on track to be achieved. This year's engagement programme has included multiple district-wide drop-ins, community-based sessions, retirement living visits, and event-embedded discussions, generating completed surveys and hundreds of informal contacts. Work is ongoing to deliver the Kirklees Homes and Neighbourhood website rebrand referenced in the AHR. This is due for delivery in February 2026. Bi-annual TSM surveys were launched in 2025, with the first 'additional' TSM survey conducted in July, followed by another wave in November 2025, totalling 1775 responses from our tenants. Both waves have produced an overall improved picture of perception from the tenants sampled.

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

### **2.1 N/A.**

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

#### **3.1 Council Plan**

The Annual Housing Report 2024–25 supports delivery of the Council Plan for Kirklees 2025–26, particularly the priority to ensure that residents live in safe, secure, and well-maintained homes and that communities are supported to thrive.

Specifically, the report aligns with the Council Plan by:

- Supporting the ambition to improve housing quality and safety, including compliance with statutory safety requirements and the Decent Homes Standard.
- Contributing to safe and cohesive communities through the management of anti-social behaviour and neighbourhood services.
- Promoting fairness, transparency, and accountability, through tenant engagement, complaints handling, and clear reporting of service performance.

#### **3.2 Financial Implications**

In 2024–25, the Council received £95,351,425 in rental income. The financial information included within the Annual Housing Report 2024–25 is taken from the Housing Revenue Account and outlines how tenant rent income was spent during the financial year.

Expenditure during the year covered areas including repairs and maintenance, housing management, capital works and improvements, communal costs, and extra care schemes, as set out within the report.

#### **3.3 Legal Implications**

The Annual Housing Report 2024–25 has been produced in accordance with the legal requirements as set out in the relevant legislation and guidance which includes, but is not limited to, the Social Housing Regulation Act 2023 and the Consumer Standards introduced by the Regulator of Social Housing (the Regulator) with effect from 1 April 2024.

The report sets out Homes and Neighbourhoods performance against the Standards; Safety and Quality, Neighbourhood and Community, Tenancy, and Transparency, Influence and Accountability and includes Tenant Satisfaction Measure data as required by the Regulator.

It is advised that the Council ensures that it continues to ensure compliance with the regulatory requirements including regulatory engagement with the Regulator of Social Housing given the Regulatory Notice, that is still in place, to give continued assurance about improvement activity.

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

N/A.

#### **3.5 Risk, Integrated Impact Assessment (IIA) or Human Resources**

There are no additional risks, Integrated Impact Assessment implications, or human resources implications arising from this report.

The report is provided for information only and does not introduce new policy, service changes, or decisions requiring assessment.

**4 Consultation**

N/A.

**5 Engagement**

N/A.

**6 Options**

N/A.

**7 Next steps and timelines**

The Annual Housing Report 2024–25 will be published following completion of final design and routine sign-off.

Ongoing performance and tenant satisfaction information will continue to be published through existing reporting channels.

Preparation of the Annual Housing Report 2025–26 is underway, with publication planned for June 2026, aligned with the national release of Tenant Satisfaction Measures.

**8 Contact officer**

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01484 221000 ext 73281

**9 Background Papers and History of Decisions**

[Annual Housing Report 23/24](#)

**10 Appendices**

Annual Housing Report 2024-25

**11 Service Director responsible**

Phil Jones - for Homes & Neighbourhoods

[Philip.Jones@kirklees.gov.uk](mailto:Philip.Jones@kirklees.gov.uk)

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# 2024-25

## Annual Housing Report

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# Introduction

The Annual Report covers our work between April 2024 to March 2025. We aim to give tenants, leaseholders, staff, councillors, and stakeholders an honest look at what we do well, where we need to improve, and how we will do it.

This year has been about action and change. On 1 April 2024, the Regulator of Social Housing implemented new regulations setting out the standards Kirklees Council must meet when delivering services to its tenants.

The Regulator has introduced four Consumer Standards that tell us what we must do to support our tenants:

- **Safety and quality standard**
  - Your home must be safe, well maintained, and repaired to a decent standard.
  - Landlords must carry out safety checks, respond to urgent repairs quickly, and keep properties in a good state of repair.
  - You can expect clear repair timescales, safety checks in your home, and improvements when homes are not meeting the required standards.
- **Tenancy standard**
  - Landlords must manage tenancies fairly, lawfully, and consistently while providing clear tenancy information.
  - Landlords must follow fair lettings and eviction practices, provide tenancy agreements and rights information, and support household stability.
  - You can expect clear rules on rent, transfers, mutual exchanges, and when tenancy action might be taken.
- **Neighbourhood and community standard**
  - Landlords must keep neighbourhoods safe, tackle anti-social behaviour, and support community wellbeing.
  - Landlords must prevent and respond to anti-social behaviour, work with partners on safety issues and to improve tenants' lives, and support victims of hate crime or domestic abuse.
  - You can expect clear anti-social behaviour policies, timely action on reports, and support when you feel you are not safe and help when you are struggling with things like money.
- **Transparency, influence, and accountability standard**
  - Landlords must be open about services, performance, and decisions and ensure tenants can influence these decisions.
  - Landlords must publish performance data and tenant satisfaction measures, follow a fair complaints process, and involve tenants in decisions.
  - You can expect easy access to information about repairs, rents and complaints outcomes. Opportunities for you to give feedback on our policies and plans and tell us what is important to you.

## Tenant satisfaction measures

The regulator also requires that councils tell tenants how they are performing, and that they ask their tenants how they feel their landlord is delivering for them. These are called the Tenant Satisfaction Measures (TSMs). TSMs help us understand what matters most to our tenants, so we can prioritise our work to improve in these areas.

We have made significant progress in delivering Consumer Standards for our tenants in 2024-25, but we know there is more to do. We have separated this report into sections covering these standards. It will set out what we have done so far to meet these standards, our performance and feedback from our tenants, and how we will deliver for tenants in the coming year.

You can read more about the Consumer Standards on the government's website:

[Regulatory standards for landlords](#)



# Our governance

We work alongside the Councillors, the Homes & Neighbourhoods Improvement Board and our Tenant Led Panel. They provide scrutiny, challenge and advice across all our housing services. They make sure we are doing what we need to do to deliver good service to our tenants and monitor our progress in areas we need to improve.



## Portfolio Holder

### Councillor Moses Crook

In 2024 we have seen a year of growth and transformation across our homes and neighbourhoods service, which has been both essential and extensive. We faced significant challenges, including a notice from the Regulator of Social Housing, and we turned these difficulties into opportunities to strengthen our services and raise our standards.

Our teams have shown incredible resilience and commitment, working tirelessly to clear backlogs, and to embed new systems that will keep us ahead and ensure lasting improvements to the services we deliver to our tenants. This determination gives me confidence that we have within the service, the skills, the passion, and the drive to overcome obstacles, to deliver the quality our tenants deserve, and the capacity to expand our provision against increasing demand. Actively listening to our tenants and ensuring their voices are heard will be fundamental to achieving this.

Looking ahead I'm excited about the progress on our development schemes, particularly the new Extra Care scheme at Ash View which will come to life in 2025, alongside the completion of the fire safety works at Harold Wilson Court. Our vision is clear: to meet housing need and to create safe, secure and thriving communities where tenants can feel proud of their homes. The work we've done over this year sets a strong foundation for achieving that aim, and together we will continue to build our housing service for the future.

## Tenant-led Panel Chair

### Antoinette Cooper

#### Chair of Tenant Advisory and Grants Panel

It has been a pleasure to Chair the Tenant Led Panel (TLP), part of the Kirklees Homes and Neighbourhoods governance structure, over the last year. As a panel, we have seen significant change following the introduction of the Consumer Standards and the Regulatory Notice from the Regulator of Social Housing, which you can read more about in this report.

The TLP welcomes the Consumer Standards and the subsequent work carried out by Homes and Neighbourhoods to meet the requirements of these standards, maintaining focus on the key areas of improvement. We are also pleased by the progress made in improving the operational position in many areas, including damp, mould and condensation, and fire safety.

There has been lots of work carried out across all of Homes and Neighbourhoods, driven by compliance, service improvement and above all, a commitment to keeping residents safe in their homes.

Tenant satisfaction, listening to feedback and tenant engagement is also high priority for Homes and Neighbourhoods. Whether you would like to apply to be a member of the TLP or want to know more about upcoming events, please visit

[Your Voice - Your Homes: Get Involved](#)

for more information, and have your voice heard.

Alternatively, you can get in touch via the contact details in the 'Get Involved' section of this report.

Thank you for reading this year's Annual Housing Report.

We hope you will choose to get involved if you are able and help us shape your Homes and Neighbourhoods.



## Chief Executive, Kirklees Council

### Steve Mawson

Chief Executive, Kirklees Council



Since our last annual report, we have placed our focus on ensuring tenants are at the heart of everything we do as we deliver our services. This has been a year of action and transformation, and we have made progress on urgent priorities, including addressing damp mould and condensation in our homes, and understanding our fire safety challenges and addressing issues.

These actions follow guidance from the Regulator of Social Housing, and the Building Safety Regulator. We have worked closely with them to ensure all our homes are safe, warm, and well-maintained. We have achieved this by strengthening our team with skilled professionals, partnered with trusted contractors, and introduced changes to how we deliver services so we can respond more quickly and effectively.

While there is still more to do, we are proud of the progress made and remain committed to building on this momentum in the year ahead. As a local authority, we aim to provide the highest possible service standards within our resources, while meeting the expectations set by our tenants.

## Housing governance and improvement

In 2025-26 we will implement a new Governance and Assurance team to ensure we meet the standards, improve services and get more feedback from our tenants.

For governance, the new approach will provide clearer oversight and accountability, with improved reporting and monitoring of tenant engagement and compliance with the standards. For tenants, it means their voices will more directly influence the quality and development of housing services, helping the council to listen, learn, and deliver better outcomes together.

This service will bring together the Tenant Voice and Customer Experience teams, creating a stronger link between tenant feedback, service design, and decision-making.

These changes will ensure that tenant views are at the heart of how Homes and Neighbourhoods plans, delivers, and improves its services. By connecting engagement, complaints, and performance data, the council can better understand what works well, where things need to improve, and how services can be made more responsive to tenants' needs.

“

*We have placed our focus on ensuring tenants are at the heart of everything we do.*

”



# Safety and quality standards

## Our performance

### Kirklees tenant satisfaction council performance results 2024-25

Code	Performance measure	2023/24	2024/25	Change
RP01	Homes that do not meet the A decent home: definition and guidance.	14.4%	21.7%	Increase, +7.3%
RP02	Non-emergency repairs completed within target timescale which is 25 working days	86.5%	84.2%	Decrease, -2.3%
RP02	Emergency repairs completed within target timescale which is 48 hours	94.7%	95.7%	Increase, +1%
BS01	Gas safety checks completed	99.9%	99.9%	No change
BS02	Fire safety checks completed	81.7%	94.5%	Increase, +12.8%
BS03	Asbestos safety checks completed	100%	100%	No change
BS04	Water safety checks completed	6.5%	78.8%	Increase, +72.3%
BS05	Lift safety checks completed	100%	100%	No change

## What our tenants told us

### Kirklees tenant satisfaction perception measures results 2024-25

Code	Performance measure	2023/24	2024/25	Change
TP01	Proportion of respondents who report that they are satisfied with the overall service from their landlord.	63.2%	57%	Decrease, -6.2%
TP02	Proportion of respondents who have received a repair in the last 12 months who report that they are satisfied with the overall repairs service.	68.8%	67.3%	Decrease, -1.5%
TP03	Proportion of respondents who have received a repair in the last 12 months who report that they are satisfied with the time taken to complete their most recent repair.	66.3%	63.7%	Decrease, -2.6%
TP04	Proportion of respondents who report that they are satisfied that their home is well maintained.	63.4%	58.6%	Decrease, -4.8%
TP05	Proportion of respondents who report that they are satisfied that their home is safe.	69.4%	66.1%	Decrease, -3.3%

Homes & Neighbourhoods

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01484 414800

Kirklees COUNCIL

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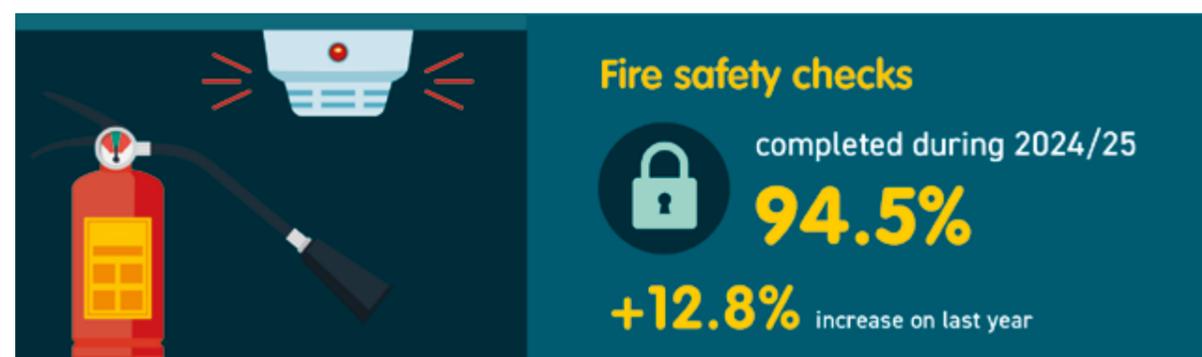
# Keeping homes safe

Safety is our top priority, and we know our performance in this area was not good enough in 2024-25. We referred ourselves to the regulator and on 6 March 2024, they issued Kirklees Council with a Regulatory Notice, which set what we needed to do to improve. Action groups were set up to lead and monitor progress across three main issues: fire safety, water safety, and damp, mould and condensation (DMC).

We made significant progress in ensuring homes are safe this year and will continue to do more until we have assurance our homes are safe for our tenants.

## Fire safety

Last year 81.7% of our homes had the required fire safety checks. In November 2024, we initiated a fire risk assessment programme to ensure that 834 housing blocks had an up-to-date assessment of any risks so that they can be resolved. This year, 94.5% of our homes had the required checks.



In November 2024 we committed to a Fire Risk Assessment programme. We will inspect all blocks, so we can be assured we have identified all hazards and fire safety actions and address these. By November 2025, our programme to re-survey all blocks will be completed with many actions completed in-house followed by a comprehensive fire safety works programme. We aim to complete all fire safety works by December 2030.

We carried out major fire safety works at Harold Wilson Court, including installing sprinklers and updating the building's exterior to meet new safety regulations. We surveyed tenants after the works were completed to ensure they understood the changes that were made and both their responsibilities and the council's obligations relating to fire safety. 87% of respondents said they feel safer following the works and 87% said they were satisfied with how we kept them updated throughout the project.



## Damp, mould and condensation (DMC)

On the 27 October 2025 Awaab's law comes into effect. This law means that councils and other social landlords must investigate reports of DMC and other hazards faster, and work to fix them quickly. We also know how important this issue is to our tenants. DMC was the third most common reason for negative feedback in the TSM survey this year.

2024-25 has been a year of action on DMC, and we aim to implement the requirements of Awaab's law before it comes into effect in October. In addressing damp, mould, and condensation, this year we:

- published a new DMC Policy to deal with the most urgent cases first and make responsibilities clear
- increased our treatment capacity by bringing in three specialist contractors
- brought teams together in one location to improve communication and speed up repairs
- completed over 4,000 DMC surveys and 5,000 treatments and works.

In January 2025, there were over 2,000 open DMC cases, which fell to 1,700 by the end of March. Next year we will reduce open DMC cases to below 500 and maintain this level, to ensure we meet the requirements of Awaab's Law and provide our tenants with safe and healthy homes.



## Water hygiene

This year we launched a water safety inspection programme to ensure safe water supply in our tenants' homes by assessing the risk of legionella. We changed the way we reported these assessments last year, which meant that only 6.5% of homes had reported water safety checks.

We carried out legionella assessments in over 14,000 homes in 2024-25, amounting to 78% of our properties. All homes were found to be low risk. We will finish this work in the coming year as part of our commitment to provide safe homes to our tenants. A rolling programme will continue after the inspection programme to keep all assessments up-to-date.



# Repairs and maintenance

In the TSM survey this year tenants told us that an efficient and effective repairs service is one of the things that is most important to them, and that they don't always feel their feedback is heard. This year we made progress in both our performance and how we listen to what tenants have to say.

Our performance this year:

- repairs completed: 88,748
- first-time fix rate: 88%
- emergency repairs completed on time: 95.7%
- non-emergency repairs completed on time: 84.2%.



To make sure we are improving in the areas that matter most, we surveyed tenants about their experience of repairs. Feedback told us what's working, what isn't, and where tenants want to see change. Based on this feedback we started a Repairs Design Project.

We have:

- drafted a new repairs policy with clearer standards, so tenants know what to expect from us and say something if we don't meet this standard
- delivered additional training for staff and contractors to ensure collaborative working across services and address inefficiencies
- brought in real-time text surveys after jobs to capture feedback quickly – we received 9,355 texts in response, 91% reported a good service.

If there is a problem with a repair, our team leaders contact tenants directly to put things right. This approach helped us reduce complaints about repairs by more than a quarter this year.



# Decent homes

The Decent Homes Standard is a set of rules that ensures homes are safe, comfortable, and in good condition. You can read more about these rules on the gov.uk website.

To be considered 'decent', a home must:

- **be safe:** no serious hazards like fire risks or structural problems.
- **be in good repair:** key parts like the roof, windows, and heating system must work properly
- **have modern facilities:** a proper kitchen and bathroom with up-to-date features
- **be warm and energy-efficient:** homes need good insulation and heating.

We have made good progress ensuring our homes are safe. However, in 2024-25 more of our homes did not meet the decent standards. This is mainly because our homes' facilities are getting older.

## Inspecting our homes

Many times, old homes are automatically classified as not decent because some features such as the roof or external walls are old and at the end of their life. In 2025-26 we will focus on visiting these homes to confirm if these features still meet the required standards, or if they need to be replaced or updated.

In October we are launching a Stock Condition Survey. We will visit and survey all our homes over the next three years to make sure we know if any of our properties don't meet the Decent Homes standard, or if there are any hazards. If repairs are needed, we will make homes safe while long-term fixes are carried out. We will continue to survey our homes regularly after this three-year plan, so all our homes are inspected frequently for any problems.

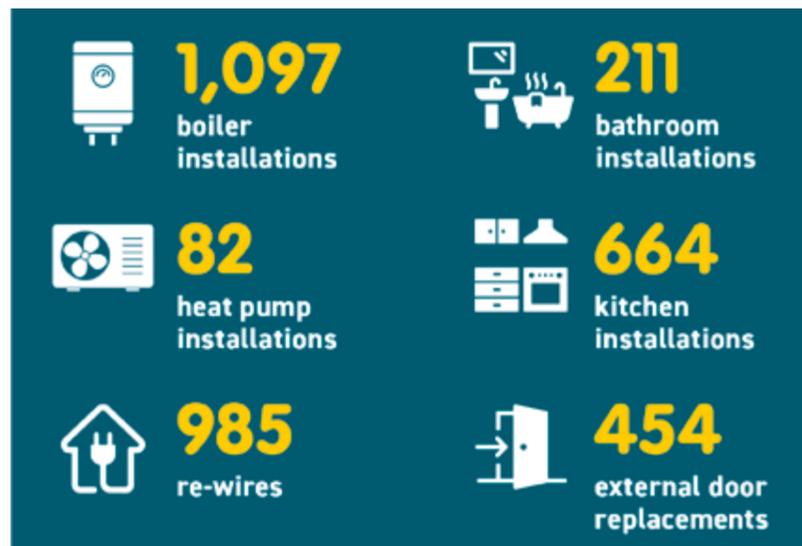
As part of the stock condition survey, we are carrying out an assessment on properties which are a Band D energy performance rating or below. This will lead an improvement programme to increase the energy rating of our housing stock. This can include insulation and fabric works, installing heat pumps and solar panels and other low carbon heating or power generating systems. This is part of our commitment to the environment and our tenants and will mean lower bills and warmer homes.



## Investing in our homes

As a Council, we want to look after our homes. When parts of homes are outdated or can't be repaired, we replace them. This year we carried out:

- bathroom installations: 211
- boiler installations: 1097
- heat pump installations: 82
- external door replacements: 454
- kitchen installations: 664
- re-wires: 985



When homes don't meet modern standards and regulations and can't be fixed by replacing features we look to redevelop them, usually these are flats and blocks. It can take a long time before regenerated homes are ready for tenants, as we need to identify funding, conduct consultation and surveys, agree on the design, and seek planning permission before appointing a building contractor to start work.

The following are some updates on the developments we are working on across Kirklees.

### Berry Brow

In June we revealed early designs for the new housing scheme that will replace the high-rise blocks in Berry Brow. These plans include 135 new sustainable and affordable homes over three blocks. The layout was designed to respond to the existing site constraints including site levels, surrounding trees and landscaping. We invited tenants and residents to give us feedback on the proposals so we can consider your views as these plans change through the design development phase.

The demolition of the high-rise blocks has taken longer than we would like. In 2024-25 we have focused on finding our current tenants new homes to achieve vacant possession of the blocks. We will finish this work by summer 2025. We will appoint a contractor for demolition work by December 2025 and finish demolition by the end of October 2026.

### Sycamore Grange

The council is seeking to demolish and redevelop the Sycamore Grange retirement living scheme in Golcar. The site is now empty and secure after substantial work has been carried out to remove asbestos from the property. Demolition will take place during 2025-26. Once cleared a review of the site options will be considered as part of the Council Housebuilding Project. We are currently reviewing all available council sites to increase the supply of new council homes through purchasing and building over the next few years. Once this work is completed this will be the subject of a detailed report to the Council Cabinet during 2026-27.

## Neighbourhood and community standards



## Our performance

### Kirklees tenant satisfaction council performance results 2024-25

Code	Performance measure	2023/24	2024/25	Change
NM01	Anti-social behaviour cases relative to the size of the landlord (number of cases per 1,000 properties)	25.4 per 1,000 homes	24.4 per 1,000 homes	Decrease, -1 per 1,000 homes
NM01	Anti-social behaviour cases that involve hate incidents, relative to the size of the landlord (number of cases with hate incidents per 1,000 properties)	4.5 per 1,000 homes	4.0 per 1,000 homes	Decrease, -0.5 per 1,000 homes

## What our tenants told us

### Kirklees tenant satisfaction perception measures results 2024-25

Code	Performance measure	2023/24	2024/25	Change
TP10	Proportion of respondents with communal areas who report that they are satisfied that their landlord keeps communal areas clean and well maintained.	56.1%	45.9%	Decrease, -10.2%
TP11	Proportion of respondents who report that they are satisfied that their landlord makes a positive contribution to the neighbourhood.	54.9%	50.0%	Decrease, -4.9%
TP12	Proportion of respondents who report that they are satisfied with their landlord's approach to handling anti-social behaviour.	46.5%	39.8%	Decrease, -6.7%

As a landlord we have a responsibility to keep tenants safe in their communities and promote wellbeing wherever we can. We recognise this is an area where the council can improve.

# Anti-social behaviour and hate incidents

This year we have continued to work in close partnership with Safer Kirklees, West Yorkshire Police, Noise and Pollution Teams and other partners to address anti-social behaviour (ASB) and hate incidents that were reported to us. However, tenants told us they were not satisfied with how we handled reports of ASB this year. Reports of ASB and hate incidents are down slightly, but we need to improve how we address these issues so that tenants are satisfied with the outcome and our approach.

We recognised the need to improve and in March 2025 we introduced our new Anti-Social Behaviour Policy (incorporating hate crime and noise nuisance) which we will be implementing over the coming year. You can read the new [Homes and Neighbourhoods Anti-Social Behaviour Policy](#) and the [Kirklees Hate Crime Strategy 2022-27](#) online.

## What we are changing

In 2025-26 we are making several changes to improve our performance in handling ASB and hate incidents. We will:

- implement the new ASB and Hate Incident policy to make our approach clear and highlight the tools and powers available to staff and tenants
- focus on prompt action and early intervention to resolve issues quickly where possible, for example arranging mediation or issuing warnings and behaviour contracts
- expand the use of vulnerability assessments for victims and perpetrators in-line with the [Vulnerable Tenant Policy](#) introduced this year – this will enable tailored support and action that meets the needs of our tenants
- introduce a dedicated Anti-Social Behaviour team to bring in additional expertise and capacity to handle reports.

# Domestic abuse

The Consumer Standards set out that a joined-up approach is vital to tackle domestic abuse and provide appropriate support and advice to victims.

The Domestic Abuse Act 2021 strengthens protections, ensures housing support, and empowers survivors to escape abusive situations and find safe accommodation. We recognise and remain committed to our role in ensuring the safety of our tenants and their families.

We work closely with our partners:

- Kirklees' Housing Solutions Service, to move victims to appropriate and safe accommodation where they can't stay in their home. Victims of domestic abuse are afforded priority in our allocation's policy for a move. We work with local refuges in emergencies.
- domestic abuse support services to support victims of abuse to be able to remain in their homes where possible
- we coordinate our approach through multi-agency panels in the most urgent cases, such as the Daily Risk Management Meeting (DRAMM) and Multi-Agency Risk Assessment Conference (MARAC) involving the Police, Safer Kirklees and Social Care Services.

We train and develop our staff:

- frontline staff complete mandatory training focused on the 'Safe and Together' model, which is designed to provide staff with the skills and knowledge to support tenants experiencing domestic abuse, with a focus on child well-being
- staff attend dedicated Domestic Abuse Forums to ensure we remain up to date with legislation and best practice changes
- we have implemented regular case audits to strengthen our response to residents and adapt to evolving risks and challenges. Audits help us highlight good practice and support learning and development.

We published a new Domestic Abuse policy this year, that focuses on accountability and responsibility for supporting victims and monitoring and improving our service through regular reviews. We will implement this policy throughout 2025-6. Read our [Kirklees Homes and Neighbourhoods Domestic Abuse Policy](#) and our corporate [Domestic abuse strategy 2022-2027](#).

The council works in partnership with the Pennine Domestic Abuse Partnership (PDAP) for specialist support. Anyone can contact PDAP directly on their 24-hour helpline **0800 052 7222** – or visit the [Pennine Domestic Abuse Partnership website](#).



# Safeguarding and knowing our tenants

We are committed to supporting vulnerable tenants and household members to successfully manage and sustain their tenancies and homes. Our approach to safeguarding is built around six principles we expect to work towards when addressing safety or safeguarding concerns relating to children, young people and adults.

1. **Empowerment** - Support/encourage individuals to make own decisions/informed consent
2. **Prevention** - Acting before harm takes place
3. **Proportionality** - The least intrusive response appropriate to presented risk
4. **Protection** - For all in need
5. **Partnership** - With services and local communities
6. **Accountability** - Including transparency for all to understand everyone's role

We approach this by:

- providing staff with appropriate training for their role
- having clear and robust safeguarding procedures in place
- ensuring staff have access to up-to-date and relevant safeguarding information
- attending dedicated forums ensures that H&N staff know legislative changes, shared learning, and best practices
- ensuring regular management supervision and support for frontline staff
- working closely with the Kirklees Safeguarding Adult Board and the Kirklees Safeguarding Children's Partnership to ensure best practice
- promoting a culture of responsibility and accountability that enables lessons to be learned and due diligence to be consistently exercised (through regular safeguarding audits and case reviews). Safeguarding is everyone's responsibility.

## What we are changing

To deliver on our commitment to safeguarding our tenants we recognised the need to introduce a clear Vulnerable Tenant Policy.

Our focus in this policy is knowing and understanding our tenants' needs so we can proactively support you and make reasonable adjustments where required so you can access our services in a way that works for you. To implement this policy in 2025-26 we will:

- improve our recording of tenants' needs – where they require adjustments, we will record and apply this more consistently across our services
- carry out a tenant census – to capture high-level information about our tenants and what they need
- launch the 'Knowing Our Silence' initiative – this work involves gathering and securely storing accurate data relating to our most vulnerable tenants and ensuring it is shared with relevant teams to inform appropriate support and decision-making
- we will be contacting those households where we have not heard from tenants in over 12 months to ensure that people who aren't in touch much have all the support they need, and we have current contact details if we need to get in touch
- use regular contact points such as during repairs and tenancy visits to give you the opportunity to update us on any changes we need to know about.

Kirklees Council believe tenants and their households should receive the right help at the right time, and everyone who encounters them has a role in identifying concerns, sharing information, and taking prompt action.

Concerns for someone's welfare can be reported online [Report an adult safeguarding concern](#)

If you have concerns for a child: you can contact [Kirklees Safeguarding Children](#)

Read more on our [Kirklees Council: Cross Council Corporate Safeguarding Policy](#)

Read our [Vulnerable Tenant Policy](#) online.

# Safety of shared and communal spaces

We regularly carry out safety compliance checks on all blocks of flats throughout Kirklees to ensure that emergency lights and fire alarms work properly, and that escape routes are free from obstructions and hazards. Across Kirklees we have 791 low-rise blocks, 17 mid-rise and one occupied high-rise block. We check our low rises monthly, and our mid and high-rise every week.

Every quarter we inspect our estates. This involves checking that communal lighting is working, footpaths are in good condition, bin stores are well kept, and that any repairs and ground maintenance issues in shared spaces are logged. We carried out 185 of these inspections last year.

## Improving local environments

We know how important local environments can be in keeping tenants safe. Unmaintained and unsightly areas or areas with poor waste management can attract Anti-Social Behaviour and create environmental hazards. Working with residents some old garage sites were identified for environmental works due to being unsightly or dangerous. Work was completed at Woodlands and Longfield Avenue in Dalton to improve the local area.



Woodlands garage before and after

In 2025-26 we will complete environmental works at:

- **Mayman Close** – to remove dilapidated garages and enhance the land, we will landscape one side of the car park and create parking spaces with metal railings around the perimeter of the site
- **Chine Wood** – improve and landscape an unmaintained plot of land
- **Fernside Court** – create a bin store away from the building to improve hygiene and cleanliness
- **Town Estate, Springbank Estate and St Andrews Road** – renew the frontage with new walls or metal railings and create a separate space to store bins.

## Pre-Apprenticeship Programme (PAP)

The Pre-Apprenticeship Programme aims to support young people in gaining the skills, qualifications, and experience needed to secure apprenticeships and employment. We focus on making the scheme accessible to tenants and their household members to support their economic wellbeing. This year:

- we successfully engaged 19 learners, with 10 being tenants or household members, meeting our recruitment goal
- 15 learners obtained Level 2 qualifications
- secured 4 apprenticeships, including one within Homes & Neighbourhoods
- 7 learners gained employment
- 7 learners progressed into further education.

Next year we will expand our offer to participants by engaging with Kirklees College to provide dedicated pastoral support throughout the programme.

# Tenancy standard

As a social landlord we are committed to securing and providing homes to those who need them most and supporting our tenants to maintain their tenancies throughout any hardship.

## Lettings

### Mutual exchange

A mutual exchange is where two tenants of social housing properties exchange their homes. This can include swaps between tenants living in properties owned by other councils and housing associations. At the end of 2024-25, 523 applicants were registered for a mutual exchange.

We carried out 54 mutual exchanges last year, helping tenants move to a home that suits them better, and welcomed new tenants swapping from other councils and housing associations.

Any social housing tenant interested in swapping with another social housing tenant or to see what could be available, please visit our [Choose 'n' Move](#) webpage.

Kirklees tenants can contact their Housing Officer if they need help applying and registering.

### Downsizing

As households and needs change, many council and housing association tenants find themselves in homes that are bigger than they require. Tenants may want to downsize if:

- their home is too large
- they have a spare bedroom
- the garden is too big to look after
- they would like to cut their household bills
- having a spare bedroom means housing benefit has been reduced
- they need to move for health or support reasons
- they would like help to move.

Larger homes are in short supply, and those who need them wait the longest. By downsizing tenants help release homes for families in need.

At the end of financial year, we had 47 households registered for downsizing and moved nine of them to homes that meet their needs. We offer extra help to downsizers, including:

- **housing information** – we provide details on other housing options, like housing associations, private rentals, or the House Exchange scheme
- **priority banding** – we give priority to under-occupiers on Choose 'n' Move
- **bidding assistance** – we assist you in bidding for properties on Choose 'n' Move
- **financial help** – we offer financial assistance for moving costs.

Visit our [Downsizing](#) webpage if you are interested. Or call **01484 226972**.

Read about all the housing options that may be available, including shared ownership, mutual exchange, and downsizing, on our [Joining the Housing Register](#) site

# Housing demand

## Housing growth

The need for social housing grows every year across the country. We continue to build and buy homes to provide affordable housing to people in Kirklees.

In October 2024, we celebrated the opening of Ash View Extra Care Facility, a modern development of 50 wheelchair-friendly flats. Ash View includes beautiful communal gardens where tenants can meet neighbours, share a coffee, or simply enjoy a change of scenery. Care and support are provided by Community Integrated Care, helping tenants to live more independently.

*"I feel more confident now – I even get the bus into town again. I hadn't done that in years." – Ash View resident*

We also transformed a disused garage site in Howley Walk, Batley, into seven much needed two-bedroom homes, all now let to new tenants.

We converted or refurbished three large family sized homes that continue to be in high demand for applicants on our Housing Register.

We will be reviewing our Capital Investment Strategy to build new homes and redevelop our existing stock in 2025-26 as we use information from our Stock Condition Survey to make efficient investments and get the best value for money.

We also purchased 13 properties through our buy-back programme and the Local Authority Housing Fund.

**Rightsizing** HOMEFIT

**47**  
households registered for downsizing  
by the end of 2024/25 financial year

**9**  
households were moved  
to homes that meet their needs



Ash View Extra Care Facility

# Supporting our tenants

## Adaptations

To support our tenants whose homes have become unsuitable due to medical issues or old age, we have carried out 362 adaptations this year so they can continue to live comfortably in their home.

To help tenants live independently in their home, support them with daily tasks, we can install:

- grab rails
- shallow steps
- bannister on the stairs
- stair lifts
- level access showers
- widening doorways to allow wheelchair access or other mobility aids
- lowering kitchen worktops
- putting in an outdoor ramp
- more specialised safety adaptations and equipment – particularly for children including wall padding and window protectors
- hoists.

Please contact the Accessible Homes Team on 01484 225335 to discuss more or email [AHT@Kirklees.gov.uk](mailto:AHT@Kirklees.gov.uk)

Read more about [Home Adaptations](#) and how the process works and what's covered.

## Money advice

Since the start of the cost-of-living crisis money advice and assistance has been a vital part of our support for our tenants. We offer a free and confidential service to our tenants.

The Money Advice Team have generated £1,922,598-worth of financial gain for tenants through 1,175 referrals in 2024-25:

- 922 referrals for help budgeting or debt management
- 134 referrals for support with managed rent payment plans
- 219 referrals for support with energy debt.

Money issues can affect anyone, whether you are in employment or receive any form of benefits, but our team is here to help. To speak to one of our advisors, please call **01484 414975** (Monday to Thursday 9am to 5pm, and Friday 9am to 4.30pm) or visit our [Money Advice](#) webpage to see what kind of help we can offer, and to contact us online.



## New tenant support

The Tenancy Sustainment team play a vital role in supporting tenants as they begin their new tenancy with us. If new tenants need some extra help, the team works to ensure residents have the strongest possible start with eight weeks of intensive support. This helps to reduce tenancy issues and promote long-term stability.

The Tenancy Sustainment Team supported 350 households with intensive help last year, providing the following support:

- 122 instances of financial support such as benefit applications and charitable referrals
- 142 applications for council tax reduction
- 17 applications for arrears reduction
- 107 instances of support with setting up utilities
- 18 financial support with white goods
- 20 referrals for food parcels.



# Changes to the tenancy agreement



## Service charges

Last year, we carried out a consultation on the proposal to introduce a £2 per week capped service charge to provide communal grounds maintenance services. This costs the council around £2 million a year. Most councils charge for this, and Kirklees Council needed to introduce this charge to deliver a financially sustainable service. 2,369 tenants and leaseholders responded to the consultation.

Your voice matters to us. We considered the feedback that this charge was too high and proposed to cap it at no more than £1 per week each year. This provided a more balanced and consistent approach and limits the potential financial impact on our tenants. In December 2024, the Council Cabinet approved this option. In early 2025 we commenced work to update the tenancy agreement and ran a digital consultation with tenants in anticipation of introducing the service charge in 2025-26.

## Fraud

We are currently in a national housing crisis, and it is more important than ever that social housing goes to the people that need it most, and that people who have it are using it appropriately. In 2025 we launched a Housing Fraud Action Plan, which will continue in the coming year.

So far we have:

- introduced new checks to Housing Applications
- introduced new requirements to further investigate reports and suspicions of subletting and property abandonment
- used regular home visits to spot signs of and report fraudulent activity.

In 2025-26 we will:

- expand the use of system checks to verify the content of housing applications
- roll out new fraud training to housing staff to actively identify and act against fraud
- introduce a comprehensive fraud policy to set out a joined-up approach, and make sure tenants and staff understand their responsibilities
- revise the tenancy agreement to make it clear what we consider fraud, and what the consequences may be.



# Transparency, influence and accountability standard

## Our performance

### Kirklees tenant satisfaction council performance results 2024-25

Code	Performance measure	2023/24	2024/25	Change
CH01	Number of Stage 1 complaints relative to the size of the landlord (number of complaints per 1,000 properties)	38.5 per 1,000 homes	36.2 per 1,000 homes	Decrease, -2.5 per 1,000 homes
CH01	Number of Stage 2 complaints relative to the size of the landlord (number of complaints per 1,000 properties)	9.4 per 1,000 homes	11.7 per 1,000 homes	Increase, +2.3 per 1,000 homes
CH02	Stage 1 complaints responded to within Complaint Handling Code timescales	73.3%	69.6%	Decrease, -3.7%
CH02	Stage 2 complaints responded to within Complaint Handling Code timescales	68.2%	58.9%	Decrease, -9.3%

## What our tenants told us

### Kirklees tenant satisfaction perception measures results 2024-25

Code	Performance measure	2023/24	2024/25	Change
TP06	Proportion of respondents who report that they are satisfied that their landlord listens to tenant views and acts upon them.	53.2%	49.6%	Decrease, -3.6%
TP07	Proportion of respondents who report that they are satisfied that their landlord keeps them informed about things that matter to them.	60.7%	56.7%	Decrease, -4%
TP08	Proportion of respondents who report that they agree their landlord treats them fairly and with respect.	73.4%	68.7%	Decrease, -4.7%
TP09	Proportion of respondents who report making a complaint in the last 12 months who are satisfied with their landlord's approach to complaints handling.	23.2%	21.7%	Decrease, -1.5%

In 2024-25 we made significant improvements to our services to deliver our most crucial responsibilities to our tenants, particularly providing safe homes. However, we recognise we can do more to listen to your feedback while we improve our services, and to understand what is most important to tenants and use their ideas and suggestions.

# Listening to our tenants

We offer a range of ways for tenants to get in touch with us about housing, whether that be about repairs, ASB, moving home, or general enquiries. We answered over 180,000 calls, emails, messages and in-person visits in 2024-25:

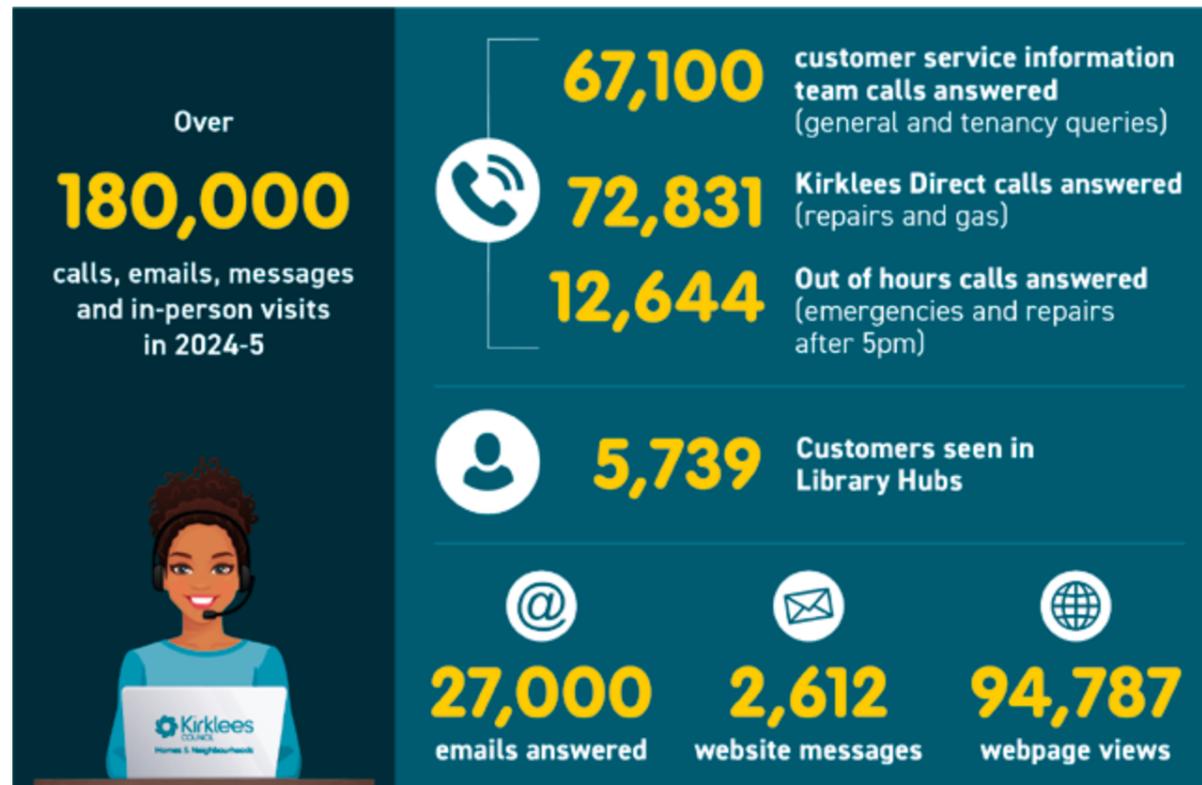
- customer service information team calls answered (general queries, tenancy queries): 67,100
- Kirklees Direct calls answered (Repairs & Gas): 72,831
- out of hours calls answered (emergencies and repairs after 5pm): 12,644
- emails answered: 27,000
- website messages: 2,612
- customers seen in Library Hubs: 5,739
- KHN webpage views: 94,787.



Calls about repairs make up most of our contact from tenants. As we continue to put our new repairs process in place less tenants will feel the need to call to check-in, as we will update them more regularly on the progress of repairs.

We have continued working on our website and policies, so tenants can access the information they need easily and at any time. Our Service Standards and policies have been regularly updated to help tenants understand what the council is responsible for and what they can expect from us. We will keep updating our policies and standards in 2025-26 to make sure they meet accessibility standards, and to keep tenants updated on any changes such as the planned introduction of the new tenancy agreement. We updated 24 pages on our website last year to make them as accessible as possible.

Read our [Homes and Neighbourhoods policies and procedures](#).



# Complaints

We received 772 Stage 1 complaints in 2024-25, 54 less than last year. We received less complaints because of our improvements to the repairs service. However, repairs are still the most common reason that people complain, accounting for 60% of all complaints. We will continue to improve our repairs service to reduce complaints in this area. Our most common reason for complaints were:

- damp, mould and condensation (DMC) (78) 10.1%
- general repair – e.g., repair left incomplete, or quality of workmanship (74) 9.6%
- attitude and behaviours of staff (42) 5.4%
- timescales of repair (40) 5.1%
- roof leaks (35) 4.5%.

Every complaint is an opportunity to learn and improve. More complaints than before were escalated to Stage 2, and we know we need to resolve issues earlier. Complaints about Housing Management, particularly about Anti-Social Behaviour and Domestic Abuse, often escalated to Stage 2. We reviewed our policies in this area in March 2025 and implemented new case handling audits, so that when issues are reported to us, we have assurance the cases are handled better. Managers will receive additional support to resolve complaints as soon as they are received, and to make sure that if we agree to do something to resolve a complaint at Stage 1, this is followed up quickly.

The Housing Ombudsman issued 21 decisions on our cases this year, with findings of maladministration in 65% – an improvement on last year but still too high. By putting things right early and following through on our actions when someone complains, we aim to reduce Ombudsman enquiries in 2025-26 and reduce the rate at which we are found to be at fault.

Our [Annual Complaints Performance and Service Improvement Report 2024-25](#) gives details about our complaints this year and our plans to improve.



# Compliments

Compliments are up 30% to 125 this year, we're always happy to receive positive feedback. It's important that we know what tenants think we are doing well so we can learn from any improvements we have made and consider how to apply these across the service. We hope to get more of this feedback next year through our engagement work.

Most of our compliments (59%) were for good customer service and going above and beyond what was expected (27%). Our repairs team received the most compliments (40%), with lots of feedback that staff are polite, explain things, clean up well after their work. We are encouraged that changes in this area are being felt by our tenants and will continue to improve.

## Your rights and our responsibilities

It's important to us that tenants know their rights, and both our responsibilities to them and their responsibilities as tenants. Building on our work on setting clear service standards, we have worked hard to update our policies this year, so tenants know what to expect from us and what to do if we don't meet these expectations. We will continue to update our policies next year and focus on getting input on what they think about any changes, and anything they think should be included.

Our service standards include:

- repairs
- access
- getting involved
- using the property
- anti-social behaviour
- flats, maisonettes, shared areas
- animals
- vehicles
- damp, mould, and condensation
- Right of Review and the role of the courts
- leaving – ending your tenancy.

We also have 19 published strategies and policies. All our standards and policies can be accessed online on [Homes and Neighbourhoods policies and procedures](#).

## Get involved

This year we launched our tenant voice strategy. This strategy sets out Kirklees Council's continued commitment to engage with tenants, to involve tenants in the decisions which affect their homes, communities and to improve the delivery of housing services. The strategy explains how the council will involve tenants by providing a range of genuine and meaningful engagement opportunities that are accessible to all, making it easier for more people to 'get involved' and to influence how housing services are delivered.

Read more about our ['Get involved' council housing tenant voice strategy October 2024](#)

Please get in touch if you want to find out more on: office telephone: **01484 414886** or email:

[HN.GetInvolved@kirklees.gov.uk](mailto:HN.GetInvolved@kirklees.gov.uk)

In the coming year we want to build on this work engaging with tenants. We will launch a tenant engagement framework so our services can focus on listening to their thoughts and concerns. Tenant engagement helps to ensure we're getting the basics right by providing early feedback on issues, highlighting your priorities, and building trust. This ensures quick service delivery, compliance with standards, better use of resources, and stronger relationships with our tenants. Engagement will highlight what tenants truly value and help us prioritise where to spend and improve. A dedicated Tenant Voice team will be set up to support our services and tenants with surveys, workshops, forums, communications and other engagement routes. We will rebrand and redevelop our engagement offer to ensure the information we offer to encourage engagement is clear, accessible and effective.

## Tenant and Resident Associations (TRAs)

TRAs are grassroots groups working to improve your local area - campaigning for better services and running community activities. Kirklees supports them through grants and resources.

### The current active TRAs in Kirklees

Name of TRA	Areas covered
Soothill Residents Association TRA	Batley
Birstall Central TRA	Birstall
Beech and Elm TRA	Heckmondwike
Wilton TRA	Birstall/Batley
Windybank TRA	Hightown, Liversedge
Pilgrim Action Group	Dewsbury Moor
Scouthill TRA	Dewsbury
Shaw Cross TRA	Dewsbury
Smithy Parade community place and TRA	Thornhill
Northstead and District TRA	Ravensthorpe
Eastborough and Town Community Group	Dewsbury
Schoolcroft TRA	Dewsbury Moor
Salendine Nook TRA	Salendine Nook, Hudds
Longfield and Ridgeway TRA	Dalton, Hudds
Town and Springbank TRA	Leeds Road, Hudds
Newsome TRA	Newsome, Hudds
Drop By TRA	Golcar, Hudds
Deacon Close TRA	Meltham, Hudds
Roundway TRA	Honley, Hudds
Woods and Carrs TRA	Marsden, Hudds



This year we supported the residents of Windybank TRA to set up a volunteer led 'Stay and Play' sessions at Windybank Community Centre. Local families identified there were no similar sessions available to them in the area, so they led the way in setting this up themselves.

Through the Social Investment Fund, £1,955.46 was awarded to the group to support with room hire, equipment, and refreshments.

The sessions have:

- enabled children, parents, carers and volunteers to develop friendships and interaction amongst babies, toddlers and children
- reduced social isolation amongst parents
- provided a varied range of structured activities which have been key in supporting and extending children's learning and development
- provided local support networks for parents.

Anyone interested in joining a TRA, or can't see one in their area and would like to set one up, contact [Your Voice - Your Home: Get involved](#) for advice and support.

Next year we will develop and publish a TRA handbook so tenants have all the details they need to get a TRA started and information on how TRAs can be used to benefit their local communities and shape council services.

## Influence our decisions

We recognise that we need to improve how we engage with our tenants to understand the issues that are important to tenants and how we can improve our services to meet their needs. We have increased the ways that tenants can get involved by providing them with feedback and helping us think differently about how services can be shaped. Whether they've got five minutes or a few hours, these are the different ways tenants can get involved.

### Surveys and consultations

We will publish short, accessible opportunities to share feedback on services and policies, helping us track tenant satisfaction and set service priorities. We have run a few of these short consultations so far, and plan to use them more going forward to make sure we are delivering on your priorities. So far, we have run quick surveys on:

- the revised tenancy agreement
- garden maintenance
- real time repairs text feedback
- repairs service redesign survey.

In 2025-26 we will run two TSM surveys instead of one to understand how our work is improving our service to tenants and to get feedback on how tenants feel we are delivering for them.

### Become a Champion

- Street Voice Champion – provide a vital link between tenants and the council by sharing information with neighbours, speaking to them about local issues and feeding back views so that we can understand what local priorities are.
- Fire Safety Champion – help raise awareness and safeguard communities by feeding back to the council any concerns in their block relating to fire safety, and by taking part in block inspections to monitor communal areas ensuring they are well kept and safe.

## Neighbourhood Forums – Quarterly Events

Held four times a year, these forums bring together TRAs, Street Voices, and Fire Safety Champions to spot local issues, set priorities, and shape housing services. By attending, tenants will also have the opportunity to learn about other council services.

They will have the opportunity to speak with teams such as Repairs, Damp & Mould, Employment Support, Money Advice, Housing Management, Income Management, Fire Safety and Building Safety. These teams will provide information on what they do, how they can help tenants, and give feedback on how they can deliver services in a way that is best for tenants.

These are some of the topics that have or will be discussed at Neighbourhood Forums:

- fire safety
- damp, mould and condensation
- neighbourhoods
- anti-social behaviour
- older/younger intergenerational living and allocations policy
- voids (empty properties).

### Join the Tenant Led Panel

Tenants can be a part of our formal governance structure. This means they will be a key part of ensuring our services are running like they are supposed to and can have their say about how they will be run in the future. Tenants meet monthly with councillors and senior officers to influence policy decisions, monitor performance, and ensure tenant views are heard at the highest level.

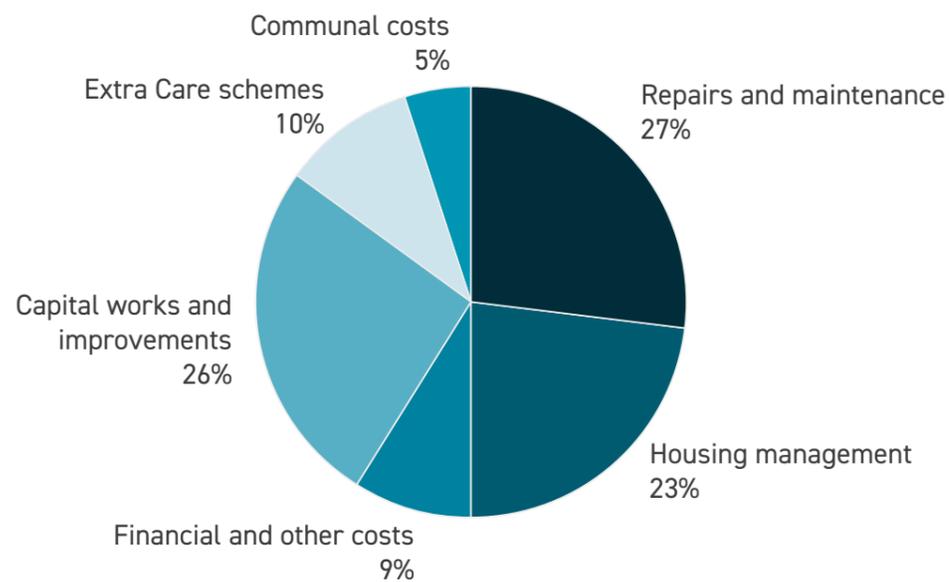
Read more about signing up to any of the above and get updates on our engagement work at: [Your Voice – Your Home: Get involved](#).



# How your rent was spent in 2024/25

In 2024-25 we received £95,351,425 in rent from our tenants. We only use tenants' rent to support, manage, maintain, improve, and build council homes – never for other council services.

- **Repairs and Maintenance: 27p of every £1** was used for the essential upkeep and repairs of council houses, ensuring they are safe and comfortable. We spent more on repairs and maintenance than last year as we invested to improve our performance dealing with damp, mould and condensation, and fire safety.
- **Housing Management: 23p of every £1** went towards staffing costs that pay for the people providing services to you, including Housing Management Officers, Managers, Caretakers, and many more.
- **Financial and Other Costs: 9p of every £1** was spent managing the housing budget. This includes interest on any borrowing used to deliver investments, any bad debt the council can't recover, and offsetting the cost of inflation on our services.
- **Capital Works and Improvements: 26p of your £1** is set aside for updating older homes and facilities to modern, decent, standards. This includes major works like high-rise redevelopment, fitting kitchens and bathrooms, and rewiring homes.
- **Extra Care Schemes: 10p of every £1** is used to provide services for older people who need help to live independently.
- **Communal Costs: 5p of every £1** is spent on rechargeable communal costs. This includes things like garden maintenance, where the council expects to be able to recover the cost through a service charge.



We expect to spend similarly in 2025-26, with allowance for slightly more spending on Repairs and Maintenance and Housing Management costs to continue to address important areas like Anti-Social Behaviour, Damp and Mould, and Fire Safety.

- Repairs and Maintenance: 29p
- Housing Management: 24p
- Financial and Other Costs: 10p
- Capital Works and Improvements: 22p
- Extra Care Schemes: 10p
- Communal Costs: 5p.

## Our management team

Our Senior Management Team is:

**David Shepherd**, Executive Director for Place

**Janet Sharpe**, Interim Service Director, Homes and Neighbourhoods

**Lisa Ramsden**, Head of Housing Management and Partnerships, Neighbourhood and Community Standard

**David Brook**, Head of Repairs and Maintenance, Safety and Quality Standard

**Jacqui Fieldhouse**, Head of Finance (Housing Revenue Account), Tenancy Standard



# How to contact us

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Instagram: [@KirkleesHN](https://www.instagram.com/KirkleesHN)

Facebook: [@KirkleesHN](https://www.facebook.com/KirkleesHN)

Website: [www.kirklees.gov.uk/Council-housing](http://www.kirklees.gov.uk/Council-housing)

To make sure we can contact you for essential news and updates, **please make sure your records are kept up to date.** If your details have changed, contact our Customer Support and Information team on the details above.

We want to share more news with tenants more regularly. Sign up to our [Homes & Neighbourhoods tenant newsletter](#) for more regular good news and important updates.

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**REPORT TITLE: Local Transport Plan Approval**

<b>Meeting:</b>	<b>Cabinet</b>
<b>Date:</b>	<b>10<sup>th</sup> February 2026</b>
<b>Cabinet Member</b>	<b>Cllr Moses Crook</b>
<b>Key Decision Eligible for Call In</b>	<b>Yes Yes</b>
<p><b>Purpose of Report</b></p> <p>The purpose of this report is to seek Cabinet approval of the West Yorkshire Combined Authority (WYCA) Local Transport Plan (LTP4), to support formal adoption by the Mayor at the Combined Authority meeting on 19<sup>th</sup> March 2026. LTP4 will be the new statutory Local Transport Plan for West Yorkshire, the last plan being the West Yorkshire Transport Strategy - 2040 which was adopted in 2017.</p>	
<p><b>Recommendations</b></p> <ul style="list-style-type: none"> <li>• That Cabinet note the contents of this report, and the attached LTP4 document (Appendix A) and LTP4 Consultation report (Appendix B).</li> <li>• That Cabinet approve LTP4 to support adoption by West Yorkshire Combined Authority.</li> </ul> <p><b>Reasons for Recommendations</b></p> <p>Cabinet approval:</p> <ul style="list-style-type: none"> <li>• Supports WYCA in compliance of the Transport Act 2000 and Local Transport Act 2008.</li> <li>• Demonstrates alignment between Kirklees’ Transport Strategy and WYCA’s wider Transport and Highways objectives and strategic policies</li> <li>• Supports future funding streams for delivery of transport projects across Kirklees which will support the wider council aims and objectives.</li> <li>• Provides a clear mandate for integrated delivery through partnership with WYCA and neighbouring districts.</li> <li>• Helps to progress our commitment to Vision Zero, the development of Mass Transit, and the roll out of Bus Franchising across Kirklees.</li> <li>• Ensures compliance with the Council’s Article 4 constitutional requirement</li> </ul>	
<p><b>Resource Implications:</b></p> <p>There is no additional resource requirements associated with the adoption of LTP4 for Kirklees Council.</p> <p>LTP4 will underpin a pipeline of approximately £2.1bn of future transport investment within West Yorkshire as part of the Single Settlement. Kirklees is a key delivery partner in the programme of transport projects which are expected to draw down this funding. Local contributions towards individual projects which follow the adoption of LTP4 may be expected</p>	

but this is not the subject of this report, and future reports regarding any funding contribution would come to Cabinet as required.

The external funding provided by the Single Settlement will support the delivery of schemes which are central to the council's recently adopted Kirklees Transport Strategy.

<b>Date signed off by <u>Executive Director</u> &amp; name</b>	David Shepherd – 20/01/26
<b>Is it also signed off by the Service Director for Finance?</b>	Kevin Mulvaney – 20/01/26
<b>Is it also signed off by the Service Director for Legal Governance and Commissioning (Monitoring Officer)?</b>	Samantha Lawton – 20/01/26

**Electoral wards affected: All**

**Ward councillors consulted: Yes**

**Public or private: Public**

**Has GDPR been considered? Yes.** No personal data.

## **1. Executive Summary**

The WYCA Local Transport Plan (LTP4) sets out the statutory framework for delivering a safe, integrated, reliable, and sustainable transport system across West Yorkshire. It replaces the previous West Yorkshire Transport Strategy 2040 and reflects major changes since 2017

Approving LTP4 will ensure Kirklees' transport priorities are fully aligned with regional objectives and statutory requirements. It provides a clear mandate for partnership working with the West Yorkshire Combined Authority (WYCA) and neighbouring districts, enabling integrated delivery of schemes that support economic growth, social inclusion, and climate action.

LTP4 underpins a £2.1 billion Single Settlement for transport investment across West Yorkshire. Approval will strengthen Kirklees' position as a key delivery partner, securing access to future funding for projects that align with the Council's recently adopted Transport Strategy.

Failure to endorse LTP4 could lead to misalignment between the Local Transport Authority, other districts and Kirklees on matters of transport policy and investment of current and future transport schemes.

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

Under the Transport Act 2000 (as amended by the Local Transport Act 2008), all transport authorities must publish a Local Transport Plan (LTP). In West Yorkshire, formal adoption is the responsibility of WYCA – but securing endorsement from each

district authority, including Kirklees, ensures alignment of local and regional transport priorities and supports joint accountability and delivery mechanisms.

The current LTP evolves from the previous West Yorkshire Transport Strategy 2040, adopted in 2017. Since then, significant structural changes have occurred, notably the devolution deal, the first West Yorkshire Mayor, and steps toward a single transport funding settlement. The region has also declared a climate emergency, committing to net zero carbon by 2038 and embedding Vision Zero road safety goals. These developments shape the policy direction and rationale behind the new LTP4

LTP4 articulates a vision to develop a sustainable, integrated transport system that supports economic growth, social inclusion, and environmental objectives. It is structured around six guiding principles: Integrated Transport, Inclusive & Affordable, Reliable & Resilient, Safety, Active Travel, and Zero Emission – each tied to a series of measurable ambitions and targets.

Funding is underpinned by a £2.1bn Single Settlement for West Yorkshire, distributed via WYCA and subject to agreement with the Department for Transport (DfT).

Kirklees Council has recently adopted a district wide transport strategy which was developed at a similar time to LTP4. The Kirklees Transport Strategy sets out a shared vision for transport in Kirklees and a policy framework to deliver a more inclusive and sustainable transport network, transforming travel options for all. This vision and policy framework closely align with the six-policy Weaver Network approach, reinforcing coherence and synergy between the local and regional strategies.

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

#### **3.1 Council Plan**

The new Local Transport Plan supports the Council Plan priorities for sustainable growth, connectivity and climate action

#### **3.2 Financial Implications**

There are no direct costs to Kirklees associated with adopting LTP4. The Council has existing resources which support the development and delivery of current WYCA-funded transport schemes. This resource will remain in place to help deliver LTP4.

LTP4 underpins £2.1bn Single Settlement for transport investment across West Yorkshire, the distribution of this funding and the level of local contribution is subject to ongoing liaison between the district and WYCA, and between WYCA and DfT. Projects, values and levels of contribution are expected to be agreed during the 26/27 financial year.

#### **3.3 Legal Implications**

The Council is the constituent member of the West Yorkshire Combined Authority.

WYCA is the statutory Local Transport Authority under s108(4) of the Transport Act 2000 and is responsible for producing and adopting the local transport plan under s108(1) of the Transport Act 2000.

Article 27 of the West Yorkshire Combined Authority (Election of Mayor and Functions) Order 2022 provides that LTP's are only exercisable by the Mayor for West Yorkshire.

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

LTP4 includes measures to reduce emissions and promote sustainable transport supporting the council's Net Zero ambition.

### 3.5 **Risk, Integrated Impact Assessment (IIA)**

There are very limited risks associated directly with the recommendation to approve the Local Transport Plan. The individual projects and initiatives that will follow in due course will be subject to development and approvals where required, which will fully consider the risks and impacts associated with each proposed intervention.

Approval and endorsement across all districts will strengthen partnerships with West Yorkshire Combined Authority and neighbouring districts.

WYCA is responsible for the formal adoption and responsibility for completing any necessary integrated impact assessments.

## 4. **Consultation**

The Combined Authority has undertaken extensive consultation activities on the development of LTP4.

The analysis (see Appendix B) summarised consultation findings across the six Weaver Network Principles that form the policy framework of the Local Transport Plan. A summary of the findings against each policy principle is provided below:

**Integrated Transport** - respondents strongly support creating a more integrated transport system, particularly integrated fares / ticketing and better network integration. Integration must be built on reliable, affordable services. There was less support noted for branding and wayfinding.

**Inclusive and Affordable** - inclusivity and affordability attracted widespread backing, especially for affordable fares and removing barriers. People want a network that works for rural communities, low-income households, and those with reduced mobility, ensuring cost and accessibility go hand in hand.

**Reliable and Resilient** - service reliability emerged as a top priority. Strong support was expressed for traffic signalling improvements and better network management. Respondents stressed that dependable services and accurate information are essential for trust and confidence.

**Safety** - safety was one of the most universal themes, with high support for safer streets and personal security. Feedback highlighted the need for well-lit public spaces, improved infrastructure design and visible staffing.

**Active Travel** - broad support for active travel policies, particularly better-connected neighbourhoods and joined-up facilities. Success depends on addressing physical, cultural, and safety barriers to make walking and cycling practical and more appealing.

**Zero Emission** - strong support for zero emission principles, especially zero emission public transport and the reducing harmful impact or poor air quality. Respondents called for a fair, practical transition, equitable charging infrastructure, and attention to broader environmental impacts.

Following the consideration of feedback, recommendations, the post-consultation draft of the Mayor's West Yorkshire Local Transport plan has been strengthened across the following areas:

- **Climate adaptation and biodiversity** – amends to several policies to explicitly reference climate change or green and blue infrastructure, for example making specific reference within policy RR9 Asset Management and resilience.
- **Accessible and inclusive transport, including access for vulnerable groups** – improve language across policies to bring out 'inclusivity' element. This includes reference to accessible tickets within Policy 17 Integrated fares and tickets.
- **Cross boundary connections** – amend to wording in Policy 19 to recognise opportunities to work together with neighbouring authorities and regions.
- **Safety – safety to be acknowledged more explicitly across policies** such as Policy 11 Investment in Transport Interchanges.

## 5. Engagement

District officers have been engaged throughout the development of the draft document, consultation, policy wording and the final document. This has included:

- **LTP4 co-development group and Chief Highways Officers.** Officers from Kirklees Council attended the fortnightly meetings with the Combined Authority and other West Yorkshire districts to review policy development and agree next steps.
- **WYCA-led workshop with technical officers from across Kirklees** Council to develop and refine policies during the draft consultation stage
- **WYCA Transport Committee and West Yorkshire Combined Authority Meetings.** Transport Committee has helped shape the Plan throughout this process. At its meeting in April 2025 the Combined Authority approved a statutory twelve-week public and stakeholder consultation in summer 2025 on the proposed policy and interventions framework for the new Mayor's West Yorkshire Local Transport Plan. The Combined Authority endorsed the proposed policies and implementation approach for consultation at its June 2025 meeting. Transport Committee received an update on 29 October following the close of the statutory consultation detailing the approach to consultation.
- **Member focussed events.** These sessions were led by WYCA on LTP4 and included
  - Online webinar for all WY ward councillors was held on 24<sup>th</sup> July 2025
  - Kirklees specific resident drop-in sessions were held in Huddersfield on the 17<sup>th</sup> September and in Dewsbury on the 8<sup>th</sup> October 2025

Other activity has included: 13 Focus Groups with a total of 69 participants; and a total of 51 engagement session with Voluntary, Community, Faith and Social Enterprise (VCFSE) groups involving 1,271 participants.

The above activities were supported by a programme of 40 public events across West Yorkshire to reach into communities and encourage people to respond to the consultation. Together these events reached over 900 people.

Please refer to Appendix B for further detail regarding the consultation and engagement activity undertaken by WYCA.

## **6. Options**

### **6.1 Options considered**

1. To approve LTP4, ensuring alignment and partnership across West Yorkshire, supporting future transport project funding. Recommended.
2. Not to approve LTP4. If LTP4 is not approved, consequences would include:
  - Reduced future funding streams for delivery of transport projects across Kirklees which will support the wider council aims and objectives.
  - Lack of a clear mandate for integrated delivery through partnership with West Yorkshire Combined Authority and neighbouring districts.
  - Less alignment between Kirklees and WYCA on progress our commitment to Vision Zero, the development of Mass Transit, and the roll out of Bus Franchising across Kirklees.
  - Non-compliance with the Council's Article 4 constitutional requirement.

### **6.2 Reasons for recommended option**

Endorsement aligns Kirklees' Transport Strategy with regional objectives and supports WYCA in meeting its statutory requirements. It provides access to significant transport investment funding (£2.1bn single settlement). Provides material weight and evidence base for planning and decision making. It will support integrated delivery and council priorities.

The plan is the result of extensive consultation and engagement by WYCA, reflecting local needs.

## **7. Next steps and timelines**

Formal adoption by West Yorkshire Combined Authority: 19<sup>th</sup> March 2026

## **8. Contact officer**

Ilyas Ramjan, Head of Major Projects, Kirklees

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

WYCA Transport Committee 29<sup>th</sup> January 2026 [WYCA - Modern Gov](#)

## 10. Appendices

Appendix A - WYCA Local Transport Plan 4 Document

[Item7Appendix1ThepostconsultationdraftMayorsWestYorkshireLocalTransportPlan.pdf](#)

Appendix B - WYCA Local Transport Plan 4 Consultation Summary Document

[Outcome Report](#)

## 11. Service Director responsible

David Wildman, Service Director for Skills & Regeneration

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