



We've got less money, so  
we've got to think

**Cllr Graham Turner**  
**Portfolio holder for**  
**Asset Strategy,**  
**Resources and**  
**Creative Kirklees**

### **The purpose of this document is:-**

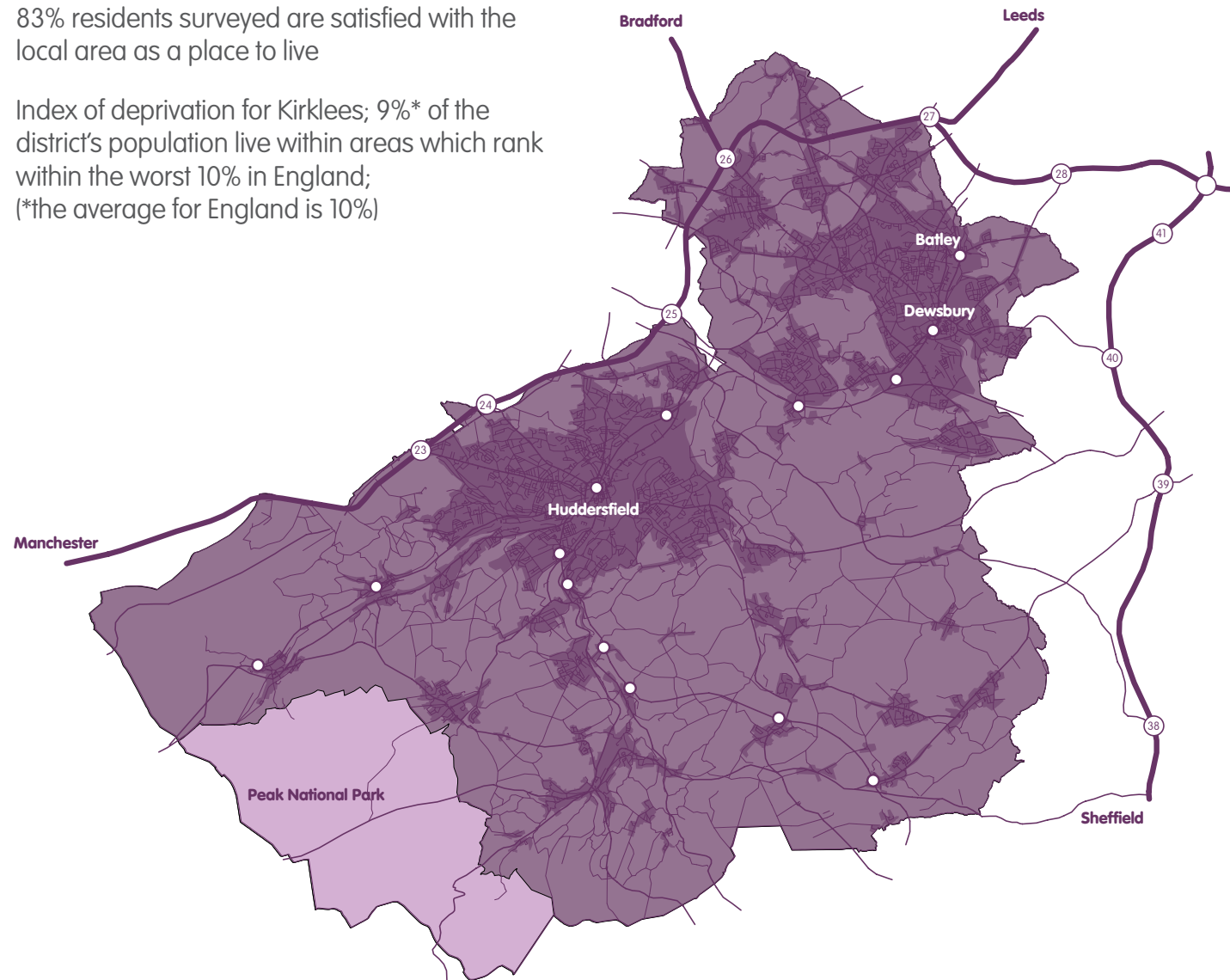
- respond to the Department of Local Government & Communities Letter of the 10 March 2016 inviting Local Authorities to submit efficiency plans in order to achieve greater certainty and confidence from a 4 year budget
- confirm Kirklees request for funding certainty over the next 4 years (2017-21)
- to restate our cross party principles for resource allocation outlined within the 2016 corporate plan
- to restate our New Council Target Operating Model & how this helps to shape resource decisions
- to outline the scale of the financial challenge over the next 4 years
- to outline the transformation initiatives being progressed and driving forward  
how these provide benefit to the council and communities  
how we are collaborating with public sector partners
- to outline our approach to responding to the financial challenge.

# Kirklees – key characteristics

The Council serves one of the larger Districts in England and Wales, both in terms of population and geographical area, and this, along with other key characteristics of the Kirklees District, are summarised below :

- 431,000 residents, and is projected to increase by 6% overall to 459,000 by 2024; includes 18% projected increase in over 65's, to 86,700
- Kirklees ranks eleventh out of 348 districts in terms of population, in England and Wales
- Population by ethnic group; 79%\* White, 16% Asian or British Asian, 5% Other (\*England & Wales average 86%)
- 3rd largest metropolitan district in area; covering 157 square miles
- 173,000 households, of which about 67% are owner occupied, and 12% Council rented. Households are projected to increase 20% by 2024, to 210,000.
- Manufacturing accounts for 19%\* of all employment in the District (Great Britain average is 8%). The next largest employment sectors in the district are health at 14%, retail at 12% and education at 11%.
- Average median gross weekly earnings for Kirklees residents is £362; lower than the Great Britain average of £405.

- 69 Local Councillors serve 23 wards; current minority Labour administration
- 83% residents surveyed are satisfied with the local area as a place to live
- Index of deprivation for Kirklees; 9%\* of the district's population live within areas which rank within the worst 10% in England; (\*the average for England is 10%)



# Our cross party principles

Kirklees Council is a balanced council with no overall control and a leading Labour Administration. All five political parties – the Labour Party, the Conservative Party, the Liberal Democrat Party, the Green Party and the Valley Independent Party – have agreed the following 12 cross party principles to lead the Council's approach to the further budget reductions necessary to balance the books over the next three years.

All the party's believe that the transformation to a New Council necessitates clear agreement between them on overarching principles and they have agreed those as follows:

1. Sustainable jobs and homes are crucial to the economic and social wellbeing of local people. We will create conditions where business and wealth grow naturally and is retained in the district. We will deliver new homes through a mix of social and private developments.
2. The Council should be a facilitator for communities, and with respect to all services, local people will need to do more for themselves and each other. This will help to sustain services for local people.
3. People are more important than buildings. We will sell, transfer or exchange assets, dependent on sound and practicable business cases, taking into account financial and social value. We will use any cash value to sustain future investments in our priorities.
4. We must provide a safety net for the most vulnerable, as well as seeking to close long standing economic and health and wellbeing inequalities within the district.
5. A consistent level of basic services will be available to residents across the district, but at a lower level than now.
6. The working poor, the frail elderly and children at risk of abuse are high priority groups.
7. We will raise income from services where we can make a direct contribution to the funding of other services. We will be mindful of the market and the local mixed economy. We will establish partnerships with appropriate private companies and community organisations to maximise income from the Council estate.
8. We will share services with our neighbours where they adopt principles consistent with those set out here.
9. We will seek to work with partners and devolved bodies, including schools, to improve the life chances for young people across the district.
10. We recognise that partners have access to funds that the Council does not and that the Council's role may not be to lead but to work in genuine partnerships to achieve shared objectives.
11. The Council should encourage locally owned and managed businesses to ensure money remains within the local economy.
12. Devolution should be, as far as possible, to communities. We will ensure governance arrangements are in place and local councillors are actively involved and clearly accountable.



# Our vision

1

Supporting vulnerable people and helping them to stay in control of their own lives

2

Focusing resources on things that only the council can do

3

Supporting individuals and communities to do more for themselves and each other

To deliver this vision with much more limited resources we have developed a target operating model. This sets out 10 key capabilities which the council will need to have in the future. We describe this as **new council**.

new  
council

1. protects vulnerable people with a consistent focus on prevention and early intervention across all service areas. (EIP Theme).
2. creates the conditions where businesses and wealth grow naturally and are retained in the district. (ER Theme)
3. successfully facilitates and enables individuals and communities to do more for themselves and each other.
4. has effective access channels in place that best meets user requirements and expectations.
5. continuously uses intelligence, insight and data to inform service design and improvement.
6. routinely collaborates with public, private and third sector organisations to deliver shared ambitions for Kirklees and the wider region.
7. understands the cost-benefit of all services, whether delivered directly, or via third party providers.
8. has staff with the skills, behaviours and competencies needed to be modern, flexible and productive.
9. has standardised and integrated corporate processes and centres of excellence in core functions.
10. innovates and develop new delivery models, including more commercial models, to best meet the outcomes it aims to achieve.

[Link to full document can be accessed by clicking here](#)

# What's the scale of the challenge?

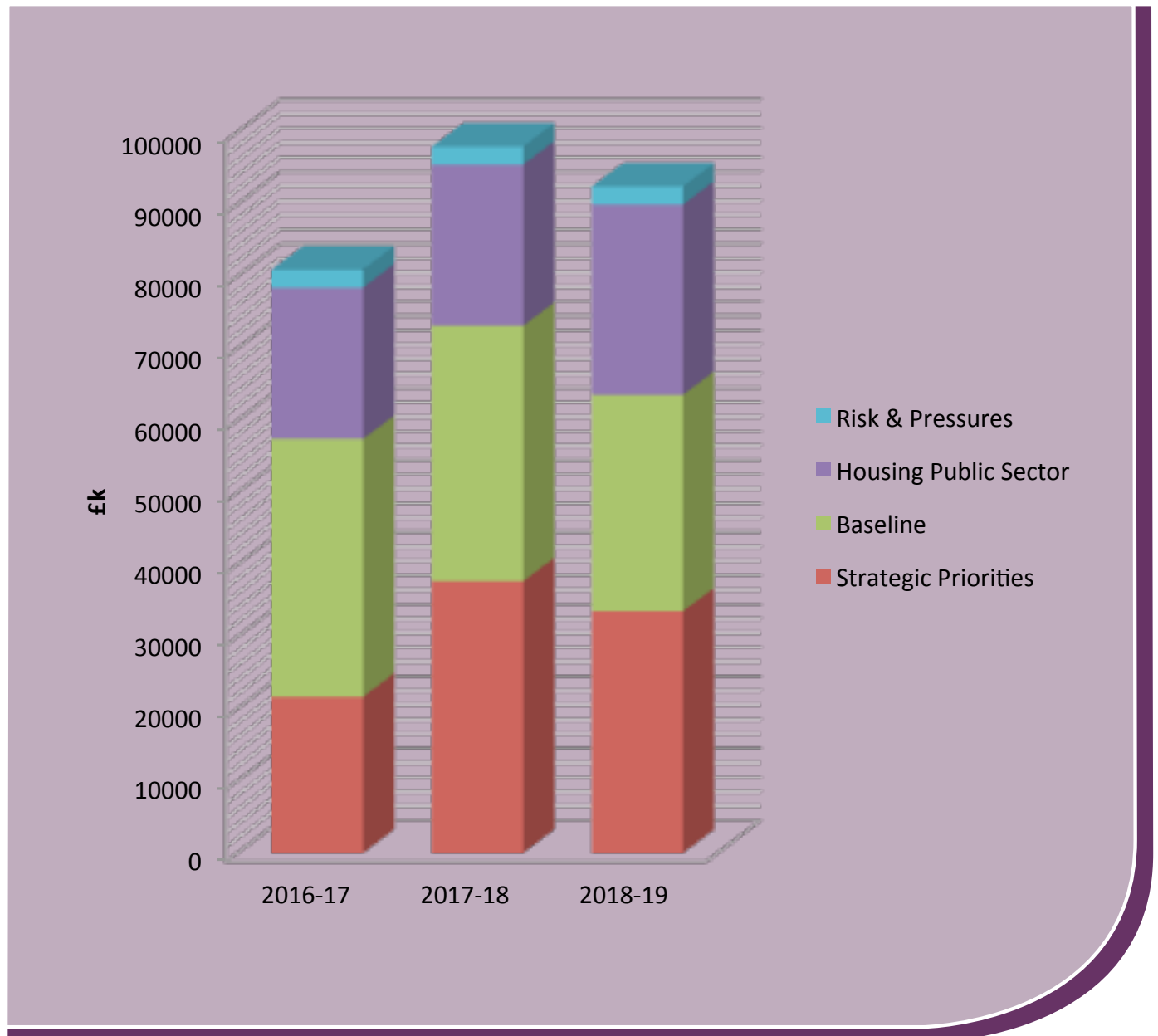
<b>General Fund</b>	<b>17-18</b>	<b>18-19</b>	<b>19-20</b>	<b>20-21</b>
<b>FUNDING AVAILABLE</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Current plans 2016 - 20	(285)	(281)	(280)	(280)
MTFP Update; baseline review	0	0	0	3
<b>Updated funding available</b>	<b>(285)</b>	<b>(281)</b>	<b>(280)</b>	<b>(277)</b>
<b>SPENDING ALLOCATION</b>				
Current plans 2016 - 20	302	311	318	318
MTFP Update; baseline review	11	11	13	24
<b>Updated spending allocation 2017-21</b>	<b>313</b>	<b>322</b>	<b>331</b>	<b>342</b>
<b>Budget Gap</b>	<b>(28)</b>	<b>(41)</b>	<b>(51)</b>	<b>(65)</b>
<i>(original Budget Gap MTFP 16-19)</i>	<i>(16)</i>	<i>(30)</i>	<i>(38)</i>	<i>(38)</i>
Early savings proposals - inflation, baseline capital review and additional BCF	(3)	(12)	(20)	(24)
<b>Remaining Budget Gap</b>	<b>(25)</b>	<b>(29)</b>	<b>(31)</b>	<b>(41)</b>





# Capital Investment Plan 2016-19

- ✓ Despite the financial challenges we continue to plan for investment & strategic priorities
- ✓ We have set aside resources for maintaining our existing asset portfolio
- ✓ We are also investing in our housing stock to maintain decent homes standards and investment in extra care housing which underpins our service strategy for older people.



# Our achievements to date

- ✓ We've cut central services by 49%
- ✓ We are spending 15% less since 2010 – that's over £100 million already gone
- ✓ Case study exemplar cited by DCLG in "Good Practice in Local Government Savings " Dec 2014
- ✓ Developed a 'One Council' approach to procurement, payroll, HR and other corporate services
- ✓ Greatly reduced our numbers of office buildings and contact points
- ✓ Reduced senior management and consolidated business support

# How is the council transforming

## Supporting vulnerable people and helping them to stay in control of their own lives

### Housing

---

Merger of the Council's Building Services Operations with Kirklees Neighbourhood Housing Ltd (an Arms Length Management Organisation & a local authority wholly owned 'Teckal' company) to create;

- ✓ An effective and efficient customer focused housing management and maintenance services which enable investment in strategic priorities.
- ✓ Improved value for money and efficiencies freed up to generate trading income
- ✓ Long term asset planning to ensures we have fit for purpose, decent homes and maximises the value of council housing for our communities
- ✓ Flexibility for the existing or any new organisation to have the opportunity to grow.
- ✓ An organisation which can support the Council's long term strategic outcomes

On the 17 October 2016 a new organisation will begin which will signal the start of a new 20 year housing management and maintenance agreement.



## Developing childrens and young peoples services

### Childrens social care

---

#### Four key priorities

- ✓ Recruitment and retention
- ✓ More effective "Front Door"
- ✓ Improving placement quality
- ✓ Embedding a performance culture to improve outcomes
- ✓ Focussing on providing the right support at the right time using our Early Intervention and Prevention approach

### Transforming adult social care

---

- ✓ "avoid, delay, reduce" approach
- ✓ Greater integration with the NHS to improve outcomes and align with BCF funding opportunities
- ✓ Continued/intensified focus on self care, community capacity and lower cost support options (assistive technology, extra care etc)
- ✓ Use of systems thinking and agile working to manage flow and outcomes
- ✓ Participating in the West Yorkshire Sustainability and Transformation Plan

## focusing resources on things that only the council can do

### Developing a new waste strategy

---

- ✓ Working with private sector partner to increase recycling rates
- ✓ Maximise benefits from energy from waste plant
- ✓ Reviewing policy including circular economy ideas



## Our approach to identifying further savings

A number of proposals are currently in development to close the budget shortfall. These proposals broadly fall into the categories shown below and corresponding savings targets are shown in the table on the next page

### Continued management action

---

- ✓ Scrutinise vacancies
- ✓ Procurement – contract management, supplier consolidation, minimise off contract spend etc.
- ✓ Increased productivity, reduced sickness level & reduced reliance on agency
- ✓ Tackle processes – hire to retire, procure to pay
- ✓ Review centrally held budgets

### Service redesign & changing customer expectations:-

---

- ✓ Customers – front door & out of office arrangements
- ✓ Review of services in the context of available resources
- ✓ Digital by design
- ✓ Mobile and Agile working
- ✓ Demand management

### Reprioritisation:-

---

- ✓ Review of capital spending priorities & associated treasury management costs
- ✓ Right size support functions to meet expectations of organisation

### Commercialise services where this makes sense:-

---

- ✓ To achieve full cost recovery
- ✓ Income generation opportunities

# Supporting individuals and communities to do more for themselves and each other

## Developing services which are digital by design

The Council has embarked on a Digital by Default transformation programme targeting every corner of Council operations, applying technology to deliver end to end, automated and self-service transformation of processes;

## Supporting our staff to be mobile and agile

This initiative is to move to a fully “Digital Workforce” to make almost all workers; mobile, agile, paperless and collaborative;

This will include Regional Collaboration through the Public Sector Network and Shared IT Infrastructure procurement

## Changing the relationship between the citizen and the state

Creating a different and more positive relationship with communities is central to the vision for our New Council.

This means the way we approach delivering services will change, from providing services to or for people to also focussing on how we can support and enable people to do more for themselves and each other. As a local authority we are learning how to work with the strengths of communities, their wealth of skills and willingness to make a difference. This will be key to managing a reducing demand on services, and supporting communities to remain resilient as budgets reduce.

The Council has successfully supported this approach through two international and innovative programmes funded by Bloomberg Philanthropies.

## Comoodle

---

- ✓ The idea for Comoodle came from community groups in Kirklees, who said that they could do far more if they had access to assets like equipment (stuff), expertise (skills) and buildings (space). The Council responded to this challenge by sharing assets such as vans, sports equipment, heaters and events equipment that can be idle, especially in evenings and weekends.
- ✓ Since May 2015, the Council has completed 120 'trades' with community groups. Overall, the project has supported 86 different community organisations to date, helping to support activities that over 8,000 people have benefitted from.

## Cities of Service

---

Cities of Service is an international network of local authorities who are committed to providing the conditions where volunteers support delivery and to make the most impact through their volunteering contribution. In 2014 Nesta and Cabinet Office funded Kirklees as 1 of 7 UK local authorities to implement these approaches.

Through Cities of Service we have ;

- ✓ developed our ability to mobilise citizens to our greatest challenges through developing the "I'm In" brand which has helped to recruit 10,066 potential new volunteers. We've also developed new ways of messaging citizens about ways they can help, including Voluntext with 1,410 people
- ✓ increased our capacity to measure the impact of working with volunteers
- ✓ found, targeted and supported the right volunteers to work with for different outcomes.

## Meeting the challenge - savings identified & shortfall

	2017-18 £m	2018-19 £m	2019-20 £m	2020-21 £m
Budget shortfall	25,392	29,612	31,704	41,949
Categorisation of savings proposals				
Continued management action	2,030	2,030	2,030	2,030
Service redesign & changing customer expectations	8,366	15,040	20,987	20,987
Reprioritisation	833	2,817	4,622	4,780
Commercialisation	1,418	1,811	2,186	2,186
subtotal	12,647	21,698	29,825	29,983
Savings to be identified	12,745	7,914	1,879	11,966



## Risk Assessment

- ✓ Demand on assessed services (adults & children) continues to grow
- ✓ Number of children looked after continues to increase
- ✓ Customer expectation increase & public satisfaction deteriorate – we don't shift individuals from being customers to becoming citizens
- ✓ Transformation plans do not realise the scale of ambition
- ✓ Improved better care funding doesn't flow from Clinical Commissioning Groups or is less than the sums factored into the Medium Term Financial Plan update
- ✓ Continue to experience challenges in delivery of savings (time & value)
- ✓ Income forecasts are not realised and funding position deteriorates further
- ✓ Service delivery failure & additional investment required