

Name of meeting: Cabinet
Date: 31st January 2017

Title of report: Council Budget report 2017-21; incorporating Capital, Treasury Management, General Fund Revenue and Housing Revenue Account.

Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Yes
Is it in the Council's Forward Plan?	Yes
Is it eligible for "call in" by Scrutiny?	No
Date signed off by Director and name	Debbie Hogg, 20 January 2017
Is it signed off by Director of Resources?	Debbie Hogg, 20 January 2017
Is it signed off by the Assistant Director – Legal, Governance & Monitoring?	Julie Muscroft, 20 January 2017
Cabinet member portfolio	Resources

Electoral [wards](#) affected: All

Ward Councillors consulted: All

Public or private: Public

1. Purpose of the Report

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

The structure of this report begins with an executive summary followed by a range of appendices. These are as follows:

Appendices

A	Key Points - Background & Information
	Section 1 - Capital
	Section 2 - Treasury Management Strategy
	Section 3 - General Fund Revenue
	Section 4 – Housing Revenue Account
B	General Fund & HRA Medium Term Financial Plan 2017-21 (revenue budget book)
C	Motion to Council (current draft)
D	Pay Policy Statement (i) to v)
E	Capital Investment Plan; spend and funding summary 2017-22 (i) to vi)
F	Prudential Indicators
G	Treasury Management ; Investment Policy for 2017-18
H	Treasury Management ; Credit Ratings
I	Treasury Management Statement of Policy ;minimum revenue provision
J	Corporate Risk Matrix Summary
K	Budget Consultation exercise - summary
L	Council response to provisional financial settlement 2017-18

Key revenue budget proposals also make explicit reference to accompanying evidence available to members; namely officer led equalities impact assessments which have been undertaken on a range of budget proposals. This is to ensure that decision makers have due regard to the Council's equalities duties on key decisions taken through the budget process.

These are available on the Council's website as per the link below :

<http://www.kirklees.gov.uk/equalityassessments>

RESTRICTIONS ON VOTING

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

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

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

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

2. Summary

2.1 The report will:-

- (i) review the multi-year Plan for Capital Investment. The Cabinet is required under Financial Procedure Rules to recommend to the Council a multi-year Plan for Capital Investment
- (ii) review and approve the Treasury Management Strategy 2017-18, which the Council must consider before the start of the financial year to comply both with the Chartered Institute of Public Finance & Accountancy (CIPFA) Code of Practice on Treasury Management, and with Department for Communities and Local Government (DCLG) guidance on local authority investments issued in March 2010, requiring the Council to approve an Investment Strategy before the start of each financial year
- (iii) review the general fund revenue budget strategies over the medium term financial plan (MTFP), and budget proposals to achieve a balanced general fund revenue budget in 2017-18, and revenue budget plans for the following 3 years
- (iv) incorporate the Government's announcement on the Local Government Finance Settlement for 2017-18 and indicative government funding forecasts for the following 2 years (multi-year settlement), and consider the level of general fund revenue budget needed for Treasury Management and Central Contingencies
- (v) make recommendations on the Council tax requirement for 2017-18
- (vi) review the current levels of general fund revenue reserves and balances and make recommendations on the level of reserves
- (vii) review Housing Revenue Account (HRA) budget proposals to achieve a balanced HRA in 2017-18, and indicative revenue budget plans for the following 3 years
- (viii) review the current levels of housing revenue account reserves, and make recommendations on the level of reserves
- (ix) incorporate the Council's Pay Policy Statement for 2017-18
- (x) incorporate a statement of assurance from the Council's statutory s151 officer in relation to the adequacy of General fund and HRA reserves and the robustness of budget estimates.

3. Information required to make a decision

GENERAL FUND

- 3.1 The draft budget plans set out in this report reflect the continuing scale of the financial challenges facing the Council. This Council has been relatively dependent on Government funding. Revenue support grant funding, which has been reducing year on year since 2010 is forecast to end by April 2020. By this time, Government intends that all Councils will be relatively self-sufficient financially, in that funding to support our net general fund budget plans will be largely through a combination of council tax and 100% business rates retained locally.

- 3.2 Over the lifetime of the previous Parliament, there was an overall reduction of more than 40% in Government funding to the Council. It was anticipated that Government funding would reduce by a further 34% over the 2016-20 period. This was confirmed by the 23 November Autumn Statement and subsequent provisional funding settlement for 2017-18 and the following 2 years, announced by government on 15 December 2016.
- 3.3 The Council is, at the same time, the eighth lowest funded Council in the country, as measured by the Government's own spending power benchmark calculation, expressed as spend per head of the population (and second lowest of the 36 metropolitan authorities).
- 3.4 Government offered all councils who published an Efficiency Plan, 'reasonable certainty' regarding future year funding allocations set out in the financial settlement 2017-18, at least for the next 3 years. The Council's published Efficiency Plan 2017-21 was included as an Appendix to the budget strategy update report 2017-21, approved at full Council on 12 October 2016.
- 3.5 The provisional financial settlement for 2017-18 was reported to Cabinet on 17 January 2017, noting that it was subject to consultation (deadline for responses, 13 January 2017). The link to the relevant Cabinet report (agenda Item 14) is given out below :

[Agenda for Cabinet on Tuesday 17th January 2017, 4.00 pm | Kirklees Council](#)

- 3.6 The Cabinet report illustrated that 'reasonable certainty' was at best, Government re-affirmation of the level of funding reductions previously assumed in Council budget plans over the 2017-20 period. The report highlighted that as a result of a number of grant funding changes, the Council would be a further £10.9m worse off over the next 3 years, compared to pre-financial settlement forecasts. The Council's response to the 2017-18 provisional settlement is included at Appendix L.
- 3.7 There have also been a number of funding adjustments reflecting changing assumptions on funding availability from current budget plans, including the impact of the provisional financial settlement announcement 2017-18. These are summarised further below at Table 1, and illustrate a net funding reduction of £1.5m in 2017-18, increasing to £10.1m net funding reduction by 2020-21.
- 3.8 There have also been a number of significant cost adjustments from current budget plans over the same period, also summarised at Table 1 further below; in particular, with regard to Children and Adult Social Care. Overall, there is a net cost increase of £23.2m in 2017-18, increasing to £30.2m by 2020-21.
- 3.9 The overall impact of the funding and cost adjustments compared to current budget plans, is a significant increase in the scale of the financial challenge facing the Council over the medium term, to a revised budget gap of **£65.4m** in 2017-18, compared to the previous forecast budget gap of **£45m** in 2017-18 reflected in the approved budget plans for 2016-19. The budget gap figures quoted here are before planned savings.
- 3.10 Last year's multi-year budget plans marked an essential stage towards a new council, and the budget proposals set out at Appendix B include planned savings

totalling £16.3m in 2017-18, already approved as part of last year's budget, plus a further £0.4m in 2018-19 and 2019-20 (the latter 2 years reflect re-profiling of some existing savings into later years).

- 3.11 There are also a significant number of new savings proposals also set out at Appendix B, which total £37.9m in 2017-18, increasing to £87.2m by 2020-21. The totality of funding and cost adjustments, and existing and new savings proposals are summarised at Table 1 below :

Table 1 – high level summary; general fund revenue budget plans 2017-21

	Proposed budget 2017-18 £m	Proposed budget 2018-19 £m	Proposed budget 2019-20 £m	Proposed budget 2020-21 £m
Funding Available (MTFP 2016-19)	(285.0)	(280.8)	(280.2)	(280.2)
Funding adjustments				
Un-ringfenced grants	4.7	4.8	5.2	5.4
Council Tax	(3.1)	(5.2)	(1.8)	(6.3)
Business Rates retention scheme	-	-	-	11.0
Re-payment from Collection Fund	(0.1)	-	-	-
Total funding adjustments	1.5	(0.4)	3.4	10.1
Total funding available (MTFP 2017-21)	(283.5)	(281.2)	(276.8)	(270.1)
Current Spending Plans (MTFP 2016-19)*	325.7	335.8	340.1	340.2
Cost adjustments				
Adults	10.6	13.3	10.7	11.9
Children	11.1	11.1	11.1	11.1
Place	1.0	1.0	1.0	1.0
Cross-cutting	0.5	1.0	1.0	1.0
Central Budgets	-	-	-	5.2
Total cost adjustments	23.2	26.4	23.8	30.2
Total spending plans (MTFP 2017-21)	348.9	362.2	363.9	370.4
BUDGET GAP (before planned savings)	65.4	81.0	87.1	100.3
Existing planned savings **	(16.3)	(16.7)	(17.1)	(17.1)
New planned savings	(37.9)	(65.5)	(81.7)	(87.2)
Total planned savings across years	(54.2)	(82.2)	(98.8)	(104.3)
Budget gap after planned savings	11.2	(1.2)	(11.7)	(4.0)
Reserves applied	11.2	-	-	-
Updated Budget gap	nil	(1.2)	(11.7)	(4.0)

*amounts quoted here are gross of planned savings, which are shown further below in the table

** savings for these years already last year by full budget Council (approved MTFP; 2016-19)

- 3.12 Table 1 also illustrates that the Council's budget plans also include "one-off" reserves of £11.2m in 2017-18 to achieve a balanced budget. While at this stage the summary budget plans suggest potential relatively small surpluses in future years, these assume that the totality of £54.2m savings requirement for 2017-18, increasing to £104.3m annual saving requirement by 2020-21, will be delivered to plan. These savings proposals represent a very significant challenge for the Council.

3.13 The funding and cost adjustments set out in Table 1 above are covered in more detail at Appendix A, section 3, and the saving proposals are set out in more detail at Appendix B.

HRA

3.14 Annual HRA rents and service charges for 2017-18 were approved by Cabinet on 17 January 2017 – see link below to the relevant report (agenda item 18) :

[Agenda for Cabinet on Tuesday 17th January 2017, 4.00 pm | Kirklees Council](#)

3.15 The overarching financial context for the HRA budget and longer term financial viability of a self-financed HRA business plan, is national Government's annual 1% social housing rent reduction each year, over the 2016-20 period, now enacted through the Welfare Reform and Work Act 2016. This compares to pre-existing national rent policy which was based on Consumer Price Index (CPI) +1% per annum.

3.16 Appendix A, Section 4 sets out in more detail the financial impact of future years 1% rent reductions on the longer term self-financed HRA business plan. It also details how the Council and Kirklees Neighbourhood Council (KNH, the Council's arm's length provider of landlord services to Council tenants and leaseholders) are working jointly to ensure the long term viability of the HRA within available resources. Specific HRA budget proposals are also included at Appendix B.

4. Implications for the Council

4.1 Formal Resolution

4.1.1 It is necessary for the motion to Council on 15 February 2017, set out at Appendix C, 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 Police Authorities and Parish Councils may not be determined until after Council. The Council motion will include estimated precepts based on best available information at the time.

4.1.2 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 15 February.

4.1.3 It is requested that the Council's Statutory s151 Officer (Assistant Director - Financial Management, Risk, IT & Performance) 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 Office of Police and Crime Commissioner, the Fire & Rescue Authority and Parish Councils should these be received after 15 February 2017 .

4.1.4 The Office of Police and Crime Commissioner, Fire & Rescue Authority and Parish Council precepts included in the Council motion do not affect the Council budget, and neither will any subsequent amendment to the precept figures, delegated to the Council's Statutory s151 Officer.

4.2 Special Expenses

- 4.2.1 The expenditure of parish councils is funded by way of a precept which is levied only on the area of the individual parish councils. There are, however, occasions when parish councils provide services which would otherwise be provided by district councils if there were no parish council in existence. The result is that residents of a parish council can pay twice for some services. This is known as "double taxation".
- 4.2.2 The Local Government Finance Act 1992 provides for expenditure incurred by district councils which ranks as double taxation to be treated as special expenses, which are not charged to the residents of the parish councils concerned unless the district council resolves otherwise. This special expense arrangement applies to certain services provided by Holme Valley parish council.

4.3 Pay Policy Statement 2017-18

- 4.3.1 Local Authorities are required under section 38(1) of the Localism Act 2011 to prepare an annual Pay Policy Statement. The statement must articulate the Council's policy towards the pay of the workforce, particularly senior staff and lowest paid employees. The Council's 2017-18 Pay Policy Statement is attached at Appendix D.
- 4.3.2 The provisions of the Act do not apply to the employees of local authority schools and therefore unless they are centrally employed, teaching staff are not within the scope of the policy.

4.4 Positive Assurance Statement

- 4.4.1 Under Section 25 of the Local Government Act (2003) the Statutory s151 Officer is required to give positive assurance statements in relation to the adequacy of reserves and balances and the robustness of budget estimates.

Statement from the Council's Section 151 Officer (Assistant Director, Financial Management, Risk, Performance and IT)

- 4.4.2 This report provides the financial context for the local authority. We are experiencing unprecedented financial challenges as the funding available to the council significantly reduces and the cost of providing statutory services increases. This report provides details of the savings options being presented to provide for a balanced budget.
- 4.4.3 We are also experiencing increasing cost pressures in relation to Adults, Children's Safeguarding and Family Support and the Waste Management contract. These are in part due to the increasing population and demands on local authority services. In order to set a realistic budget we have quantified these and assessed the level of affordability to establish the level of resource which can be incorporated into the budget.
- 4.4.4 Given the scale of the financial challenge this does present operational and delivery risks. Consequently officers will need to closely monitor and manage these demands and financial risks during 2017-18.

- 4.4.5 The Corporate Risk Register (included at Appendix J) acknowledges both the limitations of existing Council capacity, and the scale of financial, transformational challenges and risks facing the Council over the medium term. Consequently the Council has engaged external support in the form of a transformation business partner. During January and February 2017 a diagnostic phase will be undertaken to assess those areas of greatest value, from which business cases and support will follow.
- 4.4.6 Members will note the proposed use of reserves in 2017-18 to provide temporary funding to allow time for savings plans to come into fruition in 2018 and beyond. In addition, internal approaches are being brought to bear to reduce in-year spend and reduce avoidable costs, where ever possible, to protect the in-year use of reserves.
- 4.4.7 In addition monthly monitoring and reporting of Income and Expenditure and Reserves will continue to be reported to Executive Team and Cabinet.

Consequently in light of these factors;

I can give you positive assurance on the reliability and robustness of all the forecasts and estimates in the budget proposals

If members approve the recommendations in this report on the retention of reserves and on the minimum level of General Fund and HRA balances, I can give the Council positive assurance on the adequacy of reserves and balances.

5. Consultees and their opinions

There was a public budget engagement exercise which ran from 8 November to 23 December 2016. The website link to the public engagement exercise is below :

<http://www.kirkleestalk.org/index.php/get-involved/lets-talk-council-budget/>

Feedback from the above public budget engagement exercise is summarised at Appendix K to this report, and will be considered by members, and final decisions made on the revenue budget proposals at full Council on 15 February 2017.

Housing Revenue Account budget proposals were presented to the December 2016 Tenants & Residents Committee cycle (see also Appendix A, Section 4, para 4.4.1)

The Capital Investment Plan proposals have been prepared by the Assistant Director, Financial Management, Risk, Performance and IT, following discussions at the Assistant Director Strategic Investment Group.

The Treasury Management Strategy included at Appendix A, Section 2, was prepared by the Council's s151 officer (Assistant Director, Financial Management, Risk, Performance & IT), after consultation with Arlingclose Limited Treasury Management Consultants. It has also been considered at the Council's Corporate Governance and Audit Committee (CGAC) on 20 January 2017.

6. Next Steps

- 6.1 This report and the draft Budget form the background and the proposed formal motion. The political parties and/or 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. Any opposition group's amendments will be published on 8 February 2017.
- 6.2 Members should note that 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.
- 6.3 Following Council approval of the Capital Investment Plan, schemes will be released subject to Financial Procedure Rules.
- 6.4 Any material national Government changes to the provisional settlement figures will be reported to the meeting of full Council, depending on the timing of Government confirmation of the final settlement, expected early February 2017.

7. Officer recommendations and reasons

Having read this report and the accompanying appendices, and having regard to the consultation process and equality impact assessments, Cabinet are asked to recommend the following :

Capital

- 7.1 That the Capital Investment Plan as presented to the meeting be recommended to Council with an intention that the Plan is reviewed as an integral element of the Council's Budget Strategy to support Council priorities (on both capital and revenue budget proposals) and is contained within our foreseeable resources (Appendix A, Section 1 and Appendix E)
- 7.2 That the Council should be advised to determine the Prudential Indicators as referred to in Appendix A (Section 1, para 1.3.19, Table 8) and again in Appendix F.

Treasury Management

- 7.3 That the borrowing strategy outlined in Appendix A, Section 2, para 2.3, be approved;
- 7.4 That the investment strategy outlined in Appendix A Section 2, para 2.4, and Appendix G, be approved;
- 7.5 That the policy for provision of repayment of debt (minimum revenue provision) outlined in Appendix A, Section 2, para 2.5 and at Appendix I, be approved;

General Fund Revenue

- 7.6 That the draft Revenue Budget for 2017-20 and indicative high level funding and cost estimates for 2020-21, be approved (Appendix B)

- 7.7 That the proposed re-direct of £3.3m from rollover reserves to general balances, the proposed 2016-17 year end transfer of £7.7m to organisational risk reserves (in-year further treasury management saving from the proposed amendment to the Council's minimum revenue provision strategy), and the proposed re-alignment of £1.4m currently uncommitted resources earmarked for transformation projects totalling £1.4m, to the New Council Transformation reserve be approved; Appendix A, Section 3, para 3.16.5
- 7.8 Subject to member approval as per 7.7 above, that the forecast levels of general and earmarked reserves as set out at Appendix A, Section 3, para 3.16.6, be noted;
- 7.9 That the strategy for the use of balances and reserves, as set out in Appendix A, Section 3, paras 3.16.7 and 3.16.8, is approved;
- 7.10 That members acknowledge that for 2017-18 the minimum level of General Fund balances should be £5.0m; (Appendix A, Section 3, para 3.16.6, Table 9)
- 7.11 That a further reassessment of reserves requirements will be undertaken at year end and reported to members as part of the 2016-17 revenue rollover and outturn report; (Appendix A, Section 3, para 3.16.9, Table 10)
- 7.12 That members note the Council's continued participation on the Leeds City Region business rates pool for 2017-18; (Appendix A, Section 3, para 3.13.6)
- 7.13 That members approve the Council Tax requirement for 2017-18 (Appendix A, Section 3, para 3.14 and Appendix C; budget motion)
- 7.14 That members approve the Council's Pay Policy Statement for 2017-18 as set out in Appendix D (i-v);
- 7.15 That members note the Council's statutory s151 officer's positive assurance statement; (para 4.4 above)
- 7.16 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 Office of Police & Crime Commissioner, the Fire & Rescue Authority and Parish Councils should these be received after 15 February 2017 (para 4.1.3 above);

Housing Revenue Account (HRA)

- 7.17 That the draft HRA Budget for 2017-20 be approved; (Appendix B)
- 7.18 That the strategy for the use of HRA reserves, as set out in Appendix A, Section 4, para 4.3.1, is approved.

Other

- 7.19 That this report be referred to the Council as advice and background information, on which the other political groups can base their budget proposals.

8. Cabinet Portfolio Holder Recommendation

The Leader recommends that the attached draft Capital Investment Plan, Treasury Management Strategy, General Fund revenue budget and HRA budget, should be presented to the Council meeting on 15 February 2017.

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

9. Contact Officer and Relevant Papers

Debbie Hogg	Assistant Director - Financial Management, Risk, Performance and IT
Eamonn Croston	Strategic Council Finance Manager
Philip Deighton	Strategic Council Finance Manager
Tim Mitchell	Finance Manager

Background Papers

- Council budget strategy update report to full Council 12 October 2016
- Provisional Local Government Finance Settlement 2017-18
- Provisional Financial Settlement report to Cabinet 17 January 2017
- Equalities Impact Assessments on key budget proposals and impacts
- Budget Consultation exercise

SECTION 1 – CAPITAL**1.1 Key Points**

- 1.1.1 The government introduced the Prudential Code for the management of local authority borrowing on 1 April 2004. Under these arrangements the Council is free to determine its own borrowing levels providing it can demonstrate that the level of borrowing proposed is **affordable, prudent and sustainable**. A set of performance indicators is used to help the Council make the necessary judgements on affordability, prudence and sustainability.
- 1.1.2 In 2012, the Council endorsed an approach to develop a targeted and integrated Capital Investment Plan that was structured between Strategic Priorities, Risks and Pressures and Baseline work programmes.
- 1.1.3 Council authorised officers to compile the Capital Plan from the 5 Year Investment Plan using the financial envelope arising through application of an agreed prudential indicator (PI) limit. The proposed PI measures the ratio of financing costs to net revenue stream and indicates what percentage of available revenue resources are spent on debt charges.
- 1.1.4 The proportion of the revenue budget absorbed by repaying debt and interest is a matter of local decision. However, as borrowing grows as a proportion of the revenue budget, the Council's ability to provide day to day services is restricted as repayment of debt is a first call on the Council's finances. An appropriate PI target or ratio of debt to revenue budget was considered to be no greater than 12.3 pence per £ (or 12.3%).
- 1.1.5 When the 2015-16 Financial Outturn and Rollover report was approved at Council on 29 June 2016, the proportion of overall general fund budget taken up with interest and debt repayment was estimated to reach 11.86% by 2020-21. This equates to spending 11.9p of every available £1 revenue funding on meeting the costs of borrowing.
- 1.1.6 For this budget round, the Assistant Director led Strategic Investment Group reviewed the 5 year Plan to identify areas where potential exists to reduce capital allocations in order to lower the Council's borrowing costs. The proposals contained in this report recommend removal of £29.1m of borrowing from Baseline capital work programmes (see para 1.2.2 & Table 2).
- 1.1.7 Strategic Investment Group also re-appraised risks and pressures to identify areas where capital investment may need to be recognised in the next 5 years. A self-financing scheme of £12.5m to upgrade street lighting is proposed along with a recommendation to include an additional £1.5m of borrowing for Bereavement Services (see para 1.2.8).
- 1.1.8 The acceptance of the above recommendations together with the impact of proposed amendments to the Council's existing treasury management strategy on minimum revenue provision (see Appendix A, Section 2, para 2.5) and updated assumptions on future levels of funding, profiling of expenditure

and slippage, results in a PI of 8.96% by 2021-22 (see para 1.3.19 – 1.3.21, Table 8).

1.2 Updated Capital Investment Plan

1.2.1 When the Council approved the Capital Investment Plan inclusive of rollover proposals in June 2016, it made a provision for an overall level of investment of £296m across the 4 year period from 2017-18 to 2020-21. Assuming the new year 5 plan allocation (2021-22) remains consistent with assumptions in 2020-21, the overall level of investment for the 5 year Capital Plan from 2017-18 to 2021-22 would be £356m (the detailed Plan prior to any amendments outlined within this report is shown in Appendix E i) – ii).

1.2.2 The Capital Investment Plan has been updated to incorporate the outcome of the review conducted by Strategic Investment Group. The new 5 year Plan is summarised in Table 1 and makes provision for investment of £332.8m over the next 5 years (the detailed Plan is shown in Appendix E iii) – v)).

Table 1 - Overall Expenditure Summary 2017-18 to 2021-22

	2017-18 £m	2018-19 £m	2019-20 £m	2020-21 £m	2021-22 £m	Total £m
Strategic Priorities	25.2	33.2	14.6	4.8	4.1	81.9
Baseline	33.9	28.1	25.8	25.0	22.1	134.8
Risks & Pressures	2.5	2.5	2.5	2.5	2.5	12.5
Total General Fund	61.6	63.7	42.9	32.3	28.7	229.2
HRA	20.7	24.3	17.6	21.5	19.6	103.6
Council Total	82.3	88.0	60.5	53.8	48.2	332.8

General Fund Capital Investment Plan

1.2.3 Strategic Investment Group reviewed existing Baseline work programmes to identify areas where opportunity exists to reduce/remove capital in order to lower the Council's borrowing costs. The recommendations, which are included in the revised Baseline Capital Investment Plan, are summarised below:

- i) Remove £29.1m borrowing across the 5 Year Plan with the resultant Treasury Management savings now factored into the Revenue Budget proposals. Of the Baseline plans reviewed, 49% of borrowing has been removed. Table 2 outlines the proposed annual borrowing allocations.
- ii) Amalgamate four capital baselines i.e. Investment in Buildings, KAL Kirklees Council funded, Parks & Open Spaces and Bereavement, into a new single baseline called 'Corporate Landlord Asset Investment'.
- iii) Phase the capital reduction for vehicle replacement across three years and incorporate a target for operational efficiency (10-15%) as well as assume a higher level of risk.
- iv) Re-profile £0.3m of Strategic Asset Utilisation budget from 2019-20 to 2017-18 to match planned investment timelines.

- v) Set baseline allocations for a new year 5 i.e. 2021-22, at a level consistent with 2020-21 levels.
- vi) At year end, roll forward 100% of unspent capital resources to 2017-18.
- vii) Rename 'Economic Delivery' as 'Economic Resilience'.

Table 2 – Baseline Review Summary

	Previous Allocation - Borrowing					Proposed Borrowing	
	17-18	18-19	19-20	20-21	21-22	Annual Allocation 2017/18 onwards	Total Borrowing Removed
	£m	£m	£m	£m	£m	£m	£m
Highways	4.8	4.5	4.7	4.9	4.9	2.4	11.9
Investment in Buildings	2.0	2.0	2.0	2.0	2.0	Corporate Landlord Asset Investment 1.3	5.7
KAL KC Funded	0.4	0.4	0.4	0.4	0.4		
Parks & Open Spaces	0.2	0.2	0.2	0.2	0.2		
Bereavement	0.2	0.2	0.2	0.2	0.2	2.0 Yr1 1.5 Yr2 1.3 Yr3+	7.0
Vehicle Replacement	2.6	2.6	2.6	2.6	2.6		
Economic Resilience	1.8	1.8	1.8	1.8	1.8	0.9	4.5
Total							29.1

1.2.4 Strategic Investment Group also reviewed the main strategic priorities funded by borrowing (see Table 3). The level of financial commitment against these schemes is currently low. A feasibility study is progressing at Spenborough Pool (£0.1m is projected to spend in 2016-17) but no commitments exist against the remaining budget nor has any spend been committed against the other strategic priorities. Whilst each scheme's spend profile has been updated to ensure it remains accurate, the overall borrowing levels remain unchanged.

Table 3 – Main Strategic Priorities Funded by Borrowing

	17-18	18-19	19-20	20-21	21-22	Total
	£m	£m	£m	£m	£m	£m
Huddersfield Town Centre Action Plan	1.5	5.5	3.2	0.4	0.0	10.6
Dewsbury Town Centre Action Plan	0.5	3.5	1.0	0.0	0.0	5.0
European Grant Funding Opportunities	1.3	1.2	0.0	0.0	0.0	2.5
Sports Facility (Spenborough)	1.0	8.5	4.3	0.2	0.0	14.0
	4.3	18.7	8.5	0.6	0.0	32.1

1.2.5 The Plan has been updated to reflect the fact that the Council is committed to repaying a 50% share of the £4m Skills Capital Fund loan granted to Kirklees College by the West Yorkshire Combined Authority on 23 June 2016. The approval was for Kirklees College to receive a £11m capital grant plus a £4m repayable loan towards the redevelopment of Pioneer House and creation of Dewsbury Learning Quarter. The loan is to be repaid by 31 March 2020 and

the intention is to fund the loan repayment from capital receipts realised from the sale of land off Halifax Road and the property at Bradford Road, known as the 'former Safeway site'.

- 1.2.6 A technical adjustment has been made within the Investment Plan to reflect the extension of an existing Council short-term Loan facility to Kirklees College until 31 December 2018. The extension was approved by Cabinet on 23 August 2016 and the Plan now shows the £6m loan facility in 2017-18
- 1.2.7 The Investment Plan records the amount of grant the Combined Authority has allocated to (mandated) the Council to fund early feasibility work on West Yorkshire Transport Fund (WYTF) strategic priorities. No mandates have yet been agreed for 2017-18 onwards, so existing mandates will only be presented in the Capital Plan once remaining 2016-17 allocations are rolled forward, as part of year end reporting.
- 1.2.8 Strategic Investment Group re-appraised risks and pressures to identify any areas where capital investment needed to be recognised in the next 5 years. The two schemes below are recommended for inclusion within the Baseline Capital Investment Plan.
- i) Introduction of a £12.5m Street Lighting replacement programme to upgrade the remaining 62% of stock (32,000 columns) with LED lighting units. This is an invest to save scheme, with the financing costs funded through the energy and maintenance savings generated in Highways revenue budgets.
 - ii) An additional £1.5m investment for Bereavement Services (now part of the 'Corporate Landlord Asset Investment' baseline) to mitigate the risk of cremator failure at Huddersfield and Dewsbury Crematoria.
- 1.2.9 Several other key risks and pressures (see Appendix E vi)) may need consideration for inclusion in a future Capital Plan but Strategic Investment Group concluded that further details need to materialise, or business cases need to be produced, before any investment proposal can be supported. Cabinet will be updated on the Council's exposure to capital risks and pressures as part of year end reporting.
- 1.2.10 An annual contingency of £2.5m continues to be built into the Plan to cover emerging risks and pressures.
- 1.2.11 As a result of the above amendments, the revised Plan shows a net overall decrease of £7.2m, the majority of which is due to a net decrease of £9.1m borrowing, offset by £2m in capital receipts. The table below provides a high level summary of the main changes in the General Fund Capital Plan:

Table 4 – Summary General Fund Changes

Expenditure	17-18 £m	18-19 £m	19-20 £m	20-21 £m	21-22 £m	Total £m
Profiling Changes :						
Strategic Priorities	-12.5	4.9	7.0	0.6	0.0	0.0
Baseline - Strategic Asset Utilisation	0.3	0.0	-0.3	0.0	0.0	0.0
Sub-Total	-12.2	4.9	6.7	0.6	0.0	0.0
Additions/Reductions :						
Kirklees College Loan	6.0	0.0	0.0	0.0	0.0	6.0
Dewsbury Learning Quarter	0.0	0.0	2.0	0.0	0.0	2.0
Baseline Review	-5.3	-5.5	-6.0	-6.2	-6.1	-29.1
ChYPs Grant Assumptions	-0.1	-0.3	-0.6	-0.8	-1.1	-2.8
Highways Grant Assumptions	1.3	0.9	0.2	0.2	0.1	2.7
Self-funded Street Lighting	2.5	3.0	3.0	3.0	1.0	12.5
Bereavement	0.1	0.7	0.7	0.0	0.0	1.5
Sub-Total	4.5	-1.2	-0.7	-3.8	-6.0	-7.2
TOTAL	-7.7	3.8	6.1	-3.2	-6.0	-7.2
Funding						
Grant	1.2	0.6	-0.4	-0.6	-0.9	0
Borrowing	-11.5	0.1	1.4	-5.6	-6.2	-21.6
Borrowing - Self-funded Street Lighting	2.5	3.0	3.0	3.0	1.0	12.5
Capital Receipts	0.0	0.0	2.0	0.0	0.0	2.0
TOTAL	-7.7	3.8	6.1	-3.2	-6.1	-7.2

HRA - Capital Investment Plan

1.2.12 The overall HRA Plan of £103.6m, is split:

- £68.4m delivering baseline works to the existing housing stock over the next 5 years.
- £35.2m of Strategic HRA priorities i.e. several new build projects.

1.2.13 The main baseline capital programmes include:

- **Maintaining Decency (£38.3m)** - Works to ensure that all properties are maintained to the Kirklees Decent Homes standard. Work could include replacement kitchens and bathrooms, central heating, windows, doors roofing and re-wires.
- **Heating Programme (£7.6m)** - Planned boiler replacements based on the age, condition and reliability of the system plus urgent replacements of central heating boilers when they are no longer economical to repair.
- **Adaptations (£14m)** - Funds essential adaptations to give disabled people better freedom of movement into and around their homes and to give access to essential facilities within the home. It enables people to live safely and independently and prevents or delays the need for residential care.

1.2.14 The Strategic HRA priority budget helps address growing housing needs in Kirklees. The proposals are intended to prioritise housing growth. They are

currently outline proposals and would be subject to more detailed business cases to be considered by Cabinet. Business case proposals will need to give consideration of how they link to New Council strategic priorities and themes; in particular, early intervention and prevention.

1.3 Capital Resources

Government Grants

1.3.1 It is proposed that the government grant allocated to service areas is as listed below:-

Table 5 - Proposed External Resource Allocation

	2017-18 £m	2018-19 £m	2019-20 £m	2020-21 £m	2021-22 £m
Housing Private – Disabled Facilities	2.5	2.5	2.5	2.5	2.5
CHYPs – Basic Need, Capital Maintenance, Devolved Formula Capital	13.4	12.5	8.9	8.7	8.4
Highways – Local Transport Plan	8.1	7.3	6.4	6.2	5.9
Total	24.0	22.3	17.8	17.4	16.8

1.3.2 The Disabled Facilities Grant (DFG) is part of the Better Care Fund and as there has been no specific determination for 2017-18 the assumption is that a constant grant level is maintained to the £2.5m allocation in 2016-17.

1.3.3 The Department for Education has confirmed the Basic Need capital grant allocations for 2017-18 and 2018-19 as £8.6m and £7.9m respectively. The grant allocations of £4.6m from 2019-20 onwards are indicative and remain consistent with original assumptions made in last year's Capital Investment Plan.

1.3.4 In February 2016, the Department of Education announced Capital Maintenance grant allocations for the 3 year period covering financial years 2015-18. The allocations are based on a new approach to investing in the condition of the education estate. The £3.8m allocation for 2017-18 is indicative and will be revised by the Department of Education to reflect new or closing schools or where a school moves to a new responsible body. Once received, the Capital Plan will adopt the updated allocations. The assumption incorporated in the Plan is that as more schools become academies, the grant allocation will reduce further. Therefore the Plan assumes a stepped reduction of £200k p.a. from 2018-19 onwards.

1.3.5 The Devolved Formula Capital (DFC) allocation of £1m for 2017-18 is indicative. A stepped reduction of £50k p.a. has been applied from 2018-19 onwards to reflect the likelihood of more schools moving to academy status.

1.3.6 Highways Maintenance grant allocation is split into three elements:

- “**Needs**” – based on length of roads (all classifications), number of highway bridges, number of street-lights etc.
- “**Incentive**” – evidence of how efficiently allocations are used and Highways asset management procedures are followed.
- **Challenge Fund** – competitive element where authorities can bid for major maintenance projects

1.3.7 The LTP (Local Transport Plans) Maintenance ‘**Needs**’ element grant allocation is £5.4m in 2017-18 and the Plan assumes an indicative allocation of £4.9m per annum for 2018-19 to 2021-22.

1.3.8 The Council currently achieves a Band 2 level ‘**Incentive**’ grant which runs until 2020-21. The Incentive grant is equivalent to £2m across the 4 years. The Council continues to work with West Yorkshire Districts to attain a Band 3 categorisation and thereby maximise the incentive allocation. Achievement of Band 3 would increase the grant by £0.05m in 2017-18, £0.3m in 2018-19, £0.5m in 2019-20, £0.7m in 2020-21 and £1m in 2021-22. However, the Council will not know if it is a Band 3 authority until March 2017 and therefore the Plan currently assumes the lower grant level.

1.3.9 The first tranche of bids for funding under the **Challenge Fund** pot were submitted in February 2015 for 2015-16 to 2017-18. The grant allocation for 2017-18 is £0.5m.

1.3.10 Assumptions on LTP Integrated Transport grant have been updated to reflect current knowledge about potential allocations for Network Management, Safer Roads and Integrated Public Transport. The grant is assumed to be £1.25m in both 2017-18 and 2018-19 and then reduce to £0.5m in the next 3 years.

Capital Receipts

1.3.11 A £6m capital receipts target is assumed to be achievable in each year of the Investment Plan. This is equivalent to generating £30m across the period 2017-18 to 2021-22. There are risks associated with the achievability of these levels – the general appetite and capacity in the property market; progress towards New Council; possible asset transfers without receipts e.g. to community groups. The table below forecasts the level of ring-fenced capital receipts as well as general asset sales generated over the 5 year period for the General Fund.

Table 6 - Forecast Capital Receipts 2017-18 to 2021-22

	General Fund Capital Receipts £m
2017-18	8.4
2018-19	6.4
2019-20	8.4
2020-21	6.4
2021-22	6.4

[N.B. the profile of when capital receipts are applied to fund the Plan can differ from the profile of when they were received.]

- 1.3.12 It should be noted that non ring-fenced capital receipts are netted off against the investments in order to estimate the Council's borrowing requirements. The affordability of the Plan is therefore strongly linked with the achievability of the capital receipt funding assumptions.

Direct Revenue Funding

- 1.3.13 No direct revenue funding of General Fund capital expenditure is proposed. It is planned that revenue funding of £31.4 million will be made by the Housing Revenue Account to support capital investment in the public sector housing stock over the 5 year period.

Overall Funding

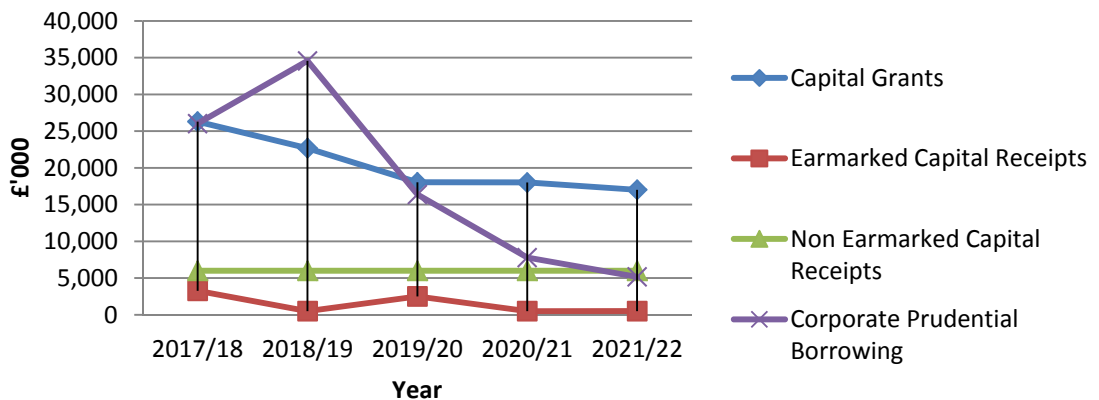
- 1.3.14 Table 7 below shows how the Capital Plan is funded overall (Appendix E iii) – v) shows the detail).

Table 7 – Overall Funding of Capital Plan

	Grants	Ring-fenced Receipts	Borrowing/ non ring-fenced receipts	HRA Reserves/ Revenue	Total
	£m	£m	£m	£m	£m
Strategic Priorities	28.4	2.0	51.5	0.0	81.9
Baseline	73.6	3.3	57.9	0.0	134.8
Risks & Pressures	0.0	0.0	12.5	0.0	12.5
Total General Fund	102.0	5.3	121.9	0.0	229.2
HRA	1.2	10.6	0.0	91.8	103.6
Council Total	103.3	15.9	121.9	91.8	332.8

- 1.3.15 Over the 5 year period of the General Fund Capital Plan, £121.9m (37%) is funded from borrowing and non ring-fenced capital receipts. Of this total, £51.5m borrowing relates to schemes within Strategic Priorities, £57.9m relates to Baseline investment and £12.5m for Risks and Pressures.
- 1.3.16 The graph below demonstrates how the proportion of General Fund capital spend supported by borrowing, peaks in 2018-19, then falls to £5m in 2021-22. By the end of the 5 years, 2% of the Plan is funded by earmarked receipts, 18% is supported by borrowing, 21% by non-earmarked receipts and 59% by grant.

Funding Summary of Capital Expenditure (excl HRA)



Borrowing

- 1.3.17 Under the current arrangements local authorities can borrow without restriction to fund capital investment providing that they can demonstrate that the borrowing **is affordable, prudent and sustainable**. To be able to demonstrate that they have given proper consideration to these issues there is a Code of Practice which has statutory backing in the Regulations issued under the Local Government Act 2003. The Code sets out various performance indicators (PIs) and requires the Council to set and monitor these (see Appendix F).
- 1.3.18 To enable the build-up of more accurate PIs and treasury management costs, officers have built into the estimates assumptions around slippage on expenditure based on historical trends (see Appendix E ii) for detail).
- 1.3.19 The impact on Net new borrowing through adoption of the proposed 5 Year Capital Plan (including assumed slippage) is reflected in Table 8 below:

Table 8 - Borrowing details (General Fund)

	2017-18 £m	2018-19 £m	2019-20 £m	2020-21 £m	2021-22 £m
Debt charges	22.8	22.7	22.2	22.7	24.2
Gross new borrowing	38.8	38.5	30.3	16.9	12.5
Less capital receipts	9.3	6.5	8.5	6.5	6.5
Net new borrowing	29.5	32.0	21.8	10.4	6.0
Repayment in year	16.4	13.5	13.4	13.0	13.2
Debt Outstanding (excl. PFI)	437.9	456.4	464.8	462.2	455.0
Net Revenue Stream (excl. PFI)	283.4	281.2	276.8	270.1	270.1
Ratio of Financing Costs (excl. PFI)	8.05%	8.09%	8.03%	8.39%	8.96%

- 1.3.20 Table 8 also reflects the impact of proposed amendments to the Council's existing treasury management strategy on minimum revenue provision requirement or MRP (annual revenue resources set aside to support debt repayments). Specific proposals on MRP are covered elsewhere in this report (see also Appendix A, Section 2, para 2.5). The impact of these changes is to reduce annual debt charge commitments on existing debt, and consequential impact on repayments in-year.
- 1.3.21 The combined impact of Net new borrowing proposals over the next 5 years, plus proposed amendments to the Council's existing treasury management policy on MRP, is a revised Ratio of Financing Costs (excluding PFI) PI of 8.05% in 2017-18, rising to 8.96% by 2021-22. PI trends across years in part reflect previous capital spend decision, in part prevailing treasury management policy. As revenue resources are under considerable pressure, close scrutiny will need to continue to ensure borrowing fulfils the criteria of being affordable, prudent and sustainable.
- 1.3.22 It should be noted that, had the Council not begun a strategic review of investment in 2010 which culminated in the development of a new format 5 Year Capital Strategic Investment Plan, performance against the PI would be over 3% higher. (This calculation is approximate because it is based on assumptions relating to interest rates, timing of expenditure, funding levels etc. but is nevertheless a useful indicator of progress).

SECTION 2 – TREASURY MANAGEMENT STRATEGY**2.1 Outlook for the economy, credit risk and interest rates**

2.1.1 The major external influence on the Council's treasury management strategy for 2017-18 will be the UK's progress in negotiating a smooth exit from the European Union. Negotiations are expected to start once the UK formally triggers exit in early 2017 and last for up to two years. Uncertainty over future economic prospects will therefore remain throughout 2017-18.

2.1.2 The Bank of England is forecasting that the 2% inflation target will be breached in 2017, mainly due to the weakening pound and the rising cost of imports, together with the rising price of oil. Initial post-referendum economic data showed the feared collapse in business and consumer confidence had not immediately led to lower GDP growth, but forecasts for 2017-18 showed weakened economic growth.

2.1.3 Markets have expressed concern over the financial viability of a number of European banks recently. Sluggish economies and continuing fines for pre-crisis behaviour have weighed on bank profits. Bail-in legislation, which ensures that large investors including local authorities will rescue failing banks instead of taxpayers in the future, has now been fully implemented in the European Union, Switzerland and USA. In terms of investment policy, where the making of secured deposits is impractical/restrictive, diversification is key.

2.1.4 The Council's Treasury Management Advisor (Arlingclose) forecasts that there will be no change in Base Rate in the foreseeable future. The risk is to the downside - a 25% chance of rates dropping closer to zero, with a small chance of rates going into negative territory, particularly if the UK enters recession as a result of concerns over Brexit. Longer term rates will remain relatively low as well. Their forecast for interest rates for the next three years is as follows:

Table 1: Interest Rate Forecasts

	Average Base Rate	20 Year PWLB Rate
2017-18	0.25%	2.30%
2018-19	0.25%	2.35%
2019-20	0.25%	2.55%

2.2 Borrowing and Investment – General Strategy for 2017-18

2.2.1 As at 31 March 2017, the Council is expected to have £576.8 million of external debt liabilities and £30 million of investments. Forecast changes in these sums for the next three years are shown in the balance sheet analysis below:

Table 2: Balance Sheet Forecast

	2016-17 £m	2017-18 £m	2018-19 £m	2019-20 £m
General Fund CFR - Non PFI	424.7	437.9	456.5	464.9
PFI	55.5	52.3	49.3	45.8
HRA CFR - Non PFI	186.2	182.8	175.3	170.8
PFI	56.8	54.9	52.9	50.5
Total CFR	723.2	727.9	734.0	732.0
Less: Other debt liabilities*	116.6	111.3	106.3	100.3
Borrowing CFR	606.6	616.6	627.7	631.7
Less: Internal borrowing	146.4	108.4	94.8	91.0
External Borrowing	460.2	508.2	532.9	540.7
Investments	30.0	30.0	30.0	30.0

*mainly PFI liabilities

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

2.2.3 Prior to 2009-10 the Council's policy had been to borrow up to its CFR, investing externally the majority of its balances. With the onset of instabilities in the financial markets and the economic downturn, the policy changed to one of ensuring the security of the Council's balances. This coincided with dramatic falls in investment returns making the budgetary benefit of maximising external borrowing more marginal. Thus, the Council has chosen to steadily reduce monies invested externally and instead has used balances to offset new borrowing requirements.

2.2.4 The Council's Section 151 Officer (Assistant Director, Financial Management, Risk, Performance & IT), supports the approach that the borrowing and investment strategy for 2017-18 continues to place emphasis on the security of the Council's balances. Although credit conditions have been steadily improving, the global recovery is still fragile and regulation changes have increased local authority exposure in the event of a possible default of any financial institutions.

2.2.5 Until there is further improved confidence in the financial markets, it is recommended that balances should only be invested to a level which is perceived to be reasonably secure and which is needed to meet the day-to-day cash flow requirements of the Council (around £30

million). The remainder of the balances will be effectively invested internally, that is used to offset borrowing requirements.

2.2.6 In terms of the Council investing more balances and trying to make a return to help budgetary concerns, this would be both difficult and increase risk. To increase investment balances, the Council would have to borrow. To make a material return on investments, the Council would have to invest for longer periods than the borrowing period and/or invest with lower rated bodies.

2.3 Borrowing Strategy

2.3.1 The Council is forecast to hold around £576.8 million of external borrowing and other long-term liabilities as at 31 March 2017. This is analysed as follows:

Table 3: Estimated external borrowing and other long-term liabilities as at 31 March 2017

	£m	%
PWLB loans (fixed rate)	294.6	52
LOBOs	76.6	13
Loan stock (fixed rate)	7.0	1
Other long term loans (fixed rate)	30.2	5
Temporary borrowing	51.8	9
Total external borrowing	460.2	
Other long term liabilities (mainly PFI)	116.6	20
Total external debt liabilities	576.8	

2.3.2 Table 2 showed that it is anticipated that the Council's total external borrowing levels over the next three years will grow by £80.5 million. Most of this external borrowing will be needed to replace internal borrowing (levels falling as balance and reserves are used). It is proposed to keep new borrowing to short periods, thus taking advantage of the very low interest rates forecast for the next few years. This will help mitigate budgetary pressures, whilst acknowledging there may be increased interest rate risk in the longer term.

2.3.3 The approved sources of borrowing are:

- Public Works Loan Board (PWLB) and any successor body
- Any bank or building society authorised to operate in the UK
- Other local authorities
- Capital market bond investors
- Local Capital Finance Company and other special purpose companies created to enable local authority bond issues
- UK public and private sector pension funds

2.3.4 Historically, the biggest source of borrowing for local authorities has been PWLB loans. These Government loans have offered value for

money and also flexibilities to restructure and make possible savings. The Council also has 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.

- 2.3.5 All of the LOBOs have options during 2016-17, and although the Council understands that lenders are unlikely to exercise their options in the current low interest rate environment, there remains an element of refinancing risk. The Council will take the option to repay at no cost, if it has the opportunity to do so. The Council's current limit on LOBO borrowing is set at 30% of long-term debt.
- 2.3.6 The Local Capital Finance Company was established in 2014 by the Local Government Association as an alternative source of local authority finance. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for two reasons: borrowing authorities may be required to provide bond investors with a joint and several guarantee over the very small risk that other local authority borrowers default on their loans; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. The Company has still not issued any loans and officers will continue to monitor developments.
- 2.3.7 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 of the higher rate loans with new loans at lower interest rates where this will lead to an overall saving or reduce risk.
- 2.3.8 Borrowing policy and performance will be monitored throughout the year and will be reported to Members.

2.4 Investment Strategy

- 2.4.1 Investment guidance issued by DCLG requires that an investment strategy, outlining the authority's policies for managing investments in terms of risk, liquidity and yield, should be approved by full Council or equivalent level, before the start of the financial year. This strategy can then only be varied during the year by the same executive body.
- 2.4.2 The guidance splits investments into two types – specified and non-specified.
- Specified investments are those offering high security and liquidity. All such investments should be in sterling with a maturity of no more than a year. Investments made with the UK Government and a local authority automatically count as specified investments, as do investments with bodies or investment schemes of "high credit quality". It is for individual authorities to determine what they regard as "high credit quality".

- Non-specified investments have greater potential risk, being either investments of “lower credit quality” or investments made for longer than one year.
- 2.4.3 As stated in 2.4 above, it is recommended that the investment strategy for 2017-18 maintain a low risk strategy giving priority to security and liquidity, and as such invest an average of around £30 million externally, for the purpose of managing day-to-day cash flow requirements. The remaining balances will be invested “internally”, offsetting borrowing requirements.
- 2.4.4 The Council's investment criteria are detailed in Appendix G. They contain specified and non-specified investment opportunities, recognising through the limits proposed, the slightly higher risk of non-specified investments. The only proposed change from 2016-17 is that the overall limit for the use of Money Market Funds (non-government funds) be increased to £40 million from £30 million. As these funds offer greater diversification of counterparties and thus lower risk, as well instant access and relatively good returns, it is appropriate to increase the opportunity to use these types of funds.
- 2.4.5 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 H). 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.
- 2.4.6 Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria:
- No new investments will be made;
 - Any existing investments that can be recalled at no cost will be recalled;
 - Full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.
- 2.4.7 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 no further investments will be made in that organisation until the outcome is announced. This policy will not apply to negative outlooks.
- 2.4.8 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.

2.4.9 If the UK enters into a recession in 2017-18, there is a small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short term investment options. This situation already exists in many other countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

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

2.5 Statement of Policy on the Minimum Revenue Provision (MRP)

2.5.1 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), ie the borrowing taken out in order to finance capital expenditure. Prior to the Local Authorities (Capital Finance and Accounting) (England) Regulations 2008, which came into force on 31 March 2008, the set aside was specified as a percentage of a council's CFR (2% for HRA debt, 4% for General Fund).

2.5.2 The current Regulations are less prescriptive with a requirement to ensure the amount set aside is deemed to be **prudent**, although there is accompanying DCLG guidance which sets out possible methods a council might wish to follow.

2.5.3 Paragraph 3 of the guidance recommends that authorities 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.

2.5.4 Officers have been reviewing the Council's policy on MRP charged to General Fund to ensure that the methodologies adopted are the most appropriate and as a result are recommending changes:

(i) Borrowing supported by Government Revenue Support Grant (RSG)

2.5.5 This form of borrowing ceased in 2010-11 and the balance outstanding for Kirklees is currently £251 million. Like many authorities, Kirklees adopted one of the options contained in the DCLG guidance in its ongoing treatment of supported borrowing – to be repaid over a period “reasonably commensurate with the period implicit in the determination of that grant”. The method effectively continued the arrangement set out in former Regulations, under which non-housing debt was repaid at 4% of the CFR balance outstanding each year.

2.5.6 However, as the local government finance system has evolved, it has become increasingly difficult to relate RSG received to any particular level of annual debt repayment. Since the business rates reform in

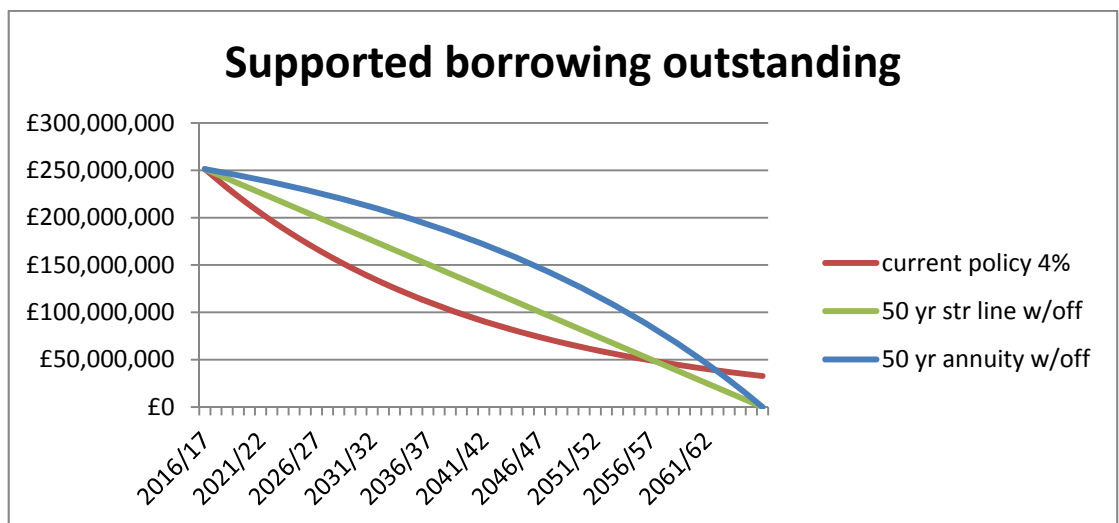
2013-14, there is no component of grant determining an implicit level of support for debt repayment. In addition, total grant is controlled to national totals which have been reduced substantially in recent years, irrespective of the level of supported borrowing outstanding. A review undertaken by SIGOMA, which is an independent body that represents the interests of metropolitan authorities, calculated that on the assumption that interest costs are fully funded within revenue grant, by 2015-16 the Government was only funding around 45% of the 4% MRP ie 1.8% rather than 4%.

2.5.7 Many authorities are now questioning whether this option is appropriate and is also particularly prudent when under a 4% reducing balance methodology, the whole debt will never be paid off. There is increasing acceptance that MRP should more properly linked to the average useful life of assets.

2.5.8 It is therefore proposed to adopt a different DCLG option which is more appropriate, affordable and reasonable - that the current balance outstanding relating to supported borrowing be paid off over the lives of the assets being funded by the expenditure, on a straight line or an annuity basis. A 50 year repayment period is considered a reasonable average assumption for the lives of the assets funded by the expenditure.

2.5.9 The graph below shows that whilst the balance of debt remains higher under the proposed policy change until after 2055, it will pay off all the balance over 50 years. Under the current policy, there would still be a balance of over £32 million debt outstanding in 50 years' time. The new policy ensures that future Council Tax payers are not burdened with the cost of debt relating to assets that may no longer be in use.

Table 4: Graph showing balance of supported debt outstanding under existing and proposed MRP methodologies



2.5.10 The proposed change would provide estimated savings of £5.0 million in 2016-17 and savings of £4.4, £3.9, £3.5 and £3.0 million over the following four years, with on-going savings to 2028-29, under the

straight line methodology, or £7.8 million in 2016-17 and savings of £7.1, £6.4, £5.7 and £5.1 million over the following four years, with on-going savings to 2030-31, under the annuity methodology.

2.5.11 It is believed that the annuity method provides a fairer charge than equal instalments as it takes account of the time value of money. The schedule of charges produced by the annuity method thus results in a consistent charge over an asset's life, taking into account the real value of the annual charges when they fall due. The annuity method is a prudent basis for providing for assets that provide a steady flow of benefits over their useful life. It is therefore recommended that the annuity basis be adopted and that the interest rate to be used is the PWLB annuity rate at the beginning of this financial year.

(ii) Prudential borrowing (excluding loans made)

2.5.12 Following the changes in the 2008 Regulations, Kirklees adopted one of the options contained in the DCLG guidance in its ongoing treatment of prudential borrowing ie setting aside revenue over the useful life of asset for which capital expenditure was incurred, calculated on a straight line basis. It is now proposed that the calculation be similarly done over the useful life of asset for which capital expenditure was incurred but on an annuity basis, for the reasons set out above. It is proposed that the interest rate to be used is the PWLB annuity rate at the beginning of the financial year when the MRP charge is first incurred.

2.5.13 The proposed policy will provide estimated savings of £0.3, £0.6, £0.9 and £1.0 million over the next four years, compared to the previous calculation, with on-going savings to 2030-31.

2.5.14 A further minor change to the policy is also proposed. For service funded schemes, it is proposed that provision is to commence in the year following purchase, in line with other prudential borrowing. Previously, the initial provision has been made in the year of purchase.

2.5.15 The changes proposed are in line with policies being adopted by many other local authorities and will bring the key PI (ratio of financing costs to net revenue stream) down from an estimated 12.83% to 9.0% by 2021-22. Officers have also reviewed other aspects of the MRP calculation but are not proposing further changes at this point. This includes the backdating of calculations of changes in policy to when the current regulations came in and the taking of MRP holidays, which are reportedly raising concerns with the National Audit Office and DCLG.

2.5.16 No changes are proposed to the MRP policy for HRA debt. The current policy is to make provision in line with any scheduled external debt repayments, which currently approximates to 50 year write off, in line with asset lives.

2.5.17 It proposed to amend the Council's MRP Policy Statement for 2016-17, approved by Council on 17 February 2016, in order that the above

changes in methodology apply for 2016-17 onwards. The revised MRP Policy Statement is attached Appendix C.

2.5.18 The Council's auditors, KPMG, are aware of the proposed changes but have stated that they cannot provide an opinion until more detailed work is done as part of the interim and final account audits.

2.6 Policy on the Use of Financial Derivatives

2.6.1 Local authorities (including this Council) have in the past 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). The Localism Act 2011 includes a general power of competence that appears to remove the uncertain legal position over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment). The latest CIPFA Code requires authorities to clearly detail their policy on the use of derivatives in the annual strategy.

2.6.2 The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where it is confident it has the powers to enter into such transactions. They will only be used for the prudent management of its financial affairs and never for speculative purposes and where it can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. 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.

2.7 Treasury Management Indicators

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

2.8 Other Matters

2.8.1 The DCLG Investment Guidance also requires the Council to note the following matters each year as part of the investment strategy:

(i) Investment Consultants

2.8.2 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.

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

(ii) Investment Training

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

(ii) Investment of money borrowed in advance of need

2.8.5 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.

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

2.9.1 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.

2.9.2 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 charged/given on this balance using the authority's average investment rate.

KEY IMPLICATIONS FOR THE COUNCIL

SECTION 3 – GENERAL FUND REVENUE BUDGET

3.1 Introduction

3.1.1 A robust Medium Term Financial Plan (MTFP) and budget strategy is a key element of financial and service planning. The annual budget strategy (or MTFP) update report to full Council sets a framework for the development of draft spending plans by officers and Cabinet, for consideration by all members at full Council the following February.

3.1.2 The MTFP update report for 2017-21 includes the take up of Government's multi-year general fund settlement offer for the rest of the current Parliament, conditional on Councils publishing an Efficiency Plan by 14 October 2016. Councils who did not produce an Efficiency Plan might be subject to a lower grant settlement on an annual basis, notwithstanding the fact that for many Councils, including Kirklees, the multi-year offer already represents a significant and continuing national funding reduction over the period anyway.

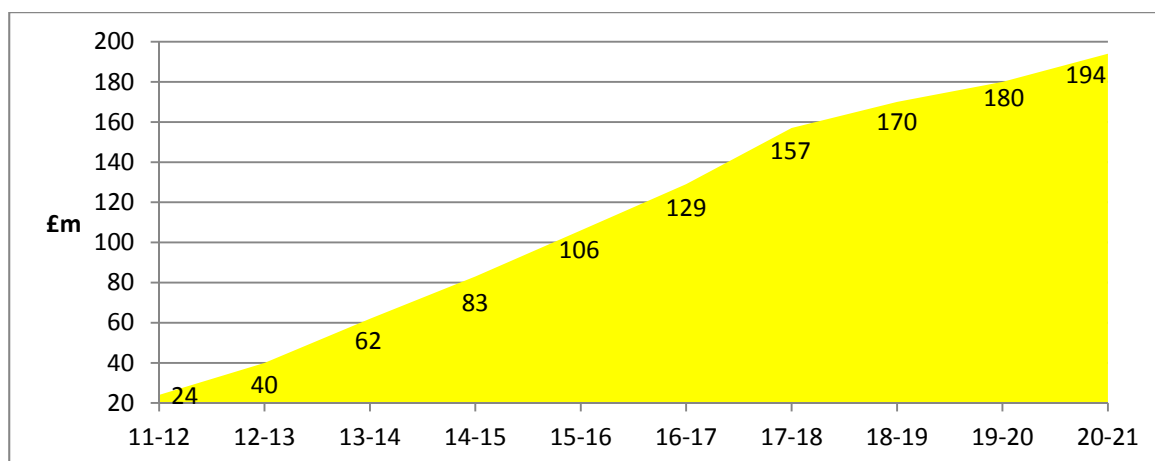
The relevant link to the MTFP update report 2017-21 and Efficiency Plan, to full Council on 12 October 2016, can be found here (agenda item 6):

[Extraordinary Council meeting 12 October 2016](#)

3.1.3 The annual MTFP update report reviewed the resource forecasts underpinning existing budget plans and any emerging pressures, and highlighted where there might be significant changes from pre-existing assumptions to help inform the updated draft budget proposals.

3.1.4 This resulted in an updated forecast budget gap of £28m in 2017-18, increasing to £41m in 2018-19, £51m in 2019-20 and £65m (cumulative) in 2020-21, to inform future year spending plans. Graph 1 below illustrates the overall (cumulative) £194m target saving requirement for the Council over the 2011-21 period, incorporating the updated budget gap projections over the 2017-21 period.

Graph 1 – Council Budget Gap 2011-21

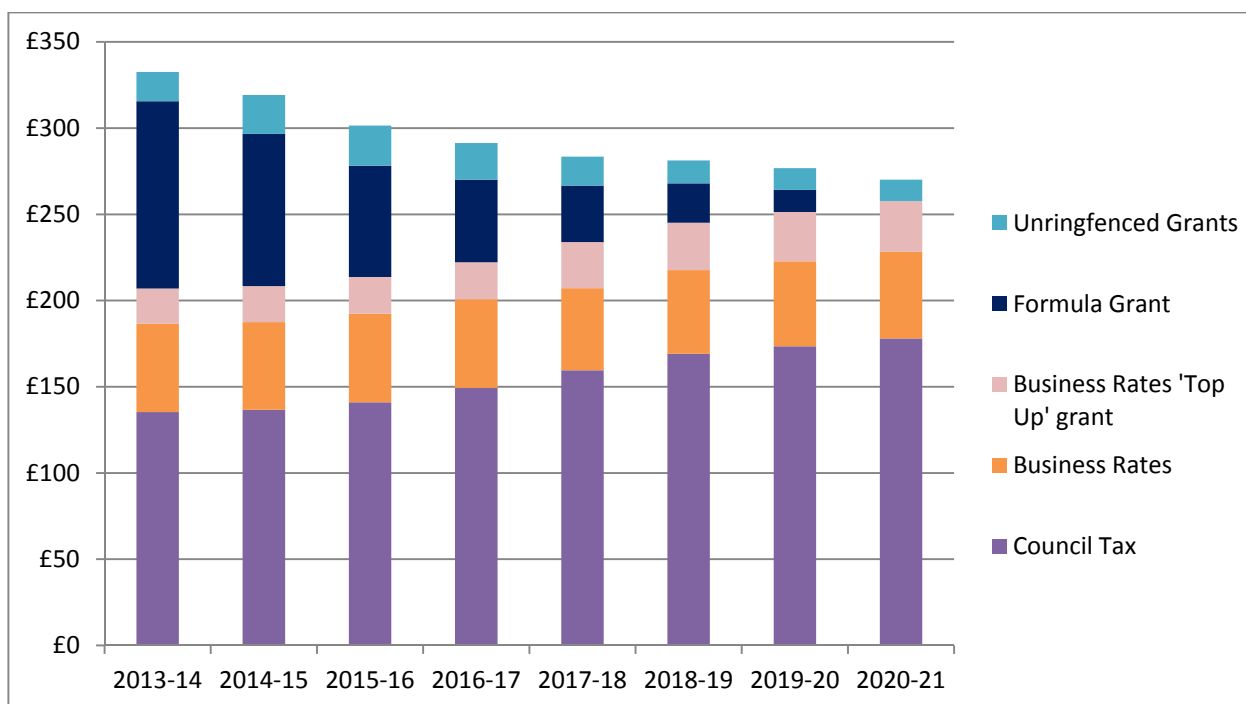


- 3.1.5 The updated budget gap forecasts presented to full Council on 12 October 2016 included a number of revenue base budget cost adjustments at that time, and these were subsequently reviewed further. The totality of cost adjustments , as set out in the main report, para 3.11, Table 1, is £23.2m in 2017-18, increasing annually to £30.2m by 2020-21. These are covered in more detail further below at para 3.10.
- 3.1.6 As previously noted in the main report at para 3.3, the Council is one of the lowest funded Councils in the country, using the Government's own comparative measure of council funding; 'spending power expressed as spend per resident. Based on Government's 2016-17 data, converted to a funding amount per head of population, the figure for Kirklees is £684 per head, and is 8th lowest of Local Authorities nationally, and the 2nd lowest of the metropolitan authorities. The provisional financial settlement updated spending power comparisons have re-affirmed the Council's position as one of the lowest funded authorities per head of population.
- 3.1.7 The revenue cost adjustments referred to at para 3.1.5 above illustrate the extent to which this, and many other councils, are having to manage the impact of increasing pressures on services, in particular those targeted at the most vulnerable residents in Kirklees, at the same time as national Government funding continues to decrease at a significant rate; the extent of which is set out in the following sections.

3.2 National Government Funding – Impact on overall Council budget position

- 3.2.1 National government, over successive parliaments, has committed to reducing the national debt burden. As part of this approach, there have been significant funding reductions across a number of public services, including local government. The impact of this has been an overall national reduction in Revenue Support Grant funding to local government over the 2010-16 period in excess of 40%.
- 3.2.2 The November 2017 Autumn Statement and government financial settlement 2017-18 (including funding allocations for the following 2 years), effectively represent further overall national reductions in Revenue Support Grant to local government of 34% over the 2016-20 period; effectively phasing out Revenue Support Grant funding completely by April 2020. The specific funding impact for the Council is broadly consistent with the overall national funding reductions quoted above.
- 3.2.3 Councils are funded by a number of sources. The impact of Government funding reductions over more recent years, relative to other funding sources, is illustrated in the following graph :

Graph 2 – Council Funding sources and trends 2013 to 2021



- 3.2.4 Graph 2 above shows trends over time of the relative proportions of funding available to support the Council's net budget plans; Council Tax, Business Rates Retention Scheme, Government Revenue Support Grant and Government un-ring-fenced grants.
- 3.2.5 The significance of 2013 as the starting point in the above graph is that this was the year that the business rates retention scheme was implemented; councils allowed to retain 49% of business rates collected locally (previously it was all paid over to national government and re-distributed to individual councils through revenue support grant – based on government's assessment of each council's need to spend using a complex formula calculation).
- 3.2.6 Combined with continuing significant cuts in government funding, Councils have increasingly become self-sufficient on locally generated funding sources (i.e. council tax, business rates) to fund net budget plans, and this trend, as illustrated in Graph 2 above, will continue over the next 4 years.
- 3.2.7 The scale of national funding reductions over successive parliaments has been a significant factor (alongside continuing service pressures such as the highlighted baseline cost adjustments referred to at para 3.1.5 above), in terms of determining overall target savings over the period to address a significant budget gap.
- 3.2.8 The following sections 3.3 to section 3.9 set out in more detail, specific national government funding impacts on the Council budget position resulting from the government multi-year Finance Settlement over the 2017-21 period.

3.3 Local Government Finance Settlement

3.3.1 The multi-year finance settlement sets out the detail of annual government funding allocations to the Council, for the following 3 years. This is based on government's assessment of individual Council baseline funding needs, referred to as the 'settlement funding assessment'.

3.3.2 The national settlement funding assessment for 2017-18 is £16.6 billion (which includes an assumed £11.4 billion of locally retained business rates). Kirklees settlement funding assessment is £110.0m and, via a number of detailed calculations, this is converted by government into the business rates retention scheme. The constituent parts for the Council are business rates (Council local share), top up grant, and revenue support grant.

3.3.3 Table 1 below summarises the multi-year Finance Settlement amounts for the Council for the next 3 years, and an indicative budget allocation for year 4:

Table 1 – Business Rates Retention Scheme

	2016-17 Approved Budget	2017-18 MTFP	2018-19 MTFP	2019-20 MTFP	2020-21 Indicative Budget
	£m	£m	£m	£m	£m
Business Rates Retention Scheme					
Kirklees Local Share (50%)	51.4	47.6	48.5	49.3	50.3
Top Up Grant from Government	21.4	26.7	27.5	28.5	29.4
Estimated Retained Rates Income	72.8	74.3	76.0	77.8	79.7
Add Revenue Support Grant (RSG)	47.9	32.8	22.8	12.8	0.0
Total	120.7	107.1	98.8	90.6	79.7
<i>Settlement Funding Assessment Difference</i>	<i>123.5 2.8</i>	<i>110.0 2.9</i>	<i>102.5 3.7</i>	<i>95.4 4.8</i>	<i>N/A</i>

3.3.4 The difference between the settlement funding assessment figure and the actual business rates retention figure in the above table reflects the difference between government forecasts for Kirklees business rates, and the Council's own forecasts over the period, which are explained in more detail at para 3.13 further below.

3.3.5 A new valuation list for non-domestic properties takes effect from April 2017. The previous valuation was 2010. Government has stated that the new valuation will be 'fiscally neutral' for individual councils, with compensating grant adjustments. The new valuation figures are reflected in the figures set out in Table 1 above, including compensating (Top Up) grant adjustment.

3.3.6 Government has confirmed the continuation of the small business rates relief scheme for the remainder of the current parliament, compensated by un-ringfenced grant. Also announced was an increase in the existing threshold at which small

businesses become eligible for 100% rate relief; from £6k to £12k from April 2017 with tapered relief from £12k to £15k (was £6k to £12k). The provisional financial settlement figures do not reflect these changes, but Government has said that local authorities will be compensated for loss of income through section 31 grants (i.e. an increase in small business rates relief grant), and will amend the relevant regulations to being these changes into effect from 1 April 2017.

- 3.3.7 Government proposes that all English councils retain 100% of business rates collected locally, from April 2020, where currently councils retain 49%. This would transfer about £12.5 billion funding from central government to local councils.
- 3.3.8 The design principles as to how it would work have yet to be clearly set out, are quite complex in scope and potentially include transfer of other funding responsibilities from central government to local Councils, at the same time. In light of this, it is too early to anticipate the funding implications if this proposal is implemented, within current draft budget plans (see also para 3.13.7 below).
- 3.3.9 As noted at para 3.1.6 earlier, Government uses “spending power” as a measure of the support they provide to local authorities and what Councils raise locally through Council Tax. The measure of spending power factors in an assumed take up of the 2% social care precept (see also para 3.5 below), and the Improved Better Care Fund allocations over the next 3 years (see also section 3.7 below).
- 3.3.10 Overall, a comparison of the government's 2017-18 Council spending power calculation with 2016-17 indicates a change for Kirklees of -1.6% (-1.1% nationally). Over the spending review period to 2020, the change in spending power for Kirklees is calculated to be 2.3% (2.2% nationally). These changes have little overall impact on the Council's relative standing as one of the lowest funded Councils when expressed as spending power per resident.

3.4 Un-ringfenced grants

- 3.4.1 The multi-year financial settlement also includes the detail of the un-ringfenced grant allocations for each Council. While these grants are separately identifiable, the Council can apply this funding flexibly to meet overall Council spend priorities. These are summarised in Table 2 below:

Table 2 – Un-ringfenced grant allocations

Un-ringfenced grants	Annual allocations across years				
	2016-17	2017-18	2018-19	2019-20	2020-21
	£000s	£000s	£000s	£000s	£000s
Education Services Grant (ESG)	4,726	1,297	0	0	0
New Homes Bonus (NHB)	9,000	7,160	4,891	4,351	4,200
Housing & CT Admin Grant	2,220	2,114	2,114	2,114	2,114
Business Rates Relief grant	4,870	4,967	4,967	4,967	4,967
Independent Living Fund	891*	862	835	810	810
Other	443	368	370	372	372
Total	22,150	16,768	13,177	12,614	12,463

* Note that the 16-17 Independent Living Fund allocation was announced after the budget was set, so the £0.9m was not included in the 16-17 un-ringfenced grants budget at the time.

EDUCATION SERVICES GRANT

- 3.4.2 Education Service Grant (ESG) is an un-ringfenced grant allocation to Councils. The original purpose was to provide funding to Councils, based on a per pupil funding formula calculation, that would help fund a range of statutory and regulatory duties that Councils are required to deliver to the maintained schools sector, and academies.
- 3.4.3 Government has announced that Education Service Grant (ESG) will cease completely in its current form from 2017-18 onwards, other than a one-off 'transitional' funding allocation in 2017-18 (calculated as a part-year transitional funding allocation, to August 2017 only). Kirklees share of this one-off funding is £1.297m in 2017-18.
- 3.4.4 A proportion of existing ESG will be transferred to Dedicated Schools Grant from 2017-18 onwards. Kirklees share is £986k. Government has also re-affirmed that existing statutory and regulatory duties undertaken by Councils, both for all schools, and those specifically for the maintained schools sector, will remain as is, other than schools improvement (see also, para 3.4.6 below).
- 3.4.5 The budget proposals set out elsewhere in this report assume that the £986k Education Support Grant transfer to Dedicated Schools Grant, will be retained by the Council, to help fund the cost of existing statutory and regulatory services the Council still has to provide to the maintained schools sector. Government guidelines state that any agreement for the Council to retain funding in this way needs Schools Forum agreement, and this was achieved in principle on 13 January 2017.
- 3.4.6 Also replacing existing ESG, at least in part, there will be a new £50m national school improvement grant to Councils, to cover monitoring and commissioning of school improvement and intervention in failing schools, and commences in September 2017. The Council's share in 2017-18 will be approximately £250k with an annual share thereafter of £400k, and is included within Learning & Skills budget proposals.
- 3.4.7 Government has also announced a new £140m strategic school improvement fund for academies and maintained schools; "*aimed at ensuring resources are targeted at the schools most in need of support to drive up standards, use their resources more effectively and deliver more good school places*" (Department for Education), and Government will issue further guidance on the fund and how to access support in due course.
- 3.4.8 Overall, the Government announcement on ESG represents a real and sustainable further cut in government funding to the Council, estimated in the region of £3.3m per annum (net of the offsets in paras 3.4.4 to 3.4.6 above) ; this annual loss potentially reduced depending on the Council successfully accessing the national £140m strategic school improvement fund.

NEW HOMES BONUS GRANT

- 3.4.9 The 2015 Government spending review announced that £800m was to be re-directed from existing national NHB un-ringfenced grant allocation, to support

£1.5bn improved better care funding over the next 3 years to resource increasing Adult Social Care pressures. The improved better care funding was to be phased; about £90m in 2017-18, increasing to about £900m by 2018-19, and £1.5bn by 2019-20.

3.4.10 A Government consultation on NHB followed this announcement, and ran from December 2015 to March 2016. The Government response to the consultation was released as part of the provisional settlement announcement on 15 December 2016, and included the following proposed changes :

- i) reduction in number of years for which legacy payments are made, from 6 to 5 years in 2017-18;
- ii) reduction in number of years for which legacy payments are made from 5 to 4 years from 2018-19 onwards;
- iii) introduction of a baseline for housing growth for 2017-18, set at an initial baseline of 0.4% of the council tax base for 2017. Housing growth below this level in each authority will not receive NHB allocations. Government will retain the option of making adjustments to the baseline in future years in the event of a significant increase in housing growth;
- iv) from 2018-19 Government will consider withholding NHB payments from Councils that are not planning effectively (i.e. aren't making positive decisions on planning applications and delivering housing growth), as well as withholding payments for homes that are built following an appeal.

3.4.11 Government has indicated that as a result of the NHB changes set out in i) and iii) above, this has effectively released £240m at a national level in 2017-18, which has been re-directed to fund a one-off adult social care grant in 2017-18 (see also, para 3.8 below).

3.4.12 The reduction in number of years for legacy payments to 4 years from 2018-19 onwards, was already anticipated in the 2017-21 budget strategy update report to Council on 12 October 2016. However, the specific reduction in legacy payments from 6 to 5 years in 2017-18 was not anticipated; neither was a 0.4% national baseline for housing growth. The net impact of the latter two changes is summarised at Table 3 below :

Table 3 - revised NHB grant allocations 2017-20

	17-18 £000	18-19 £000	19-20 £000
Budget update report to full Council, October 16	(9,100)	(5,700)	(5,500)
Impact of provisional settlement	1,940	809	1,149
Revised NHB grant allocations	(7,160)	(4,891)	(4,351)

BUSINESS RATES RELIEF GRANT

3.4.13 As noted previously at para 3.3.6, Government has confirmed that Business rates relief grants set out at Table 2 earlier, will remain at least to the end of the current Parliament, and that there will be additional grant compensation from loss of income from the increase in the threshold eligibility for small business rates relief.

FORMER INDEPENDENT LIVING FUND (ILF) - FUNDING TRANSFER

- 3.4.14 The Independent Living Fund (ILF) was a specific national government funding source originally set up in 1988 to provide additional financial support to people with disabilities. Government decided to close ILF to new recipients in England, and transfer funding for existing recipients to local councils from July 2015 onwards. The annual funding allocations reflected in Table 2 above reduce gradually year on year, based on Government's assumptions of reducing numbers of existing recipients supported, over time. Adult services budget plans assume a matching gross budget provision to the former ILF funding included here.
- 3.5 Council tax flexibilities – social care precept
- 3.5.1 In response to increased pressure on Council budgets from growing demand for adult social care, Government announced as part of the 2016-17 financial settlement, that for the rest of the current Parliament, local authorities responsible for adult social care "...will be given an additional 2% flexibility on their current council tax referendum threshold to be used entirely for adult social care." (extract from Government letter to Chief Executives dated 17 December 2015). Existing budget plans assumed the annual 2% uplift each year over the 2016-20 period, hypothecated to adult social care, to pay for the increased provider costs arising from national minimum wage uplifts over the period (see also para 3.6 below).
- 3.5.2 The provisional financial settlement 2017-18 reaffirmed the current council tax referendum threshold at 2% but it was also announced that individual Councils now have the flexibility to uplift the adult social care precept upto a maximum of either 2% each year for the next 3 years, or 3% each year for the next 2 years.
- 3.5.3 The 3% option would raise additional revenue funding of £1.6m in 2017-18, and £3.3m in year 2; £4.9m in total, due to the front loading of the year 3 2% uplift, to years 1 and 2. The front-loaded 3% precept option effectively gives the Council additional revenue resources for years 1 and 2 only.
- 3.5.4 The council tax determination set out further below at para 3.14 assumes take up of the new social care precept flexibilities of 3% social care precept in 2017-18 and 2018-19. There is no precept uplift in 2019-20 with the 3% precept option; 6% in total over the 2016-19 period. The draft budget plans therefore assume no further precept uplift from April 2020, pending future government clarification of any extension of current precept flexibilities, beyond the period of the current Parliament.
- 3.5.5 The service calculation of annual nursing and residential fees for 2017-18 will factor in the impact of the Government's national minimum wage increase. Government has currently only committed to the precept flexibility for local Councils to 2019-20.
- 3.6 National Government Minimum Wage Uplift
- 3.6.1 Government has increased the national minimum wage for employees aged over 25 from £7.20 per hour current, to £7.50 from April 2017 (equivalent to 4.2% annual uplift). Government also refers to this as a 'National Living Wage'. The recent Autumn Statement 2017 made no specific reference to the re-affirmation of

the previous £9 per hour commitment by 2020, beyond the announced 2017-18 uplift.

- 3.6.2 Nationally, the Local Government Association had previously estimated that the cost to adult social care providers alone over the 2016-20 period, would be in the region of £1 billion by 2020, if £9 per hour was to be achieved from April 2020. Locally, the Council has estimated that the additional cost to adult social care providers could be in excess of £3m in 2017-18.

3.7 Better Care Fund & Improved Better Care Fund

- 3.7.1 The Better Care Fund (BCF) nationally was originally established at £3.5 billion in 2015-16; comprising existing health and council funding to form a pooled budget. Kirklees pooled budget share is currently £30m which includes existing health and council revenue and capital funding.

- 3.7.2 Government will allocate 'additional' £1.5 billion BCF funding nationally, over the 2017-20 period, and is referred to as the Improved Better Care Fund. The funding will be allocated by way of an annual specific grant to individual Councils, and it is intended that the funding be wholly earmarked for adult social care activity. The draft budget plans reflect the Council's share of the additional funding, at £0.8m in 2017-18, increasing to £7.1m in 2018-19 and £12.8m in 2019-20.

3.8 Adult Social Care Grant

- 3.8.1 This was included as part of the provisional financial settlement announcement for 2017-18, and is a one-off grant only for 2017-18. There is £240m funding nationally for this, and individual Council shares are based on a Government relative needs formula calculation. The Council's share is £1.9m.

- 3.8.2 However, as noted earlier at para 3.4.11, the funding is effectively a re-direct of existing NHB grant, and the overall impact on the Council's bottom line is nil. Government has effectively re-directed an existing Council funding allocation from un-ringfenced grants, which supports the overall Council bottom line, to a specific grant, which is service specific and has specific grant conditions attached to it.

3.9 Public Health Specific Grant

- 3.9.1 There was a transfer of a number of Public Health service activities, from Health to Councils, from April 2014 onwards. There was also a corresponding funding transfer, by way of an annual Government specific grant, to pay for services transferred. Approved budget plans last year included a specific grant for the Council in 2016-17 of £29.6m. Of this, £6m grant is 'ring-fenced' to existing budgeted activity Council wide, that meets public health grant criteria. The draft budget plans assume that £6m of the existing grant will continue to support the Council's bottom line in this way, over the next 4 years.

- 3.9.2 The remaining £23.6m grant allocation was budgeted specifically against public health service activity, with matching budgeted expenditure. Subsequent to the approved plans, there was a Government national grant reduction announcement in-year; the Council's share was £2.3m in 2016-17. Government has also subsequently confirmed further grant reductions of £0.6m each year for the

following 3 years; a cumulative additional grant reduction of £1.8m over the 2017-20 period, in addition to the £2.3m in 2016-17. These reductions are factored into draft budget plans with a corresponding reduction in service budgeted expenditure, and the intention is for the service to deliver savings to match the grant reduction over the period.

3.10 Cost adjustments

3.10.1 There are a number of cost adjustments built into the draft budget plans, and these are set out below :

Table 4 – cost adjustments

	Proposed budget 17-18 £m	Proposed budget 18-19 £m	Proposed budget 19-20 £m	Proposed budget 20-21 £m
ADULTS				
Current year pressures	7.0	7.0	7.0	7.0
Future year Growth (over 65's)	-	1.0	2.0	3.0
Continuing care funding pressures (learning disabilities)	1.0	1.0	1.0	1.0
Adult social care precept (additional 1% to 3%)	1.6	3.3	(0.3)	(0.1)
Best partnering	1.0	1.0	1.0	1.0
Sub-total	10.6	13.3	10.7	11.9
Children – current year pressures	11.1	11.1	11.1	11.1
Place – waste contract	1.0	1.0	1.0	1.0
Agile & Mobile working	0.5	1.0	1.0	1.0
Inflation provision (new year 4)	-	-	-	5.2
Total cost adjustments	23.2	26.4	23.8	30.2

3.10.2 The two most significant cost adjustments shown at Table 4 above relate to Adults and Children's activity. The context for these cost adjustments is set out in the following paragraphs.

Current year (2016-17) financial performance

3.10.3 The most recent Quarterly revenue monitoring forecast (Quarter 2) was presented to Cabinet on 15 November 2016. It reported a forecast net overspend of £5.1m (1.7%) against a net budget of £310.8m, but within this overall total, there were service pressures of £14.2m, in part offset by approved reserves drawdown of £4.8m, an overall central budget underspend of £3.4m, and District Committee managed budgets forecast underspend of £0.9m against £1.3m budget. The relevant link to the Quarter 2 monitoring report is included below (agenda item 11) :

[Agenda for Cabinet on Tuesday 15th November 2016, 4.00 pm | Kirklees Council](#)

3.10.4 In addition to quarterly reporting to Cabinet, revenue budgets are monitored monthly and updated forecasts reported internally to the relevant Cabinet members, and Executive Team (senior officer leadership team). Updated internal revenue monitoring forecasts, as at month 8, indicated a net overspend of £2.4m (0.8%) against a net budget of £310.8m. Key highlights included :

- i) service Directorate pressures of £14.1m against a net budget of £265m (5.3%); includes Adult Social Care demand led pressures at £7.4m; Safeguarding and Family Support £11.1m – including demand led pressures at £6.3m and agency staffing pressures at £5.4m (in part to support interim management arrangements); Waste Services contract pressures at £0.7m;
- ii) approved reserves drawdown in-year totalling £7.3m to support Safeguarding & Family Support interim management arrangements and other service agency pressures;
- iii) central budgets forecast underspend of £3.5m against £44.7m net budget (7.8%); includes treasury management at £1.8m and central contingency budgets at £1.5m;
- iv) District Committee managed budgets forecast underspend of £0.9m against £1.3m budget; equivalent to 67%.

3.10.5 The approved in-year reserves drawdown referred to above is mainly to support a number of key service improvements in Children's Services. These service improvements are ongoing and have been supported by the Government appointment of an Independent Children's Commissioner to oversee these improvements, initially to March 2017. This follows the recent OFSTED inspection of the Council's Family and Safeguarding Service, which was reported to Cabinet on 28 November 2016 with an assessed rating of 'inadequate'(relevant link to this report below – agenda item 8) :

[Agenda for Cabinet on Monday 28th November 2016, 5.00 pm | Kirklees Council](#)

3.10.6 There was also a further separate Adults report to Cabinet on 12 December 2016 highlighting the extent of current demand led pressures in particular with regard to the Learning Disabilities service current year overspend, and a range of mitigating management actions. The link to this report is included below (agenda Item 15) :

[Agenda for Cabinet on Tuesday 13th December 2016, 4.00 pm | Kirklees Council](#)

3.10.7 The cost adjustments factored into draft budget plans for Children's and Adults largely reflect known pressures highlighted in the corporate member arena through 2016-17, as set out above.

3.10.8 The additional 1% adult social care precept in 2017-18 and 2018-19 (refer also to para 3.5 earlier) is intended to part address future demand pressures anticipated with the under 65's client group, but acknowledging that this is temporary additional resourcing and the extent to which the service can effectively manage down future demand within affordable budgets is a budget risk.

- 3.10.9 The best partnering adjustment at £1m acknowledges the fact that the deliverability of pre-existing savings plans around service re-configuration involving health partners have now been reviewed. Alternative new service savings proposals working with health partners are included at Appendix B regarding older people residential strategy.
- 3.10.10 The waste contract cost adjustment reflects ongoing pressures on the waste contract. The additional resources for 'mobile and agile' working reflects the impact of nationally negotiated approaches between National Government and Microsoft, on behalf of the wider public sector, based on a "per user, per usage, per annum" revenue model. The inflation provision reflects the assumed new year 4 inflation provision requirement included as part of the budget strategy update report to Council on 12 October 2016, but this has subsequently been reviewed as per para 3.12.8 further below.
- 3.10.11 The cost adjustments summarised at para 3.10.1 Table 4 above are significant, and as also set out in the main report (para 3.12, Table 1), contribute to an updated budget gap (before planned savings) of £65.4m in 2017-18, increasing to £104.3m by 2020-21. The following sections set out the Council's approach to managing the scale of the budget gap.

3.11 Addressing the Council Budget Gap

New Council

- 3.11.1 The 2017-18 budget proposals set out in Appendix B include a number of existing savings totalling £16.3m, rolled forward from previously approved 2016-19 budget plans. These need to be seen in the context of the continuation of the Council's medium term strategy set out as part of last year's approved budget plans, informed by a more fundamental review and re-shaping of existing Council spend, to achieve the following :
- i) The Council will use available resources to best effect/support the Council priorities and;
 - ii) The Council will live within its means for the foreseeable future
- (source, Director of Resources report to Cabinet 13 August 2013 'budget principles & timetable';)
- 3.11.2 The context for the above approach was the continued scale of national government funding reductions over the medium term. Target savings requirements had largely been met over the 2010-15 period through a combination of efficiency and incremental savings measures, whilst at the same time protecting existing front line services as far as possible. However, this was considered to be not sustainable going forward, hence the New Council approach.
- 3.11.3 The New Council approach includes a Cross-Directorate review of Council priorities to inform current and future multi-year budget strategies, guided by the Council's two key strategies; the Economic Strategy and the Joint Health & Wellbeing Strategy.

- 3.11.4 Given the continuing scale of the financial challenges facing the Council, there are also a significant number of new savings proposals set out at Appendix B, to address the forecast remaining budget gap over the 2017-21 period. New savings have been identified totalling **£37.9m** in 2017-18.
- 3.11.5 The budget plans presented at Appendix B also include further savings proposals totalling **£27.6m** in 2018-19, **£16.2m** in 2019-20 and **£5.5m** in 2020-21.
- 3.11.6 The totality of savings proposals in 2017-18 (existing plus new savings proposals) is £54.2m in 2017-18, increasing to £82.2m in 2019-21, £98.8m in 2019-21 and £104.3m by 2020-21.
- 3.11.7 To support New Council ways of working and at the same time achieve the significant level of savings required next year and the following 3 years, there will be a new senior management structure in place from April 2017. Under these new arrangements, there will be no formal Directorates. There will be 3 Strategic Director roles, working with the Chief Executive to lead work with a range of local and regional public, private and voluntary sector partners to deliver shared ambitions or 'outcomes' for Kirklees. The next tier down will consist of 11 Service Director roles, responsible more for the day to day management of a number of key Council functions.
- 3.11.8 In view of the current timeline for the implementation of the new management structure, including clarification of specific Service Director responsibilities, the draft budget plans presented at Appendix B are based on existing Directorate structures. It is intended that there will be a "technical" re-shaping of approved budgets on the Council's financial ledger (SAP) early in the 2017-18 financial year, to reflect the new budget management reporting responsibilities across the 11 Service Directors.
- 3.11.9 Existing officer governance arrangements for supporting the work of the New Council have also been reviewed with more streamlined decision-making in acknowledgement of the increased pace at which the Council will have to work to achieve its New Council ambitions and at the same time deliver timely savings over the next 3 years.
- 3.11.10 The Council's Corporate Plan also provides a useful reference in terms of the political and organisational leadership of the Council's approach to delivering on its priorities and strategies over the forthcoming 12 months and beyond.
- 3.11.11 Of the totality of budget savings (existing plus new) of £54.2m in 2017-18, £10.4m relate to Childrens and £7.3m relate to Adults; £17.7m in total. The draft budget plans set out at Appendix B set out further savings proposals in the following years, to 2020-21. These indicate that, overall, by 2020-21, it is expected that the Council would have delivered £104.3m annual savings; Children's share being £18.2m and Adults share £21.8m; £40m in total.
- 3.11.12 These service areas are already highlighted to be at most 'budget risk', as illustrated previously at para 3.10. The scale of the challenge facing the Council going forward cannot be under-estimated, and the Council's leadership team and Cabinet have jointly acknowledged that external expertise and capacity will be

required to support the Council if it is to deliver its ambition and manage resources within the draft budget plans set out at Appendix B of this report.

3.11.13 The Council has commissioned an external business transformation partner, with particular early focus on demand management in Children's and Adults services. This will be funded from the existing Council Transformation Reserve set aside previously to support Transformation developments to deliver a New Council (see also para 3.16.6, Table 9 below).

3.12 Review of Central Budgets

Treasury Management

3.12.1 The costs of financing borrowing for capital investment are budgeted centrally except for new service funded schemes. The treasury management budget covers the cost of repaying debt and interest payments, net of any income earned on balances.

3.12.2 The net budget reflects the costs of financing both past borrowing and new borrowing to fund the Capital Investment Plan. Most of the debt portfolio is on fixed interest rates. It has been assumed that new borrowing over the next 4 years will be a combination of relatively short-dated fixed rate loans and temporary borrowing. The average interest rate of total new borrowing has been estimated to be 2% in 2017-18, 2.1% in 2018-19, 2.1% in 2019-20, 2.2% in 2020-21 and 2.2% in 2020-21. It is proposed that around £30m in investment balances will be held to help manage the day to day cash flow requirements of the Council.

3.12.3 The budget proposals factor in the sustainability of in-year treasury management budget savings reflected as part of overall in-year 2016-17 central budget forecast underspend (see paras 3.10.4 earlier).

3.12.4 They also factor in further savings on borrowing costs over the 2017-21 period, resulting from a baseline review of the Council's 5 year capital plan (see also, Appendix A, Section 1, para 1.2.3 and Appendix E i) to iii)).

3.12.5 Treasury management budget proposals also take into account proposed changes to the Council's treasury management policy relating to minimum revenue provision (annual revenue resources set aside for repayment of debt). This proposal is set out in more detail elsewhere in this report (Appendix A, Section 2, para 2.5 and Appendix I), having initially been reported to Corporate Governance & Audit Committee on 20 January 2017.

3.12.6 Under prudential guidelines, local authorities are able to borrow without restriction to fund capital investment, providing they can demonstrate that the borrowing is affordable, prudent and sustainable. To be able to demonstrate that they have given proper consideration to these issues, there is a Code of Practice which has statutory backing in the regulations issued under Local Government Act 2003. The Code sets out various performance indicators and requires the Council to set and monitor these. The details of these are set out at Appendix F.

3.12.7 The Cabinet and the Council will need to consider the affordability of the Capital Plan before making decisions on the Revenue Budget.

Contingencies

3.12.8 Contingencies includes provision for inflation for the next 4 years, and this is set out in Table 5 below:

Table 5 – budget provision for inflation

Heading	2017-18		2018-19		2019-20		2020-21	
	£000	% uplift	£000s	% uplift	£000s	% uplift	£000s	% uplift
Pay	1,630	1	1,495	1	1,497	1	1,497	1
Prices	-	nil	-	nil	-	nil	-	nil
Income	(1,438)	2	(1,446)	2	(1,459)	2	(1,459)	2
Contingency	1,684		1,684		1,684		1,684	
Annual budget provision	1,876		1,733		1,722		1,722	

3.12.9 Pay inflation provision reflects national government expectations over the next 3 years, including the specific impact of the national employer two stage pay award over the 2016-18 period. The Council implemented a local living wage entry point for Council staff at £7.88 per hour, from April 2015. The national pay award offer for 2017-18 will uplift this to £8.19 from April 2017.

3.12.10 This remains significantly higher than the proposed Government national minimum wage (also referred to by government as national living wage) uplift to £7.50 per hour from April 2017; equivalent to a 4.2% uplift.

3.12.11 National Government had previously committed to £9 per hour national minimum wage by 2020, for workers over 25. If national government continues to increase the national minimum wage broadly at the same rate as the 2017-18 uplift, the national minimum wage hourly rate and the Council's local living wage hourly rate would be broadly the same by April 2020 (about £8.44 per hour). It is acknowledged that there is a budget risk should government uplift future national minimum wage by more than the 4.2% annual uplift assumed here, if Government remains committed to £9 per hour by April 2020. The potential modelled impact in this scenario would be additional Council staff pay pressures of at least £300k in 2019-20, increasing to £900k by 2020-21.

3.12.12 Price inflation has been reviewed and will not be uplifted across the next 4 years, which means that Directorates will effectively be operating within cash limit budgets over the medium term. The only exceptions relate to energy (7.1%), waste contract (2.5%) and third party contracts relating to adult and children social care providers (1.0%), set aside as contingency inflation.

3.12.13 Elsewhere, the three yearly (tri-ennial) actuarial review of employer contributions to the West Yorkshire Pension Fund has resulted in a 1% increase in employer contributions from 2017-18, to 16.1%, and this has been incorporated into this report. This assumed increase will be met from the £1.6m contingencies budget

(calculated on an assumed 1% increase) already set aside in existing budget plans for this purpose. It should be noted that the West Yorkshire Pension Fund's actuaries have indicated that in light of the current wider economic environment, there will be further mid-year reviews in 2017-18 and 2018-19, the outcome of which will be subject to further discussion with the relevant 5 West Yorkshire council lead finance officers.

Joint Committees

3.12.14 Kirklees, in common with all other West Yorkshire Councils, pays a levy to the West Yorkshire Integrated Transport Authority (ITA) to fund transport services. The proposal is for a levy in 2017-18, at £18.6m; reflecting a 1% reduction from 2016-17. There are similar, proportionate levy decreases across the West Yorkshire Councils in 2017-18. Council budget plans reflect an assumed further 2% annual decrease in levy contribution in 2018-19, nil increase in 2019-20 and a 1% increase in 2020-21.

3.13 Business Rates

3.13.1 While Government estimates each council's local share of business rates (49%) as part of its overall baseline settlement funding assessment, in practice each council will provide its own estimate, based on a range of local factors. The draft budget plans assume council business rates forecasts (Local Share) about £3m less than the equivalent Government control figures over the next 4 years. The significance of the difference is that Government uses its own control figures for determining what it thinks should be the council's local share of annual business rates collected locally, and calculates the revenue support grant on this basis.

3.13.2 Council business rates estimates continue to reflect a prudent assessment of backdated rating appeals currently outstanding, and likely successful settlement through the Valuation Office, based on current trends. The Council has a current prudent provision set aside totalling £8.7m (Council local share £4.3m) to mitigate the financial impact of successful backdated appeals.

3.13.3 A new valuation list for non-domestic properties will take effect from April 2017, and the Government has made compensating adjustments to individual Council 'Top Up' or 'Tariff' grant levels to ensure that the financial impact of the 2017 valuation remains 'fiscally neutral' for individual Councils. The Council will continue to review any relative volatility arising from the new Valuation, and its potential impact on overall business rates estimates from current budget plans, which remain prudent.

3.13.4 If local shares of business rates plus top up grant falls below the safety net threshold, Government will compensate Councils for the difference, to be paid for by levying Councils. This is intended to ensure no significant shocks in the system. Kirklees is a 'top up' authority. Some Councils are tariff Councils, and these are allowed to retain a proportionate share (49%) of business rates growth.

3.13.5 The business rates retention scheme also allows for a pooled approach to safety net and levies. Cabinet on 15 January 2013 approved that Kirklees become part of a Leeds City Region (LCR) Pool from 2013-14, which consists of Kirklees,

Bradford, Calderdale, Leeds, Wakefield, Harrogate and York. Leeds are the lead authority for the LCR Pool.

- 3.13.6 The Pool is established for one year at a time, and the member authorities, including Kirklees, have confirmed their continued participation in the Pool in 2017-18. The advantage of the Pool since it has been formed is that Leeds, Harrogate and York are levying Councils, and the Pooled arrangement allows for the proportion of business rates growth generated by these Councils, that would otherwise be paid over to Government, to be retained by the Pool, and spent on regional initiatives agreed by the Pool members.

NATIONAL BUSINESS RATES RETENTION SCHEME REVIEW

- 3.13.7 Government has undertaken an initial national consultation on proposals to reform of the current business rates retention scheme, with the intention for 100% business rates to be retained locally. The initial consultation on the overall approach ran until 26 September 2016. Feedback from this initial consultation exercise has yet to be published by Government. The current government timeline is for a more detailed technical consultation to follow (timescale yet to be confirmed), followed by legislation to provide the framework for these reforms, and full implementation of 100% business rates retention across all Councils by the end of the current parliament i.e. from April 2020 onwards.
- 3.13.8 The Government review of the business rates retention scheme will potentially negate the requirement to have a Pool, at the point that Councils are allowed to keep 100% of the business rates locally, and as well retain 100% of any subsequent growth.
- 3.13.9 The move to 100% business rates retention from the current 49% is intended to drive greater self-sufficiency in Council funding, and as per current Government estimates equates nationally to the transfer of about £12.5 billion from Whitehall to local councils. Government has also stated that this transfer would also be fiscally neutral, which means councils potentially gaining new funding responsibilities as well, with some Whitehall grants phased out.
- 3.13.10 The current Government timetable includes a more detailed consultation reflecting the technical complexity of the proposal, which presents both opportunities and risks for individual councils, including the potential for relative re-distribution of current funding across all councils, which is likely to prove contentious to some, whatever options are implemented.
- 3.13.11 Draft budget plans make no assumptions regarding any specific impact of the proposals currently under consideration, in view of the protracted timescale, complexity and key design principles currently under consideration.

3.14 Council Tax

- 3.14.1 The draft budget proposals reflect an increase in council tax bills to Kirklees residents in 2017-18, by 4.99%, comprised of the following:

- i) 1.99% in respect of the amount of the increase that falls within the referendum threshold of 2% or above for English authorities (excludes Parish Councils). This will raise an additional £3.0m council tax income in 2017-18. Budget plans assume similar annual council tax uplifts over the following 3 years.
- ii) 3% in respect of an adult social care precept. Government has made this available for councils (up to 6% by 2019-20) and the precept falls outside the referendum threshold requirement. This will raise an additional £4.7m in-year in 2017-18 and £5m in 2018-19, and will be wholly hypothecated to adult social care spend. Draft Budget plans assume no annual precept uplift beyond 2018-19.

3.14.2 Council tax bills also include precepts which are charges raised by the Council on behalf of precepting bodies; namely Fire and Rescue Authority, the Office of Police and Crime Commissioner and 5 Parish Councils. These bodies have yet to formally approve their precepts for 2017-18 at the time of writing this report. The Council will be notified by the precepting bodies of their formal precept approvals for 2017-18, either by 15 February 2017 Council meeting, or soon after, to be included in the council tax bills sent out to residents.

3.14.3 At the full Council meeting on 17 January 2017, members approved the continuation of the existing council tax support scheme, which is based on a reduction in local support at 20%. Draft budget plans include proposals to reduce local support to 10% from April 2018, acknowledging that this would be subject to a specific detailed consultation process.

3.14.4 The change from Council Tax benefit to the Council Tax Reduction Scheme also impacts on the Council's Collection Fund contribution to the 5 parish councils. In acknowledgement of this, a proportionate share of the overall Council tax Support grant has been allocated to the parish councils in 2017-18; £71.7k grant applied proportionately across the 5 Parish Councils, the same as the grant amount applied in 2016-17.

3.14.5 The Council tax income figures included in the draft budget plans contained in this report apply a 4.99% annual uplift in 2017-18 based on the Council Tax base figures approved at full Council on 17 January 2017. The relevant website link to this report is shown below (agenda item 15):

[Agenda for Cabinet on Tuesday 17th January 2017, 4.00 pm | Kirklees Council](#)

3.15 Collection Fund (Council Tax & Local Share of Business Rates)

3.15.1 The forecast balance on the Collection Fund at the end of 2016-17, and planned repayments, are set out in Table 6 below, based on most current 2016-17 revenue monitoring (month 9):

Table 6 - Forecast Collection Fund Movements (Council share)

Collection Fund	Council Tax £m	Business Rates £m
(Surplus)/Deficit as at 1 April 2016	(4.6)	5.0
Planned re-payments to/(from) general fund in 16-17	3.9	(4.2)
In-year forecast	(1.3)	1.1
Council's share of Collection Fund at 31 March 2017	(2.0)	1.9
Planned re-payments to/(from) general fund in 2017-18	2.0*	(1.9)
Estimated balance at 31 March 2018	0.0	0.0

*roundings

- 3.15.2 Council tax and business rates are treated as separate accounts within the overall Collection Fund, with no cross-subsidisation of surpluses or deficits allowable between the two accounts. This reflects the fact that both the precepting bodies for the respective accounts, and the basis of the precept calculation for each, are different.
- 3.15.3 The forecast deficit on Business Rates largely reflects continuing volatility on outstanding rating valuation appeals. Successful appeals include backdated payments mainly to 2010, which was the date of the most recent valuation. Some successful appeals have been backdated further, to reflect settlement on appeals outstanding from the previous 2005 valuation. Draft budget plans reflect a planned re-payment from the general fund of £1.9m in 2017-18, in respect of a forecast 2016-17 year end deficit.
- 3.15.4 In-year council tax forecasts for 2016-17 indicate a surplus position at year end of £1.3m. This is largely due to better than expected collection rates and the draft budget plans reflect a planned re-payment to the general fund of £2.1m in 2017-18.
- 3.16 Reserves & Balances
- 3.16.1 The Council uses the term “reserves” to mean accumulated one-off resources built up over time, that have been set aside or earmarked for specific purposes under 3 broad categories; statutory, earmarked, and risk based. Remaining reserves not set aside are referred to as general reserves, or balances.
- 3.16.2 More recent Council approved budget plans have included the planned drawdown of available reserves to support the Council’s annual budget plans. Table 7 below illustrates the extent to which the Council has increasingly relied on available reserves over more recent years, to deliver an annual ‘balanced’ budget :

Table 7 – Drawdown of reserves to support MTFP over recent years

Financial Year	Council net budget	Reserves used to support annual budget plans	Reserves as a proportion of Council net budget
	£m	£m	%
2013-14	335.9	3.3	1.0
2014-15	324.1	5.7	1.8
2015-16	314.1	16.6	5.3
2016-17	310.8	17.5	5.6
2017-18	294.7	11.2	3.8

3.16.3 As also previously set out at paras 3.10 and 3.11 earlier in terms of the extent of Council 'budget risks' going forward, the Council cannot continue to rely on available reserves, which is one-off funding, to the extent it has been doing, to deliver a sustainable balanced budget. The rate at which available Council reserves is now reducing, further exemplifies this point, as set out below at Table 8 below :

Table 8 – Forecast reserves movements April 2016 to April 2017

	Reserves as at 1 April 2016	Forecast Movement in Reserves in 2016-17	Remaining reserves March 31 2017
	£m	£m	£m
Earmarked	(57.4)	24.2	(33.2)
Risk based	(10.0)	(1.9)	(11.9)
General Reserves (balances)	(25.9)	12.9	(13.0)
Grand Total	(93.3)	35.2	(58.1)

3.16.4 The above analysis excludes schools 'statutory' reserves which totalled £21m as at April 2016. Schools reserves cannot be used by the Council for other purposes, and so are excluded for the purposes of analysing available reserves to the Council. The overall forecast movement in reserves in year is equivalent to 38% reduction over a 12 month period, from £93.3m to £58.1m; equivalent to an average weekly drawdown of reserves in year of about £680k.

3.16.5 The in-year forecast movements set out at Table 8 above also take account of the following proposals :

- i) transfer of £3.3m from earmarked reserves to general balances in respect of previously approved rollover resources set aside for assumed revenue spend commitments relating to the Mount Pleasant School site development, not now required;
- ii) an amendment to the Council's treasury management strategy on minimum revenue provision requirement from 2016-17 onwards, will result in a windfall gain to the Council of £7.7m in 2016-17. It is proposed to transfer this to risk

based reserves. The proposed transfer reflects the extent of budget risks contained within the draft budget plans over the next 4 years and the requirement to build up Council risk reserves to a more appropriate level; and

iii) re-alignment of previously approved £1.1m rollover reserves and £0.3m workforce structure reserves set aside for transformation projects but currently un-committed, into the New Council Transformation Reserve.

3.16.6 The estimated remaining reserves of £58.1m by 31 March 2017, and the purposes for which they are set aside, are summarised at Table 9 below :

Table 9 – forecast remaining reserves and proposed uses

	£m	Comments
Forecast reserves at April 2017	(58.1)	
Broken down as follows :		
Workforce restructure	(4.9)	Future voluntary redundancy costs
New Council Transformation	(4.9)	Includes funding for the Council's Transformation Partner
PFI pre-payment reserve	(3.1)	Ring-fenced spend commitment
Approved Revenue rollover	(3.0)	Deferred spend commitments on previously years' approved rollover
Revenue grants reserve	(5.7)	Including Troubled Families & Public Health
Joint adult/health reserve	(7.7)	Set aside for budget risks
Other	(3.9)	Smaller individual earmarked reserves; largest being Kirklees integrated community store at £0.8m
Total Earmarked reserves	(33.2)	
Total Risk based reserves	(11.9)	
Total General Reserves (Balances)	(13.0)	Includes minimum £5m set aside for working capital

3.16.7 It is recommended that Council reserves should, in the main, be retained for their agreed purposes as set out above.

3.16.8 It is proposed that the £7.7m Joint adult/health reserve and £3.5m from general reserves (balances) be applied in 2017-18 to support the MTFP. The impact of this on remaining reserves is summarised below at Table 10 below :

Table 10 – updated reserves after proposed drawdown to support 2017-18 MTFP

	Forecast reserves March 31 2017	Proposed drawdown to support 17-18 MTFP	Minimum general balances requirement	Remaining reserves
	£m	£m	£m	£m
Earmarked	(33.2)	7.7	-	(25.5)
Risk based	(11.9)	-	-	(11.9)
General Reserves (balances)	(13.0)	3.5	5.0	(4.5)
Grand Total	(58.1)	11.2	5.0	(41.9)

3.16.9 A further assessment of reserves requirements will be undertaken as part of the final accounts process, and will be reported as part of the revenue outturn and rollover report later in the year.

3.17 Corporate Risk Assessment

3.17.1 The Council's requirement to hold reserves is also informed by the corporate risk assessment which highlights a range of key budget and other risks. This is refreshed annually. Key risks highlighted from the current corporate risk assessment are summarised at Appendix J attached.

3.17.2 Individual risks vary over time, and the need to set aside reserves changes depending on the underlying budget provisions. The risk assessment reflects the provisional budget proposals put forward by officers. Subsequent changes to these proposals may affect the risk assessment.

SECTION 4 – HOUSING REVENUE ACCOUNT (HRA)**4. Key Points****4.1 Background**

- 4.1.1 HRA self-financing was implemented in April 2012. The intention was to give Councils with HRA's more confidence in being able to forecast what were intended to be more sustainable future rental income streams to help with business planning, than was possible under the previous housing subsidy system. This included government's commitment to allow for annual uplifts in social rents by consumer Price Index (CPI) + 1%, at least to 2025.
- 4.1.2 Based on the above, the Council's self-financed 30 year HRA business plan was modelled to be financially viable, to the extent that it could deliver the following four objectives:
- i) annual servicing of existing HRA debt (£216m actual HRA debt taken on as part of the self-financing settlement); included planned annual repayment of debt over the longer term in line with HRA loan repayment profile,
 - ii) delivery of capital improvements to existing Council housing stock (about 23,000 Council tenancies), to a decency standard over the 30 years, in line with forecast capital resource or 'affordability' requirements,
 - iii) continued delivery of housing management and repair service, broadly at current cost base, and
 - iv) inclusion of funding for a number of HRA strategic capital priorities and scope to consider further investment opportunities
- 4.1.3 Also as part of self-financing, Government set an upper limit or cap for HRA borrowing. The cap for Kirklees is £247m. The difference between this and actual HRA debt outstanding is also referred to as the 'headroom' potential for HRA new borrowing. While no new borrowing had been committed at this stage in relation to further investment opportunities, there was potential to explore this further, subject to HRA being able to service any additional debt commitments.
- 4.1.4 The Welfare Reform and Work Act 2016 includes an absolute year on year 1% reduction on social housing rents over a 4 year period, from 2016-20. The context was the fact that a significant proportion of social housing rents are funded from housing benefit (about 2/3rds, both nationally and locally), and the rent reduction was part of a wider package of government proposals to reduce the national welfare bill in line with its own medium term public expenditure reduction targets.

- 4.1.5 The impact was a forecast rental income loss of £1.7m in 2016-17, and a cumulative annual HRA rental income loss in excess of £10.5m by 2019-2020; equivalent to 13%. The impact on the HRA business plan was that the HRA was forecast to be financially sustainable up to 2022 and that beyond this point it went into an overall operating deficit, which also meant insufficient resources to be able to continue to deliver the 4 objectives set out in 4.1.2 above.
- 4.1.6 HRA approved budget plans over the 2016-19 period included about £4m revenue savings in 2016-17, and these represented early measures to start to address the 1% rent reduction loss referred to in para 4.1.5 above.
- 4.1.7 The annual HRA rent setting report for 2017-18 was approved by Cabinet on 17 January 2017, and includes the 1% rent reduction for Council housing properties in 2017-18, 2018-19 and 2019-20 and assumes a rent increase of 2% in 2020/21.
- 4.1.8 The Council, working in partnership with its arm's length provider, KNH, have undertaken a joint re-refresh of the HRA 30 year business plan with the aim to produce a balanced budget position over the 30 year plan, and this has helped inform the HRA budget proposals. Both the HRA business plan update and HRA budget proposals are set out in the following sections.

4.2 HRA 30 year business plan re-refreshed

- 4.2.1 The 30 year HRA capital affordability model has been reviewed in light of current stock survey data, and continues to reflect capital resourcing requirements to maintain decency in Council housing stock over the longer term. The starting point for the HRA business plan update is to roll forward current approved 3 year HRA revenue and 5 year capital budget plans.
- 4.2.2 Projected right to buy sales have also been reviewed in light of current and forecast trends; 173 from 2017-18, to 2020-21. The plan assumes, based on the recent 2016 Autumn Statement announcement, the Government deferral of a proposed 'higher value' annual levy or charge, based on higher value property void rates, to 2020-21 at the earliest. The levy is to be re-directed to private registered providers to compensate them for the loss of housing stock through the voluntary take up of the right to buy scheme in this sector. The working assumption is that from the date of implementation, the HRA would have to sell about 170 properties per annum at an assumed £65k average market value per property, to generate sufficient capital receipts to pay an annual levy charge of about £11m.
- 4.2.3 The financial impact of predicted stock reductions over future years also includes a corresponding reduction in repair and maintenance and capital improvement costs.
- 4.2.4 Government has also announced changes to its pay to stay proposals, which would have meant that outside London, Council tenants with a combined joint household income of £40k or more would have to pay market rent (with some

tapering between (£31k and £40k). The ‘additional’ rent collected would be paid over to Government directly. This proposal is now voluntary, and it is for individual Councils to decide whether or not to enact it. The Council does not intend to implement this locally.

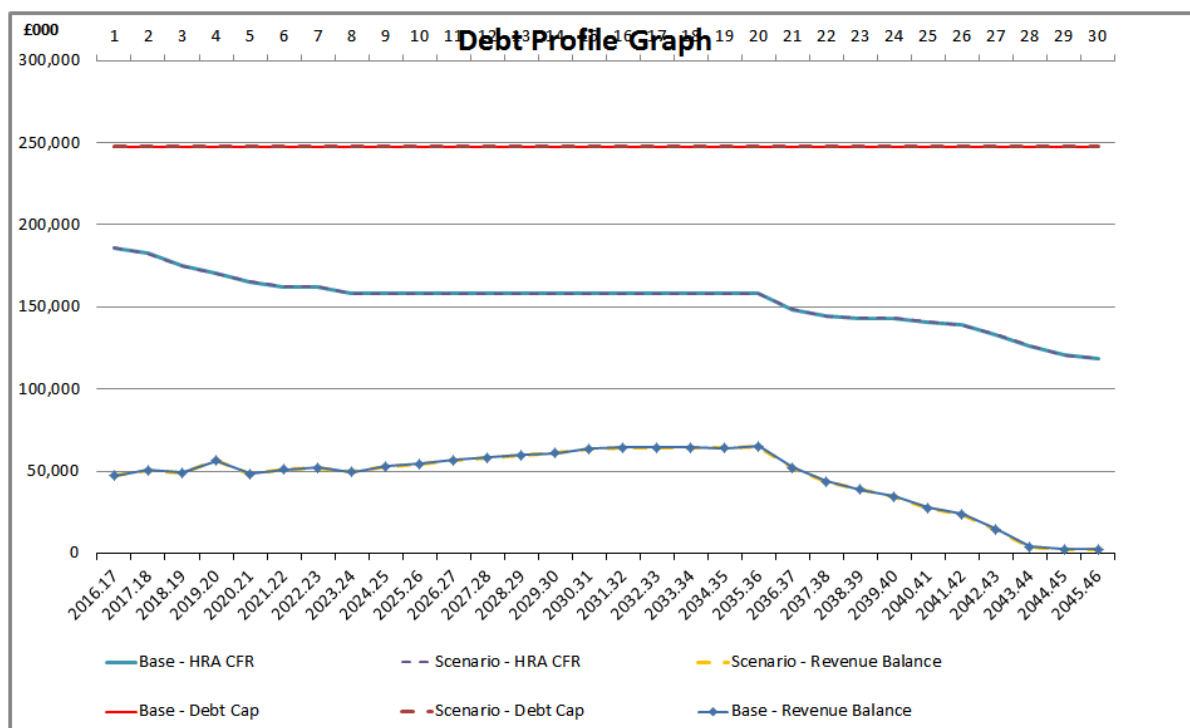
4.2.5 More prudent social rent uplifts have also been assumed from 2020-21 onwards. Current government policy indicates a reversion to CPI+1% from this date, but the business plan update assumes a more prudent CPI only uplift (in line with latest government forward inflation forecasts; 2% from 2020).

4.2.6 HRA budget proposals also include future year efficiency savings targets resultant from the merger of building services and KNH. From 2017-18, KNH business will operate with an annual turnover of about £58m, and this includes £39m fee payment from HRA for revenue repair and maintenance and housing management. The balance of KNH turnover is in respect of work to be undertaken by KNH on council housing improvements (funded from HRA capital plan) and on non-housing facilities management work on the Council’s behalf (both revenue and capital).

4.2.7 The net impact of the above changes is reflected both in the HRA revenue budget proposals set out at Appendix B, and the HRA capital plan proposals included at Appendix A, Section 1, paras 1.2.11 to 1.2.13, and Appendix E iii).

4.2.8 The longer term impact on the HRA business plan is graphically illustrated below:

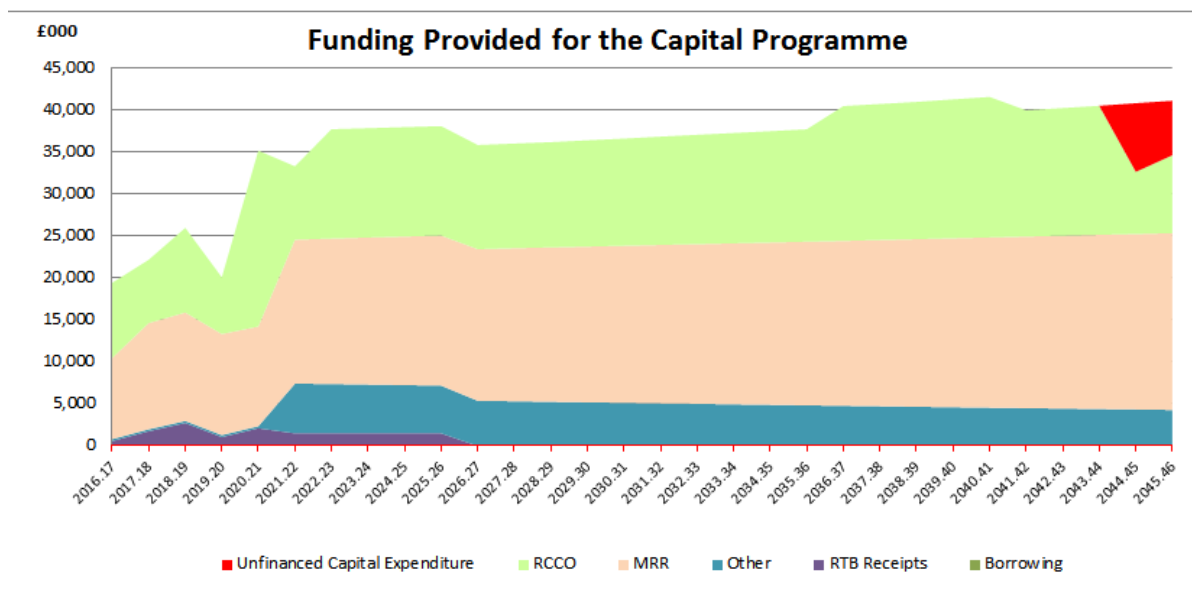
Graph 1 – HRA cashflow ; 30 year business plan



4.2.9 Graph 1 above (dotted line) suggests the HRA would be able to maintain an

overall balanced cashflow position. The cashflow projections suggest a solvent operating account over the longer term (albeit with minimum balances of only £1.5m). In terms of capital affordability over the same period, this is illustrated in Graph 2 below :

Graph 2 – capital affordability over 30 years



4.2.10 The red shaded area in Graph 2 above indicates that the updated baseline capital plan resource requirement becomes ‘unaffordable’ from about 2043-44 onwards if the intention is to maintain existing housing stock at the decency standard over the entirety of the 30 year business plan. The above projection assumes no additional borrowing up to the HRA borrowing cap as the current approach is to repay debt rather than increase borrowing; equates to about £69m debt repayment over the lifetime of the current business plan.

4.2.11 The modelled assumptions presented above are based on a current set of working assumptions and snapshot in time. In broad terms they suggest that there has been significant progress in delivering a financially viable HRA business plan over a 30 year period, through a combination of budget proposals over the next 4 years (plus the approved savings rolled forward from 2016-19 budget plans).

4.2.12 The budget proposals are purely outline savings plans at this stage and are subject to more detailed business cases which would require consultation with tenants and Cabinet consideration prior to implementation.

4.3 HRA RESERVES

4.3.1 Current and forecast HRA reserves are summarised at Table 1 below:

Table 1 – summary HRA reserves

	Balance at 31st March 2016 £m	Forecast Movement in Reserves £m	Estimated Balance at 31 st March 2017 £m
General Reserves	(42.8)	-	(42.8)
Major Repairs Reserve (note 1)	-	-	-
Total	(42.8)	0	(42.8)
Amounts set aside for specific purposes in future years:			
<i>Business Risks</i>			4.0
<i>Working balance</i>			1.5
Remaining reserves available to support HRA business plan requirements			(37.3)

(note 1) - Opening balance of nil reflects the fact that there is an in-year contribution from HRA (annual depreciation charge - currently £16/£17m) which is then fully committed in-year to support HRA capital plan and pay down HRA debt. Statutorily this reserve cannot be used for any other purpose

4.3.2 Current HRA general reserves revenue commitments include a set aside of £4m for business risks; in particular, with regard to proposed welfare reform changes. The balance of commitments includes £1.5m working balance, and support to the HRA capital plan.

4.3.3 The forecast balance of reserves at £37m, are assumed to roll forward to support future year capital investment plans on strategic priorities (£52m) which prioritise housing growth.

4.3.4 The annual HRA depreciation charge, which is around £16.5m, funds the major repairs reserve. This reserve is fully committed each year, with no remaining balances to roll forward year on year.

4.3.5 A number of housing policy proposals following the implementation of the Welfare & Reform and Housing & Planning Acts remain subject to further government clarification. Depending on the outcome, some of the remaining reserves highlighted in Table 1 above may be required, at least short-term, to manage any significant financial impacts on the HRA bottom line, not currently factored in.

4.4 Budget Consultation

4.4.1 The HRA budget proposals set out at Appendix B were discussed at the two

Tenants & Residents Committees (TRC's) through late November and early December 2016. TRC's were supportive of the HRA budget proposals set out in light of the financial challenges facing the HRA as a result of the 1% annual rent reductions to 2020, as well as acknowledging the opportunities from the recent building services/KNH merger.

4.5 Risk Assessment

- 4.5.1 There are also a number of identified business risks potentially impacting on HRA, including the impact of universal credit on income collection, which is due to be rolled out for existing claimants in Kirklees from November 2017.
- 4.5.2 The Housing and Planning Act, particularly the requirement to dispose of the 'most expensive' Council homes or pay an equivalent levy, will have significant implications on the HRA. The Autumn Statement outlined plans to pilot these proposals over the next 3 years so it is anticipated that the implications will be deferred to 2020. The full details are still awaited but external advice indicates the annual implications could be between £7m - £17m, the HRA assumes £11.4m.
- 4.5.3 Budget proposals to deliver significant savings over the next 3 years are purely outline plans at this stage and will be subject to more detailed business cases which will require tenant consultation and Cabinet consideration. The savings plan is indicative at this stage and may be subject to change.
- 4.5.4 These business risks will continue to be reviewed in conjunction with the regular re-refresh of the HRA business plan financial modelling in-year.

Appendix B

KIRKLEES COUNCIL

Medium Term Financial Plan

2017-2021

REVENUE BUDGET

INTRODUCTION

How did we develop this documentation

- The budget plans take account both of existing year 2 and 3 Directorate budget plans which have rolled forward into years 1 and 2 of the updated 2020-21 MTFP, and new savings proposals.
- While revenue budgets are set annually before the start of each financial year, there is some limited flexibility for revenue budgets to be transferred between service activities in-year.

The updated budget plans in this document take account of the fact that some budgets have transferred between service activities.

- Profiling of some of the resource allocation proposals, in particular with regard to budgeted activity that is to be re-shaped by the theme work, are indicative at this stage. These proposals will continue to be developed over the MTFP as part of our more detailed implementation of re-shaping of services to a New Council.
- The document refers to “controllable budgets”: These are budgets that the budget holder can directly influence. Controllable expenditure includes direct operational costs including overheads which are specific to that department.
Examples of controllable expenditure are staff costs, premises, supplies & services, and payments to contractors. Controllable income includes schools income, other traded income, fees & charges, and specific government grants.
- For a small number of services all the controllable expenditure is entirely funded by income. These services have £0 in the net controllable expenditure column.
- The column labelled “2016-17 net controllable budget” provides the baseline or starting point for savings or increases proposed in the following four years to the financial year 2020-21.
- Inflation uplifts have been applied to Directorate expenditure and income budgets for 2017-18, in line with budget approvals. Inflation provision for the following 3 years is held within Central Budgets.
- The columns labelled “Minuses” are proposed reductions in net expenditure. This can be because of:
 - planned savings
 - reduced demand for that service, or
 - a planned increase in associated income.
- The columns labelled “Pluses” are proposed increases in net expenditure. This can be because of:
 - proposed increased spending, or
 - a planned reduction in associated income.

- The “minuses” cross-reference to specific budget savings templates for each minus proposal. The budget savings template sets out :
 - the minus amount profiled across years
 - the impact on the budget to which the proposal relates
 - the impact on staffing numbers where relevant
 - a service description of what the proposal is (including interdependencies and risk)
 - potential impact of the proposal on service outcomes and any mitigating
 - actions proposed
 - does the proposal require an equality impact assessment
 - will the proposal require a specific service consultation
 - accountable head of service

To support the budget process, we have published equality impact assessments.

GLOSSARY

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

2015-16 net controllable budgets provide the baseline or starting point for savings or increases proposed in subsequent years.

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

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

BUDGET DOCUMENTATION 2017-21
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Overall Summary By Directorate

	16-17 CONTROLLABLE GROSS EXPENDITURE £000	16-17 CONTROLLABLE INCOME £000	16-17 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSES £000	17-18 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	18-19 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	19-20 BUDGET PROPOSAL £000	20-21 INDICATIVE BUDGET £000
DIRECTORATE													
Children & Young People	356,303	(282,609)	73,694	(18,646)	12,900	67,948	(4,787)		63,161	(3,429)		59,732	58,248
Adults, Commissioning & Public Health Place	183,834	(88,166)	95,668	(12,301)	18,653	102,020	(10,649)	8,616	99,987	(10,341)	1,625	91,271	91,993
Resources	137,083	(97,384)	39,699	(5,932)	517	34,284	(2,635)		31,649	(555)		31,094	31,094
Communities Transformation & Change	165,281	(127,893)	37,388	(4,613)		32,775	(4,451)	297	28,621	(1,993)		26,628	26,315
Economic Resilience	8,854	(2,142)	6,712	(2,556)	334	4,490	(537)	232	4,185			4,185	4,185
	16,056	(2,602)	13,454	(3,536)	600	10,518	(300)		10,218	(100)		10,118	10,118
Public Health grant	(20)	(5,983)	(6,003)	(49)		(6,052)			(6,052)			(6,052)	(6,052)
Sub Total	867,391	(606,779)	260,612	(47,633)	33,004	245,983	(23,359)	9,145	231,769	(16,418)	1,625	216,976	215,901
Central Budgets	68,112	(11,942)	56,170	(18,030)	10,564	48,704	(8,334)	7,881	48,251	(5,435)	5,218	48,034	50,187
Total Budgets	935,503	(618,721)	316,782	(65,663)	43,568	294,687	(31,693)	17,026	280,020	(21,853)	6,843	265,010	266,088

Funding Available:													
Local Share of Business Rates						(47,644)			(48,484)			(49,285)	(50,265)
Top Up						(26,676)			(27,535)			(28,514)	(29,369)
Revenue Support Grant						(32,763)			(22,825)			(12,824)	0
Unringfenced Grants						(16,768)			(13,177)			(12,614)	(12,463)
Council Tax						(159,551)			(168,340)			(172,709)	(177,184)
Council Tax Reduction Scheme Additional Income						0			(810)			(810)	(810)
<i>Collection fund balance:</i>													
<i>Business Rates Local Share</i>						1,900							
<i>Council Tax</i>						(2,000)							
Total Funding Available						(283,502)			(281,171)			(276,756)	(270,091)

Budget Gap Before Use of Balances						11,185			(1,151)			(11,746)	(4,003)
Use of General Balances						(3,485)							
Use of Earmarked Reserves						(7,700)							
Remaining Budgets Gap						0			(1,151)			(11,746)	(4,003)

Overall Summary By Directorate - Revenue Budget Proposals 2017-21

	FTEs				
	2016-17 Controllable	2017-18 MTFP	2018-19 MTFP	2019-20 MTFP	2020-21 MTFP
DIRECTORATE					
Children & Young People	6,347.2	6,424.4	6,101.3	6,057.6	6,008.6
adjust for delegated schools budgets	(5,017.0)	(5,111.7)	(5,111.7)	(5,111.7)	(5,111.7)
Service Changes	1,330.2	1,312.7	989.6	945.9	896.9
Early Intervention & Prevention	(18.2)	(294.9)	(43.7)	(49.0)	
	0.7	(28.2)			
	1,312.7	989.6	945.9	896.9	896.9
Adults, Commissioning & Public Health	1,208.4	1,044.6	1,060.3	968.3	953.8
Service Changes	(163.8)	33.0	(92.0)	(14.5)	
Early Intervention & Prevention	0.0	(17.3)			
	1,044.6	1,060.3	968.3	953.8	953.8
Place	2,312.6	2,219.5	2,207.7	2,171.8	2,171.8
Service Changes	(93.1)	(11.8)	(36.0)		
	2,219.5	2,207.7	2,171.8	2,171.8	2,171.8
Resources	1,142.6	1,103.4	955.6	877.3	837.9
Service Changes	(39.8)	(147.8)	(78.2)	(39.4)	(6.5)
Early Intervention & Prevention	0.6				
	1,103.4	955.6	877.3	837.9	831.4
Communities Transformation & Change	176.5	150.3	124.5	112.6	112.6
Service Changes	(25.9)	(25.8)	(11.9)		
Early Intervention & Prevention	(0.3)				
	150.3	124.5	112.6	112.6	112.6
Economic Resilience	208.8	208.5	202.9	202.9	202.9
Service Changes	(0.3)	(5.6)			
	208.5	202.9	202.9	202.9	202.9
Council Wide Mgmt review	(1.0)				
Total FTEs excluding Delegated Schools Budgets	6,038.0	5,540.6	5,278.8	5,175.8	5,169.3

Adjustment to reconcile 2016-17 budget doc

Building Services to Kirklees Housing Futures

2016-17 FTEs

505.4
6,543.4

Summary excluding Delegated Schools Budgets	6,379.1	6,038.0	5,540.6	5,278.8	5,175.8
Service Changes	(342.1)	(451.9)	(261.8)	(102.9)	(6.5)
Early Intervention & Prevention*	1.0	(45.5)	0.0	0.0	0.0
Total FTEs excluding Delegated Schools Budgets	6,038.0	5,540.6	5,278.8	5,175.8	5,169.3

* These headings and associated FTE reductions reflect Council wide activity in view as part of the budget proposals for Cross-Directorate service re-design. Pending completion of the service re-design work, the FTE reductions shown above are illustrative reductions proportionate to the overall budget reductions in view as part of the service re-design work across the 3 years of the MTFP.

CHILDREN & YOUNG PEOPLE DIRECTORATE

SERVICE ACTIVITY	16-17 CONTROLLABLE GROSS EXPENDITURE £000	16-17 CONTROLLABLE INCOME £000	16-17 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSES £000	17-18 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	18-19 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	19-20 BUDGET PROPOSAL £000	20-21 INDICATIVE BUDGET £000
LEARNING & SKILLS													
Strategic Leadership													
Statutory Responsibility for the Education System	1,603	(44)	1,559	(750)		809	(400)		409	(50)		359	359
Music Service	23	0	23			23			23			23	23
School Forum allocations	450	(450)	0			0			0			0	0
Total	2,076	(494)	1,582	(750)	0	832	(400)	0	432	(50)	0	382	382
Schools Organisation, Planning and Admissions													
Schools Organisation & Planning	641	(131)	510	(208)		302	(302)		0			0	0
School Admissions	448	(428)	20	(20)		0			0			0	0
Total	1,089	(559)	530	(228)	0	302	(302)	0	0	0	0	0	0
Education for Vulnerable Children Services incl Special Educational Needs													
Kirklees Special Educational Needs (SEN) pupils in OLA Mainstream	371	(230)	141			141			141			141	141
Specialist Provision Co-ordination	231	(217)	14	(14)		0			0			0	0
SEN Assessment & Commissioning team (statutory)	388	(165)	223			223			223			223	223
Education of Looked After Children	372	(65)	307			307			307			307	307
Attendance & Pupil Support	1,478	(731)	747	(145)		602			602			602	602
Psychology Services	1,059	(189)	870	(64)		806	(84)		722			722	722
Early Years SEN Support - Portex and ICAN services	182	(186)	(4)			(4)			(4)			(4)	(4)
Early Years SEN Support including Portage service	592	0	592	(592)		0			0			0	0
International New Arrivals	156	(79)	77	(77)		0			0			0	0
Total	4,829	(1,862)	2,967	(892)	0	2,075	(84)	0	1,991	0	0	1,991	1,991
Early Learning													
Private Voluntary & Independent Formula Funding (3 & 4 year olds)	10,416	(10,416)	0			0			0			0	0
Two year old funding	4,986	(4,986)	0			0			0			0	0
Early Years Quality Improvement, Workforce & Sufficiency	1,548	(603)	945	(419)		526	(451)		75	(75)		0	0
Direct Delivery of Daycare	617	(488)	129	(131)		(2)			(2)			(2)	(2)
Total	17,567	(16,493)	1,074	(550)	0	524	(451)	0	73	(75)	0	(2)	(2)
Post 16 services	356	0	356			356			356			356	356
Learning Services Trading													
Traded School Improvement, Swimming, Cliffe House, Booksplus, Management Information Systems, Kirklees Supply Service, Nexus, Governors services and Headteacher well-being	3,395	(3,369)	26			26	(150)		(124)	(250)		(374)	(374)
Total	3,395	(3,369)	26	0	0	26	(150)	0	(124)	(250)	0	(374)	(374)

CHILDREN & YOUNG PEOPLE DIRECTORATE

SERVICE ACTIVITY	16-17 CONTROLLABLE GROSS EXPENDITURE £000	16-17 CONTROLLABLE INCOME £000	16-17 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSES £000	17-18 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	18-19 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	19-20 BUDGET PROPOSAL £000	20-21 INDICATIVE BUDGET £000
Management & Regulatory Functions	775	(451)	324			324			324			324	324
TOTAL LEARNING & SKILLS	30,087	(23,228)	6,859	(2,420)	0	4,439	(1,387)	0	3,052	(375)	0	2,677	2,677
SAFEGUARDING & FAMILY SUPPORT													
Youth Offending Team	1,567	(741)	826	(60)		766			766			766	766
Early Intervention & Prevention (EIP)													
Young People's Service	4,718	(308)	4,410	(4,410)		0			0			0	0
Early Intervention and Targetted Support	8,727	0	8,727	(8,727)		0			0			0	0
EIP Activity - new allocation	0	0	0	(350)	5,900	5,550	(230)		5,320	(290)		5,030	5,030
Total	13,445	(308)	13,137	(13,487)	5,900	5,550	(230)	0	5,320	(290)	0	5,030	5,030
Assessment & Care Management													
Assessment Service	2,367	0	2,367			2,367			2,367			2,367	2,367
Care Management Service	3,676	0	3,676			3,676			3,676			3,676	3,676
Emergency Duty Service	675	(395)	280			280			280			280	280
Family Assessment/Young Carers	321	0	321	(666)		(345)	(742)		(1,087)	(970)		(2,057)	(2,057)
Gateway to Care	52	0	52	(24)		28			28			28	28
Total	7,091	(395)	6,696	(690)	0	6,006	(742)	0	5,264	(970)	0	4,294	4,294
Children's Demand Led Activity													
Children with Disability	3,196	0	3,196			3,196			3,196			3,196	3,196
Children with Disability - Young People's Activity Team (YPAT)	585	(4)	581	(581)		0			0			0	0
Family Placement Unit (including Help Desk)	1,313	0	1,313	(50)		1,263	(50)		1,213	(50)		1,163	1,163
Fostering Service (including Recruitment)	2,206	0	2,206	(50)	0	2,156	0	0	2,156			2,156	2,156
Adoption Service	1,304	(345)	959			959			959			959	959
Looked After Children/Leaving Care Team	2,790	(32)	2,758			2,758			2,758			2,758	2,758
Contact Team	1,144	0	1,144	(50)		1,094	(50)		1,044	(50)		994	994
Internal Residential Placements	4,699	(116)	4,583			4,583			4,583			4,583	4,583
External Residential Placements	5,885	(190)	5,695	(730)		4,965	(1,884)		3,081	(1,250)		1,831	791
Internal Foster Placements	5,195	(94)	5,101	(100)		5,001			5,001			5,001	5,001
External Foster Placements	5,142	0	5,142	(353)		4,789	(444)		4,345	(444)		3,901	3,457
Leaving Care Supported Accommodation/Supported Lodgings	1,646	0	1,646			1,646			1,646			1,646	1,646
Guardianship and Residency Orders	2,925	0	2,925			2,925			2,925			2,925	2,925
Adoption Allowances	1,383	0	1,383			1,383			1,383			1,383	1,383
Persons from Abroad	219	(149)	70			70			70			70	70
Total	39,632	(930)	38,702	(1,914)	0	36,788	(2,428)	0	34,360	(1,794)	0	32,566	31,082
Management & Regulatory Functions	3,486	(111)	3,375			3,375			3,375			3,375	3,375
TOTAL SAFEGUARDING & FAMILY SUPPORT	65,221	(2,485)	62,736	(16,151)	5,900	52,485	(3,400)	0	49,085	(3,054)	0	46,031	44,547

CHILDREN & YOUNG PEOPLE DIRECTORATE

SERVICE ACTIVITY	16-17 CONTROLLABLE GROSS EXPENDITURE £000	16-17 CONTROLLABLE INCOME £000	16-17 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSES £000	17-18 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	18-19 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	19-20 BUDGET PROPOSAL £000	20-21 INDICATIVE BUDGET £000
COMMISSIONING & HEALTH PARTNERSHIPS													
Stronger Families	1,694	(1,694)	0			0			0			0	0
Other Commissioned Services	797	(83)	714	(75)		639			639			639	639
Targeted Mental Health Service Contracts	466	(98)	368			368			368			368	368
Substance Misuse Contracts (part funded by Clinical Commissioning Groups)	427	(252)	175			175			175			175	175
Service Data Management	198	0	198			198			198			198	198
Service Specialist Training (Children)	208	(26)	182			182			182			182	182
Total	3,790	(2,153)	1,637	(75)	0	1,562	0	0	1,562	0	0	1,562	1,562
Management & Regulatory Functions	363	0	363			363			363			363	363
TOTAL COMMISSIONING & HEALTH PARTNERSHIPS	4,153	(2,153)	2,000	(75)	0	1,925	0	0	1,925	0	0	1,925	1,925
SCHOOLS BUDGETS													
Delegated School Budgets	246,429	(244,335)	2,094	0	0	2,094			2,094			2,094	2,094
SEN support including Further Education (FE) Post 16	6,811	(6,807)	4			4			4			4	4
Centrally Managed School Budgets	3,602	(3,601)	1			1			1			1	1
TOTAL SCHOOLS	256,842	(254,743)	2,099	0	0	2,099	0	0	2,099	0	0	2,099	2,099
FURTHER SERVICE PRESSURES					7,000	7,000			7,000			7,000	7,000
TOTAL CHILDRENS	356,303	(282,609)	73,694	(18,646)	12,900	67,948	(4,787)	0	63,161	(3,429)	0	59,732	58,248

CHILDRENS & YOUNG PEOPLE DIRECTORATE - MINUSES

Service Activity	Proposed Change	Reference	£000				
			2017-18	2018-19	2019-20	2020-21	Total
EXISTING MTFP MINUSES							
LEARNING AND SKILLS							
Early Years Special Educational Needs (SEN) Support incl Portage service	Review	EX CH1	(592)				(592)
International New Arrivals	Review and rationalise service	EX CH2	(77)				(77)
Direct Delivery of Daycare	Removal of Council subsidies for remaining day nurseries and day care on maintained school sites and implementation of an open, transparent childcare market management framework.	EX CH3	(131)				(131)
SAFEGUARDING & FAMILY SUPPORT							
Youth Offending Team	Service efficiencies	EX CH4	(60)				(60)
Young People's Service	Review	EX CH5	(4,410)				(4,410)
Early Intervention and Targetted Support	Review	EX CH6	(8,727)				(8,727)
Gateway to Care	Review (also see EX AD3)	EX CH7	(24)				(24)
Children with Disability - Young Peoples Activity Team (YPAT)	Review	EX CH8	(581)				(581)
COMMISSIONING & HEALTH PARTNERSHIPS							
Other Commissioning Infrastructure	Efficiencies in commissioning (joint saving with Children's)	EX CH9	(75)				(75)
			(14,677)	0	0	0	(14,677)
NEW MINUSES							
LEARNING AND SKILLS							
Statutory Responsibility for the Education System	Bring vacancies forward, not replacing roles & commissioning tasks	NEW CH1	(400)		(50)		(450)
	Review of Statutory Responsibilities	NEW CH19	(250)	(150)			(400)
	Review service	NEW CH22	(100)	(100)			(200)
	Digital by design – service transformation	NEW CH2		(150)			(150)
Schools Organisation & Planning	Reduce support to Schools Organisation & Planning & School Admissions	NEW CH20	(228)	(302)			(530)
Specialist provision co-ordination	Review	NEW CH24	(14)				(14)
Attendance & Pupil support	Reduce support to Attendance & Pupil Support – fully trade non-statutory activity	NEW CH21	(145)				(145)
Psychology Service	Review	NEW CH25	(64)	(84)			(148)
Early Years Quality Improvement, Workforce & Sufficiency	Review support to early learning (sufficiency & development)	NEW CH3	(419)	(451)	(75)		(945)
Learning Services Trading	Creation of a formal local learning partnership incorporating a potential 'schools-led' company and / or increased commercialisation.	NEW CH4		(150)	(250)		(400)
SAFEGUARDING & FAMILY SUPPORT							
Early Intervention & Prevention (EIP)	Add back adjustment		(350)	(230)	(290)		(870)
Family Assessment/Young Carers	Skill mix (reduction in Non Qualified Staff)	NEW CH5	(300)				(300)
	Level of business support	NEW CH6	(366)				(366)
	Review of step up/step down process	NEW CH8		(418)			(418)
	Reduction in reliance of agency staff	NEW CH9		(324)			(324)
	IT efficiencies	NEW CH10			(970)		(970)
Family Placement Unit (including Help desk)	Redesign Placement Service	NEW CH11	(50)	(50)	(50)		(150)
Fostering Service (including Recruitment)	Increase of internal fostering placements	NEW CH12	(353)	(444)	(444)	(444)	(1,685)
	Decrease in length of pre adoption placements	NEW CH13	(100)				(100)
	Super Foster carers	NEW CH14	(210)	(210)	(210)		(630)
	Reduced use of transport	NEW CH15	(50)				(50)
Contact Team	Review of Contact Team	NEW CH16	(50)	(50)	(50)		(150)
External Residential Placements	Review of High Cost Placements	NEW CH17	(520)	(780)	(1,040)	(1,040)	(3,380)
	Remodelling the Looked After Children's Accommodation offer	NEW CH18		(894)			(894)
			(3,969)	(4,787)	(3,429)	(1,484)	(13,669)
TOTAL MINUSES FOR CHILDREN'S DIRECTORATE			(18,646)	(4,787)	(3,429)	(1,484)	(28,346)

Please note references NEW CH7 and NEW CH23 have not been used

CHILDREN & YOUNG PEOPLE DIRECTORATE - PLUSES

Service Activity	Proposed Change	Reference	£000				
			2017-18	2018-19	2019-20	2020-21	Total
<u>EXISTING MTFP PLUSES</u>							
<u>SAFEGUARDING & FAMILY SUPPORT</u> Early Intervention & Prevention (EIP)	Original EIP add back		5,900				5,900
<u>NEW PLUSES</u> Directorate Wide	Further Service Pressures		7,000				7,000
TOTAL PLUSES FOR CHILDREN'S DIRECTORATE			12,900	0	0	0	12,900

Kirklees Council Budget Template for 2017/18

Directorate	Children and Young People
Service Area	Learning and Skills, Early years Special Educational Needs (SEND) Support (including Access Fund)
Headline Proposal	Review and reduce service.
Reference	EX CH1

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(592)			
Cumulative Savings	(592)	(592)	(592)	(592)
Budget after Savings (Controllable Budget)	0	0	0	0
FTE Reduction	10			

Description of Savings Proposal (Including interdependencies and risk)
<p>A number of options are being considered but further work is needed with this service to risk manage the savings plan.</p> <p>The Access Fund is bigger than the budget allocated given that there has been a growth in take up of places by children with SEND.</p> <p>This is being supported at present by managing staff vacancies.</p> <p>Risks include</p> <ul style="list-style-type: none"> • Demand led pressures – Central Government proposals to increase free early education from 15 hours per week to 30 hours from 2017 – includes children with complex SEND • Financial risks – higher level of Education, Health and Care Plans requested requiring high levels of additional funding on entry into school. Risk of challenge under Disability Discrimination Tribunals. • Outcomes for vulnerable children: reduced as a result of lower access to targeted interventions addressing areas of special educational need leading to costly support later on and increase in gap between non SEND peers • Possible increased pressure on family support services and specialist learning support services at a later date.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>Decommissioning or significantly shrinking this service may negatively affect both Early Intervention and Prevention and Children’s Outcomes.</p> <p>Work needs to be undertaken within the service to risk manage the service plan and target higher needs interventions.</p>	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	YES

Accountable Head of Service	Mandy Cameron
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Kirklees Council Budget Template for 2017/18

Directorate	Children and Young People
Service Area	Learning and Skills, International New Arrivals (INA)
Headline Proposal	Review and rationalise service
Reference	EX CH2

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(77)			
Cumulative Savings	(77)	(77)	(77)	(77)
Budget after Savings (Controllable Budget)	0	0	0	0
FTE Reduction	4			

Description of Savings Proposal (Including interdependencies and risk)						
<p>International New Arrivals are currently funded from both Council budget and via Schools Forum. Currently there are 4 unfilled part time posts – and the proposal is not to recruit to these. This will make the £76K saving early in 2016-17. The remaining, filled posts (3 part time posts) can be funded, in the short term, through Schools Forum monies. This is a de-delegated arrangement with maintained schools with academies buying back independently.</p> <table border="0"> <tr> <td>Council contribution 2016/17</td> <td>£77k</td> </tr> <tr> <td>Maintained schools contribution 2016/17</td> <td>£73k</td> </tr> <tr> <td>Academies contribution 2016/17</td> <td>De-delegated budget so academies pay for any support they receive.</td> </tr> </table> <p>Risk: reduction in support for international new arrivals when they start school, reduction in outreach to schools in order to build their capacity.</p>	Council contribution 2016/17	£77k	Maintained schools contribution 2016/17	£73k	Academies contribution 2016/17	De-delegated budget so academies pay for any support they receive.
Council contribution 2016/17	£77k					
Maintained schools contribution 2016/17	£73k					
Academies contribution 2016/17	De-delegated budget so academies pay for any support they receive.					

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>Mitigating actions: a smaller, existing team will continue to carry out this function – this team is funded from the Dedicated Schools Grant (DSG). The DSG also funds a day per week of coordination and management time to oversee team activity. The team are moving to an income generation model to increase their capacity to respond to International New Arrivals needs.</p>	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Mandy Cameron
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Kirklees Council Budget Template for 2017/18

Directorate	Children and Young people
Service Area	Learning and Skills, Direct Delivery of Daycare
Headline Proposal	Removal of Council subsidies for remaining day nurseries and Daycare on maintained school sites and implementation of an open, transparent childcare market management framework.
Reference	EX CH3

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(131)			
Cumulative Savings	(131)	(131)	(131)	(131)
Budget after Savings (Controllable Budget)	(2)	(2)	(2)	(2)
FTE Reduction	23			

Description of Savings Proposal (Including interdependencies and risk)
<p>The savings are reliant on the closure of Tiddlywinks Daycare by 31st March 2017 and the successful negotiated transfer of Little Jacks nursery to Moorend Academy Trust.</p> <p>All risks associated with Tiddlywinks closure have been/are being mitigated. Closure is expected on schedule.</p> <p>Risks and Interdependencies associated with transfer of Little Jacks nursery specifically relate to the development of a financially sustainable model which presents a manageable risk to Moorend Academy Trust.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>Little Jacks mitigation: A sustainable business model may require some transitional funding over a period of time yet to be negotiated.</p>	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Carol Lancaster
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Kirklees Council Budget Template for 2017/18

Directorate	Children and Young People
Service Area	Safeguarding and Family Support, Youth Offending Team(YOT)
Headline Proposal	Service Efficiencies
Reference	EX CH4

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(60)			
Cumulative Savings	(60)	(60)	(60)	(60)
Budget after Savings (Controllable Budget)	766	766	766	766
FTE Reduction	2			

Description of Savings Proposal (Including interdependencies and risk)
<p>The saving of £60K will be made .A number of options have been identified but which one (or more) will be taken will depend on the implementation of the Taylor Report. It is impossible to anticipate at this stage whether the implementation of Taylor’s recommendations will result in radical change or no change at all .Central to this is the future of the Youth Justice Board and their budget, which accounts for approximately 30% of the YOT’s budget.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Richard Ian Smith
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Directorate	Children and Young People
Service Area	Safeguarding and Family Support, Young People's Service
Headline Proposal	Review
Reference	EX CH5

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(4,410)			
Cumulative Savings	(4,410)	(4,410)	(4,410)	(4,410)
Budget after Savings (Controllable Budget)	0	0	0	0
FTE Reduction	120			

Description of Savings Proposal (Including interdependencies and risk)

Proposal is to transform the service to a new delivery model for Early Help as part of Early Intervention and Prevention(EIP).

This function will become part of the Targeted offer and will be funded through EIP theme add back

An implementation timeline with high level activities to transition to new model, functions and roles has been developed.

There is a risk that expected savings could be delayed due to extended implementation timescales.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes

Positive impact/contribution to Early Intervention and Prevention and Children's Outcomes as well as Joint Health and Wellbeing and Kirklees Economic Strategies.

Mitigating actions are being implemented. These include but are not limited to;

- Engagement & consultation events with partners including health, police, Voluntary, community and social enterprise, Independent sector, schools, Locala, Kirklees Neighbourhood Housing
- Councillor and MP's – including reporting to Overview Scrutiny Management Committee and Health Scrutiny Committee
- Staff members – regular staff briefings and updates
- Trade union engagement
- General public – these have been in the form of booklet and surveys, public information meetings, focus groups, support groups
- Engagement with partnership boards
- Engagement via digital methods online information, involve, social media i.e. twitter, Facebook
- Links with key council programmes Health Child Programme re commission and Schools as Community hubs programme

Mitigation plans also include requesting 'transitional' funding for April/May to support the transition arrangements (moving the service from the current to the new model).

Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	YES

Accountable Head of Service	Roger Clayphan
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Directorate	Children and Young People
Service Area	Safeguarding and Family Support, Early Intervention and Targeted Support
Headline Proposal	Review
Reference	EX CH6

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(8,727)			
Cumulative Savings	(8,727)	(8,727)	(8,727)	(8,727)
Budget after Savings (Controllable Budget)	0	0	0	0
FTE Reduction	199			

Description of Savings Proposal (Including interdependencies and risk)
<p>Proposal is to transform the service to a new delivery model for Early Help as part of Early Intervention and Prevention (EIP).</p> <p>This function will become part of the Targeted offer and will be funded through EIP theme add back.</p> <p>An implementation timeline with high level activities to transition to new model, functions and roles has been developed.</p> <p>There is a risk that expected savings will be late.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>Positive impact/contribution to Early Intervention and Prevention and Children's Outcomes as well as Joint Health and Wellbeing and Kirklees Economic Strategies.</p> <p>Mitigating actions are being implemented. These include but not limited to:</p> <ul style="list-style-type: none"> • Engagement & consultation events with partners including health, police, Voluntary, community and social enterprise, Independent sector, schools, Locala, Kirklees Neighbourhood Housing • Councillor and MP's – including reporting to Overview Scrutiny Management Committee and Health Scrutiny Committee • Staff members – regular staff briefings and updates • Trade union engagement • General public – these have been in the form of booklet and surveys, public information meetings, focus groups, support groups • Engagement with partnership boards • Engagement via digital methods online information, involve, social media i.e. twitter, Facebook • Links with key council programmes Health Child Programme re commission and Schools as Community hubs programme

Mitigation plans also include requesting 'transitional' funding for April/May to support the transition arrangements (moving the service from the current to the new model).

Does this proposal require an Equality Impact Assessment?

YES

Will this proposal require a Specific Service Consultation

YES

Accountable Head of Service

Roger Clayphan

Kirklees Council Budget Template for 2017/18

Directorate	Adults and Children and Young People
Service Area	Access & Information, Gateway to Care
Headline Proposal	Review
Reference	EX CH7 & EX AD3

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(196)			
Cumulative Savings	(196)	(196)	(196)	(196)
Budget after Savings (Controllable Budget)	1,206	1,206	1,206	1,206
FTE Reduction	7			

Description of Savings Proposal (Including interdependencies and risk)
<p>Plans under development, some key work streams are progressing. Single Point of Access work ongoing; trialling new ways of working to reduce handoffs and reducing demand, increasing call rates, Interdependencies with adult pathway redesign and corporate front door and information and advice transformation A number of vacant posts have been removed from the budget.</p> <p>Positive opportunities around reducing handoffs, referrals, reductions in failure demand through right first time at first point of contact, improvements to customer service and customer perspective on how easy it is to find information and advice, No/negligible negative risks.</p> <p>Most of the savings are Adult related but there is a saving in the Childrens and Young People budget relating to this.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>Positive impact/contribution to Early Intervention and Prevention outcome 'people find it easy to get the right information, advice and support.' Benefit of reduced demand/referral into service may be seen by aligning to the community plus/universal offers and helping people look to own and community networks for support Pathway and process improvements links to corporate front door and information and advice improvement work – will deliver a coherent and consistent approach across phone and web access channels.</p>	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Debra Mallinson
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Kirklees Council Budget Template for 2017/18

Directorate	Children and Young People
Service Area	Safeguarding and Family Support, Children with Disability – Young Peoples Activity Team (YPAT)
Headline Proposal	Review
Reference	EX CH8

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(581)			
Cumulative Savings	(581)	(581)	(581)	(581)
Budget after Savings (Controllable Budget)	0	0	0	0
FTE Reduction	19			

Description of Savings Proposal (Including interdependencies and risk)
<p>Work is underway to reduce/ redesign the YPAT service. Further market shaping and partnership development work is required and this will take some time. Retaining and redesigning elements of the service, at this time, ensures a continued offer for those with the greatest and eligible need.</p> <p>Proposals will include costed model options for the future offer, along with proposals/options for consideration to deliver any expected shortfall in savings.</p> <p>It should be noted that not all current users have eligible needs.</p> <p>There is a risk 2017/18 savings not met in full. There is risk that shifting any shortfall in expected savings will lead to pressure in other service areas. Any proposed changes to services may affect service users, families & carers. There is a potential for Legal challenge, if suitable alternatives are not sourced. It is therefore critical to ensure that market shaping work is undertaken as a priority. Any reduction in the services will impact on staffing</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
Cabinet approval regarding approach and options identified as needed. Any potential impact on service outcomes and mitigating actions will be considered in due course	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	YES

Accountable Head of Service	Michelle Cross
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Kirklees Council Budget Template for 2017/18

Directorate	Children and Young People
Service Area	Commissioning (Children), Other Commissioning Infrastructure
Headline Proposal	Efficiencies in commissioning (joint saving with Adults)
Reference	EX CH9

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(75)			
Cumulative Savings	(75)	(75)	(75)	(75)
Budget after Savings (Controllable Budget)	639	639	639	639
FTE Reduction	2			

Description of Savings Proposal (Including interdependencies and risk)
Identify savings through the review of allocated staffing and non-staffing resources currently available within the Commissioning Service.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
The identification of savings will take place alongside the re-alignment of the Councils Senior Leadership Team	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Margaret Watt
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Kirklees Council Budget Template for 2017/18

Directorate	Children and Young People
Service Area	Learning and Skills, Statutory Responsibility for the Education system
Headline Proposal	Bring vacancies forward, not replacing roles & commissioning tasks
Reference	NEW CH1

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(400)		(50)	
Cumulative Savings	(400)	(400)	(450)	(450)
Budget after Savings (Controllable Budget)	1,159	1,159	1,109	1,109
FTE Reduction	10		1.0	

Description of Savings Proposal (Including interdependencies and risk)

Strategic context for the following budget templates - EX CH 1, EX CH2, EX CH3, NEW CH1, NEW CH2, NEW CH4, NEW CH19, NEW CH20, NEW CH21, NEW CH22, NEW CH24, NEW CH25

As part of the revenue settlement there was an announcement in relation to the Education Services Grant (ESG) this resulted in a reduction of £4.7m and the expectation that the Dedicated Schools Grant (DSG) would fund statutory and mandatory local education functions up to £1m. This funding changes takes place over 2 financial years and supported by an additional Improvement Grant of £0.25m in 2017-18 and £0.4m in 2018-19 resulting in a net reduction in funding of £2.1m in 2017-18 and £3.3m in 2018-19. However there has been no change in terms of the nature of the statutory and mandatory local education functions to be performed. The Council is required to report on the total costs associated with these activities and at this point in time the costs of these functions have not been quantified. Following this exercise the Council will need to review the extent to which these services are funded in collaboration with the education leadership.

As a result of this fundamental changing financial landscape the above budget templates will need to be reviewed and considered.

Detail narrative for budget template CH1:

Savings proposed build on some early savings made in 2016/17 alongside those for 2017/18. It is proposed the current vacancies, and those arising, will not be filled without consideration of the use of associate staff to ensure statutory duties are fulfilled. In addition current secondments in the service that which will end in April 2017.

Key duties will continue to be delivered through a combination of the development of the Associate Framework, and transfer of resources from Curriculum to Strategic activities.

Loss of key staff if not managed may impact on the Council SLA contribution and also the potential of the Service to generate income in the future.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes

The savings above have been enabled by the development of the Associate Framework and targeted use of associate members for key pieces of work. This has minimised employment costs and ensured we secure precisely the right skills, for the right jobs, at the right times and for right duration.

Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Liz Singleton
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Kirklees Council Budget Template for 2017/18

Directorate	Children and Young People
Service Area	Learning and Skills, Strategic Leadership & Intervention
Headline Proposal	Digital by design – service transformation
Reference	NEW CH2

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings		(150)		
Cumulative Savings		(150)	(150)	(150)
Budget after Savings (Controllable Budget)	1,159	1,009	959	959
FTE Reduction		5.2		

Description of Savings Proposal (Including interdependencies and risk)
<p>The introduction of new IT back office systems is transforming the way in which Learning and Skills gather, utilise and communicate business intelligence. These changes have been introduced in line with the Council's 'digital by design' approach.</p> <p>Examples include NEXUS for school, training registration, SAP (councils business system), and learning provider data and online admissions.</p> <p>The budget after savings shown here takes account of savings on separate templates.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>The potential of the development of a 'schools-led' learning partnership would ensure functions relating to staff training and development could move to a company model and the staff transferring with them would be funded through service provision</p>	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	YES

Accountable Head of Service	Jo-Anne Sanders
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Directorate	Children and Young People
Service Area	Learning and Skills, Early years quality improvement workforce & sufficiency
Headline Proposal	Review support to early learning (sufficiency & development)
Reference	NEW CH3

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(419)	(451)	(75)	
Cumulative Savings	(419)	(870)	(945)	(945)
Budget after Savings (Controllable Budget)	526	75	0	0
FTE Reduction	11	11	2	

Description of Savings Proposal (Including interdependencies and risk)

Context:

The Childcare Act 2006 places a number of duties on the local authority in relation to well-being of young children and must:

- (a) improve the well-being of young children(children under 5) in their area, and
- (b) reduce inequalities between young children in their area.

The local authority must make arrangements to secure early childhood services (for children 0-5) and ensure they are provided in an integrated manner which is calculated to—

- (a) facilitate access to those services, and
- (b) maximise the benefit of those services to parents, prospective parents and young children.

The local authority must, so far as is reasonably practicable, ensure that there is sufficient childcare provision to meet the needs of working parents with children. (0-14 or up to age 18 for children with disabilities.)

Key points:

- All 3 and 4 year olds and some (vulnerable and disadvantaged) 2 year olds are entitled to 15 hours a week free early education.
- From September 2017, 3 & 4 year olds whose parents work will be entitled to an extra 15 hours of free childcare.
- In Kirklees, some early education/childcare in Kirklees is delivered through schools but the majority of provision is delivered through private and voluntary sector.
- Funding for this statutory offer comes to the council through the Dedicated Schools Grant (DSG).
- The council is required only to fund places in provision judged 'good' or 'outstanding' by Ofsted;
- If a parent wants their child to take up their early education place at a provider 'less than good' the provider can be funded if they are willing to accept local authority requirements for improvement.
- Childcare for school aged children is paid for by parental fees/childcare tax credits/childcare vouchers.

Examples of Early Learning and Childcare Team Functions:

- Produces a Kirklees childcare sufficiency plan and undertakes any market activity to secure sufficient childcare.
- Intervenes to support children and parents when the market fails - e.g. closure of local day nursery/playgroup.
- Administers the Early Education Funding to childcare providers in the area, undertaking any checks and audits.
- Supports vulnerable children/parents to take up their free entitlement to early education.
- Provides advice/support/guidance for new & prospective childcare providers e.g.
 - Business & sustainability planning
 - Ofsted requirements including safeguarding
 - Challenge and support for quality improvement

Savings Proposal:

Savings are likely to prompt a service review and a reduction of staff.

RISKS & INTERDEPENDENCIES

The activity to support delivery of statutory duties relating to early years /childcare will be significantly affected. The key risk is a reduced availability of good quality early learning and a childcare places at a time of expansion of free entitlement though the market is becoming more established and mature.

Any consequent reduction in the availability of good or outstanding early learning and childcare provision is likely to have the following negative impact.

Children:

- Reduced opportunities to access their entitlement to good quality provision.
- lower levels of school readiness
- unidentified additional needs
- wider gap in achievement between disadvantaged and the rest.
- lower level of educational achievement
- limited opportunities for employment.

Parents/Families

- reduced availability of good quality childcare may mean they are unable to take up work.

Services

- Without identification and intervention of issues that arise in the early years there is likely to be greater demand for specialist health and social care services once children start school (e.g. speech and language)
- a shift from prevention and early intervention to late specialist intervention is likely to be more costly in the long term

Local economy

- Failure of SME childcare business
- Reduction in economic prosperity in the area.

*The term school readiness refers to the field within Early Childhood Education that prepares children, young children (under 5), to participate in and derive maximum benefit from entry to school and lays the foundation for continuous success in school and later life. Access to high quality early education addresses language development, cognitive skills, general knowledge, approaches to learning, and social and emotional skills.

In recent times the Early Learning and Childcare Budget has supported other activities and as a consequence of this budget saving proposal there will be a loss of funding in the following service areas:

- Strategic leadership of the Learning and Skills service (see separate savings proposal)
- Virtual school for Looked After Children
- Schools as Community Hubs.

Virtual School for Looked after Children

Each local authority must have a virtual school with a designated headteacher to secure positive learning outcomes for vulnerable looked after children. Looked after children have an entitlement to a free early education place from the age of 2 and it is vitally important that they are championed and that they get the right learning opportunities. A reduction in the early learning and childcare budget means that this activity can no longer be funded.

There is a statutory duty for the VS to work with pre-school children and we are in the process of extending our age range in order to be compliant. The removal of this post will mean that we are not compliant consequently this will be considered alongside the strategic review of statutory and mandatory and available funding.

Schools as Community Hubs

The council's proposal for area/locality based Early Help Hubs relies on partners to secure a strong rich, community offer. Schools are a critical partner in terms of the offer for children and families. The council resource has been supporting schools to strengthen and further develop their existing partnerships and to ensure alignment of the councils emerging model for Early Help. A reduction in this budget means that relationships will need to be developed on the basis of shared learning through the pilots and the wider localities offer.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes

Potential impact on service/childrens outcomes:

- Reducing the opportunities to secure the best start in life for children is likely to impact negatively on life chances.
- There is strong evidence that children struggling at school are likely to fall behind their peers not only in terms of educational achievement but also in terms of social, emotional, physical, and cognitive development and are likely to place greater demands on health and social care services.
- Virtual School LAC – no champion for learning outcomes for young children under 5.
- Schools and Community Hubs – no strategic partnership or integration between the council and schools in delivering EIP.

This will be considered alongside the strategic review of statutory and mandatory and available funding as outlined in budget template CH1.

Mitigating actions proposed:

Delivery of Statutory Early Learning & Childcare Duties

- The Childcare Act 2006 includes a number of duties as described above but it also describes the statutory duties which relate to children's centres.
- Opportunities arise to ensure statutory duties are met by taking a strategic overview of all early years requirements and developing a new model for delivery through school community hubs.

- There are opportunities for schools and their partners in health, social care and the wider Voluntary and Community Sector via School Community Hubs to contribute to the provision of a vibrant and sustainable childcare market and to co-ordinate delivery of the wider children’s centre core offer.
- This will require some initial council resource a refocus of some council roles to concentrate on supporting the development of partnerships between schools and their partners including local childcare providers and to support capacity building within the community hub so that the model is self-sustaining.
- It will therefore be critical to align, integrate this the work into the councils work to deliver Early Help and consideration given to what resources can be shared to support delivery of these statutory duties.

Virtual School - Pre-school Looked After Children

- Consideration will need to be given to the future age range of the Virtual School.

Does this proposal require an Equality Impact Assessment?	Yes
Will this proposal require a Specific Service Consultation	Yes

Accountable Head of Service	Carol Lancaster
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Kirklees Council Budget Template for 2017/18

Directorate	Children and Young People
Service Area	Learning and Skills
Headline Proposal	Creation of a formal local learning partnership incorporating a potential 'schools-led' company and / or increased commercialisation.
Reference	NEW CH4

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings		(150)	(250)	
Cumulative Savings		(150)	(400)	(400)
Budget after Savings (Controllable Budget)	26	(124)	(374)	(374)
FTE Reduction		-	-	-

Description of Savings Proposal (Including interdependencies and risk)

Early discussions have been taking place with Executive Team (with a discussion programmed in with Learning Management Team) about the potential for schools and learning settings to explore the development of a formal partnership for the district. One strand of the formal partnership is the opportunity to create a commercial offer. The savings proposed here reflect that the initial 'core business' of that commercial offer would be to transfer any of the 'improvement' function (early learning and schools) so that it is fully schools and settings led in line with government expectations.

If these functions do not transfer, then there would be an opportunity (in the interim) to move any activity on to the 'Associate Framework' (i.e. staff would not be continued to be employed by the Local Authority (LA) but instead would accept work on a commissioned basis, schools and setting being the commissioner).

Risks and Interdependencies

1. Any transfer of staff would require the TUPE, Transfer Undertaking of Public Employees process.
2. It should be noted that there is no formal agreement in place as yet to establish the formal partnership, therefore, to achieve the proposed savings would need to either be via redundancy or TUPE transfer.
3. It should be noted that whilst the costs for any staff employed by the Local Authority would be saved, the opportunity to trade and generate surplus is lost.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes

Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	YES

Accountable Head of Service	Jo-Anne Sanders
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Kirklees Council Budget Template for 2017/18

Directorate	Children and Young People
Service Area	Safeguarding and Family Support Services, Assessment & Care Management
Headline Proposal	Skill mix (reduction in Non Qualified Staff)
Reference	NEW CH5

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(300)			
Cumulative Savings	(300)	(300)	(300)	(300)
Budget after Savings (Controllable Budget)	627	627	627	627
FTE Reduction	10			

Description of Savings Proposal (Including interdependencies and risk)
<p>These posts will form part of the savings around the new Early and Intervention model.</p> <p>Interdependencies:</p> <ul style="list-style-type: none"> • Recruitment and retention of employees • Risks: <ul style="list-style-type: none"> • Volume growth of Looked After Children and Care Leavers – council required to fulfil statutory functions • Inability to recruit and retain employees <p>The budget after savings shown lies in several budget lines but the savings in this template are shown against one budget line and will be reallocated to other budget lines as appropriate once detailed proposals have been finalised.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
Unable to fulfil statutory functions	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Catherine Harrison
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Directorate	Children and Young People
Service Area	Safeguarding and Family Support Services, Assessment & Care Management
Headline Proposal	Level of business support
Reference	NEW CH6

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(366)			
Cumulative Savings	(366)	(366)	(366)	(366)
Budget after Savings (Controllable Budget)	1,115	1,115	145	145
FTE Reduction	15			

Description of Savings Proposal (Including interdependencies and risk)

The service plans to reduce the number of Business Support posts by 15fte in 2017/2018. This will be achieved by not recruiting to vacant posts. Consideration will also be given to a reduction in the use of temp direct to cover for maternity leave or long term sickness.

Longer term there will be additional reductions in business support associate with the introduction of the new IT system.

Interdependencies:

- Reduction in management and social worker reliance on business support
- Reduction in sickness amongst business support staff
- Reduction in volumes of referrals/cases requiring social work intervention and associated business support activity
- Implementation of the new IT system within specified timescale
- Training for staff to be more self-reliant/computer literate

Risks:

- Managers/Social Workers are not self-reliant and remain dependent on business support staff
- High sickness levels/maternity leave amongst remaining business support staff
- Implementation of the new IT system within specified timescale is not achieved

The budget after savings shown lies in several budget lines but the savings in this template are shown against one budget line and will be reallocated to other budget lines as appropriate once detailed proposals have been finalised.

The budget after savings shown also take account of savings on separate templates

<p>Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes</p>	
<p>Business support functions fall to Managers/Social Workers who already spend significant time undertaking administrative functions reducing the direct time spent with children and young people. Potential for delay => none compliance of statutory duties.</p>	
<p>Does this proposal require an Equality Impact Assessment?</p>	<p>NO</p>
<p>Will this proposal require a Specific Service Consultation</p>	<p>NO</p>
<p>Accountable Head of Service</p>	<p>Lorraine Wood</p>

Directorate	Children and Young People
Service Area	Safeguarding and Family Support Services, Assessment & Care Management
Headline Proposal	Review of step up/step down process
Reference	NEW CH8

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings		(418)		
Cumulative Savings		(418)	(418)	(418)
Budget after Savings (Controllable Budget)	9,221	8,479	8,479	8,479
FTE Reduction		10		

Description of Savings Proposal (Including interdependencies and risk)
<p>It is envisaged that services provided by Early Intervention and Prevention will enable us to reduce the volume of child in need cases by 10%. This equates to approximately 125 cases. In anticipation we are reducing social work delivery we can reduce the social work establishment by 1 social work Team (equivalent of 1 Team Manager & 9 Social Workers)</p> <p>Interdependencies:</p> <ul style="list-style-type: none"> • Delivery of effective Early Intervention and Prevention • Reduction in volumes of referrals/cases requiring statutory intervention <p>Risks:</p> <ul style="list-style-type: none"> • Early Intervention and Prevention does not work • There is no reduction in volumes/cases requiring statutory intervention • Changes in government legislation, statutory guidance and regulations <p>The budget after savings shown lies in several budget lines but the savings in this template are shown against one budget line and will be re allocated to other budget lines as appropriate once detailed proposals have been finalised.</p> <p>The budget after savings shown also take account of savings on separate templates.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
Continued need for the staffing resources linked to volumes, changes in government legislation and statutory duties.	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO
Accountable Head of Service	Carly Speechley

Directorate	Children and Young People
Service Area	Safeguarding and Family Support Services
Headline Proposal	Reduction in reliance of agency staff
Reference	NEW CH9

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings		(324)		
Cumulative Savings		(324)	(324)	(324)
Budget after Savings (Controllable Budget)	9,221	8,479	8,479	8,479
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)

There is a plan in place to significantly reduce the current existing reliance on agency staff in the latter part of 2016/17 and in 2017/2018.

This saving can be achieved by undertaking a full review of the workforce, determining sustainable structures and addressing shortfall in base budgets. In addition, reviewing existing agency posts and having clear exit strategies for agency staff in line with recruitment, service developments and reducing sickness levels across the service.

Interdependencies:

- recruitment and retention strategy
- Workforce development strategy
- Attendance management

Risks:

- Inability to recruit and retain staff
- Inability to reduce sickness absence of staff
- Volume growth of referrals/assessments/looked after children which impact on staffing level needs

The budget after savings shown lies in several budget lines but the savings in this template are shown against one budget line and will be reallocated to other budget lines as appropriate once detailed proposals have been finalised.

The budget after savings shown also take account of savings on separate templates.

<p>Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes</p>	
<p>A significant reduction of agency staff should be achievable but is linked to the full review of the workforce, determining sustainable structures and addressing shortfall in base budgets. In addition, reviewing existing agency posts and having clear exit strategies for agency staff in line with recruitment, service developments and reducing sickness levels across the service.</p>	
<p>Does this proposal require an Equality Impact Assessment?</p>	<p>NO</p>
<p>Will this proposal require a Specific Service Consultation</p>	<p>NO</p>
<p>Accountable Head of Service</p>	<p>Catherine Harrison</p>

Kirklees Council Budget Template for 2017/18

Directorate	Children and Young People
Service Area	Safeguarding and Family Support Services, Other
Headline Proposal	IT efficiencies
Reference	NEW CH10

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings			(970)	
Cumulative Savings			(970)	(970)
Budget after Savings (Controllable Budget)	1,115	1,115	145	145
FTE Reduction			40	

Description of Savings Proposal (Including interdependencies and risk)

Implementation of a new Children's Social Care IT system to support and enable more efficient delivery of services.

Interdependencies:

- Workforce Development Strategy/Plan
- Service Restructure
- Recruitment and Retention Strategy/Plan
- Early Intervention and Prevention

Risks:

- System Configuration
- System Test
- Increase in Referrals, Caseloads and Looked after Children
- Churn of Social Work staff
- Staff 'buy in' to new system
- No reduction in Business Support activity

The budget after savings shown lies in several budget lines but the savings in the template are shown against one budget line and will be reallocated to other budget lines as appropriate once detailed proposals have been finalised.

The budget after savings also take account of savings on separate templates.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes

Implementation may have an impact on staff time to attend training to use the new system, given they are already on a development journey for 'back to basics' and 'risk sensible'. IT

<p>project Plan to be integrated with Workforce Development plan to ensure effective planning of resources. Requirement to backfill whilst staff on training due to Service being on an improvement plan.</p> <p>More effective service delivery to children, young people and families, through better recording by frontline staff ensuring that relevant management information and intelligence is reported.</p>	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Lorraine Wood
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Kirklees Council Budget Template for 2017/18

Directorate	Children and Young People
Service Area	Safeguarding and Family Support Services, Other
Headline Proposal	Redesign Placement Service
Reference	NEW CH11

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(50)	(50)	(50)	
Cumulative Savings	(50)	(100)	(150)	(150)
Budget after Savings (Controllable Budget)	1,263	1,213	1,163	1,163
FTE Reduction	2	2	2	

Description of Savings Proposal (Including interdependencies and risk)
<p>Currently the placement finding service is staffed with social workers, with no commissioning or contract experience, moving forward this will become a brokerage service, with contract and relationship management experience to negotiate and manage providers to get 'best value'.</p> <p>Interdependencies:</p> <ul style="list-style-type: none"> • Fostering Service Redesign • Effective permanency and care plans • Referral Form • IT configuration and Liquid Logic integrating with the Councils business system (SAP) <p>Risks:</p> <ul style="list-style-type: none"> • Transition from current service to 'new' • Recruitment of staff with brokerage skills • Ineffective permanency and care plans • Liquid Logic not integrating fully with SAP

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
Potential delay in placing children and young people or incorrect matches for children and young people during transition – need to run both current and 'new' for at least 4 weeks.	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Lorraine Wood
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Kirklees Council Budget Template for 2017/18

Directorate	Children and Young People
Service Area	Safeguarding and Family Support Services, Placement Budget
Headline Proposal	Increase of fostering placements
Reference	NEW CH12

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(353)	(444)	(444)	(444)
Cumulative Savings	(353)	(797)	(1,241)	(1,685)
Budget after Savings (Controllable Budget)	4,789	4,345	3,901	3,457
FTE Reduction	-	-	-	-

Description of Savings Proposal (Including interdependencies and risk)
<p>Recruit more Kirklees Council Foster Carers and work with existing Foster Carers to increase number of placements (e.g. build extensions).</p> <p>Interdependencies:</p> <ul style="list-style-type: none"> • Kirklees Fostering Network • Pillars of Parenting <p>Risks:</p> <ul style="list-style-type: none"> • Recruitment and Marketing strategy not effective • Retirement of current Foster Carers • Retention of current Foster Carers ensuring they do not move to Independent Agencies e.g. Golden 'Hello' • Ineffective placement support (e.g. no therapeutic intervention available) • Pillars of Parenting not implemented

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>More children and young people placed in Kirklees, which also cuts down on the need for staff (Social Workers, Independent Reviewing Officers and Personal Advisors) to travel significant distances.</p>	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Lorraine Wood
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Kirklees Council Budget Template for 2017/18

Directorate	Children and Young People
Service Area	Safeguarding and Family Support Services, Placement Budget
Headline Proposal	Decrease in length of pre adoption placements
Reference	NEW CH13

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(100)			
Cumulative Savings	(100)	(100)	(100)	(100)
Budget after Savings (Controllable Budget)	5,001	5,001	5,001	5,001
FTE Reduction	-	-	-	-

Description of Savings Proposal (Including interdependencies and risk)
<p>Reduce the length of time of children waiting for Adoption.</p> <p>Interdependencies:</p> <ul style="list-style-type: none"> • Care Planning • Regionalisation of Adoption <p>Risks:</p> <ul style="list-style-type: none"> • Ineffective Care plans • Ineffective matching and increased waiting times with the introduction of a Regional Adoption Agency.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>Kirklees Children not effectively matched and increased waiting times, this is mitigated by Regional Adoption Agency staff being collocated locally with other children's services teams. Effective relationship management with the Regional Adoption Agency.</p>	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Lorraine Wood
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Kirklees Council Budget Template for 2017/18

Directorate	Children and Young People
Service Area	Safeguarding and Family Support Services, Placement Budget
Headline Proposal	Super Foster carers
Reference	NEW CH14

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(210)	(210)	(210)	
Cumulative Savings	(210)	(420)	(630)	(630)
Budget after Savings (Controllable Budget)	4,965	3,081	1,831	791
FTE Reduction	-	-	-	-

Description of Savings Proposal (Including interdependencies and risk)
<p>Upskill current and new Foster Carers to provide placements for complex children and young people, so these children do not have to go in expensive residential placements.</p> <p>Interdependencies:</p> <ul style="list-style-type: none"> • Kirklees Fostering Network • Pillars of Parenting • Skills training <p>Risks:</p> <ul style="list-style-type: none"> • Recruitment and Marketing strategy not effective • Foster Carer 'buy in' – willing candidates • Retention of current Foster Carers ensuring they do not move to Independent Agencies e.g. Golden 'Hello' • Ineffective placement support (e.g. no therapeutic intervention available) • Pillars of Parenting not implemented <p>Note: The budget after savings shown takes account of savings on separate templates.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>More children and young people placed in Kirklees, which also cuts down on the need for staff (Social Workers, Independent Reviewing Officers and Personal Advisors) to travel significant distance.</p>	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Lorraine Wood
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Kirklees Council Budget Template for 2017/18

Directorate	Children and Young People
Service Area	Safeguarding and Family Support Services, Other
Headline Proposal	Reduced use of transport
Reference	NEW CH15

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(50)			
Cumulative Savings	(50)	(50)	(50)	(50)
Budget after Savings (Controllable Budget)	429	429	429	429
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>A review of home to school transport costs for Looked After Children is being undertaken and it is envisaged some efficiencies can be made.</p> <p>Interdependencies:</p> <p>Volume of Looked After Children Travel needs of those Children</p> <p>Risks: Anticipated efficiencies are not achievable</p> <p>Note: The budget after savings is included in the Fostering service (including recruitment) line in the summary.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
Should be no material impact	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Lorraine Wood
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Kirklees Council Budget Template for 2017/18

Directorate	Children and Young People
Service Area	Safeguarding and Family Support Services, Other
Headline Proposal	Review of Contact Team
Reference	NEW CH16

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(50)	(50)	(50)	
Cumulative Savings	(50)	(100)	(150)	(150)
Budget after Savings (Controllable Budget)	1,094	1,044	994	994
FTE Reduction	2	2	2	

Description of Savings Proposal (Including interdependencies and risk)
<p>The Contact Team is subject to a review and it is envisaged that some savings will be made as a result of smarter ways of working and potential reduction in staffing levels</p> <p>Interdependencies:</p> <ul style="list-style-type: none"> • Volume of Looked After Children/Young People • Volume of care proceedings • Court determination of the level of contact per child <p>Risk:</p> <ul style="list-style-type: none"> • Reduce availability of contact officers leads to Social Workers undertake task (at a higher cost) • Increased volume of care proceedings/LAC and court determination of contact levels puts additional pressure on the service

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>The Contact Team is subject to review and the outcome/recommendations are not known. Once they are it will be easier to determine the impact on the service and any mitigation required.</p>	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Julie Mepham
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Kirklees Council Budget Template for 2017/18

Directorate	Children and Young People
Service Area	Safeguarding and Family Support Services, Placement Budget
Headline Proposal	Review of High Cost Placements
Reference	NEW CH17

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(520)	(780)	(1,040)	(1,040)
Cumulative Savings	(520)	(1,300)	(2,340)	(3,380)
Budget after Savings (Controllable Budget)	4,965	3,081	1,831	791
FTE Reduction	-	-	-	-

Description of Savings Proposal (Including interdependencies and risk)

Review all high cost placements to identify where children and young people can move in to in-house provision. Review all packages of care to ensure they are still meeting 'need', ensure partners are making appropriate contributions to the cost of the care packages.

All children and young people identified are being taken through the care planning and commissioning process e.g. each case is being brought before Permanence Panel and Enhanced Commissioning Panel.

A task & finish group has being set up to ensure where children are placed out of area they are achieving 'best' outcomes.

Interdependencies:

- Effective Care planning
- Recruitment and Retention of in-house Foster Carers
- Manage existing provision more effectively e.g. Residential
- Implementation of 16+ pathway
- Intake of Unaccompanied Asylum Seeking Children

Risks:

- Care planning
- Foster Carer recruitment targets are not met
- More children and young people presenting with very complex needs that require high cost placements
- In house accommodation capacity levels reduce due to the enhanced "matching procedure" and impact assessments
- Reduction in Health and Education funding

The budget after savings takes account of savings on separate templates.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes

More children and young people placed in Kirklees, which also cuts down on the need for staff (Social Workers, Independent Review Officers and Personal Advisors) to travel significant distances.

Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Lorraine Wood
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Directorate	Children and Young People
Service Area	Safeguarding and Family Support Services, Placement Budget
Headline Proposal	Remodelling the Looked After Children's Accommodation offer
Reference	NEW CH18

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	0	(894)		
Cumulative Savings	0	(894)	(894)	(894)
Budget after Savings (Controllable Budget)	4,965	3,081	1,831	791
FTE Reduction	-	-	-	-

Description of Savings Proposal (Including interdependencies and risk)

Work with the 'market' to block purchase placements, make efficiencies within the placement team and Contact service.

Interdependencies:

- Market want to offer 'block' contracts
- Review of placement team and contact service
- White Rose Framework

Risks:

- Anticipated price reduction does not materialise through 'block' purchasing
- Need of children and young people means placement 'type' changes so cannot be block purchased
- Volatility in provider market at the moment
- White Rose Framework
- Unaccompanied Asylum Seeking Children

The budget after savings takes account of savings on separate templates

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes

Continued use of 'high' cost placements and potentially more children placed out of area.

Does this proposal require an Equality Impact Assessment?	NO
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Will this proposal require a Specific Service Consultation	NO
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Accountable Head of Service	Lorraine Wood
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Kirklees Council Budget Template for 2017/18

Directorate	Children's and Young People
Service Area	Learning & Skills
Headline Proposal	Review of statutory responsibilities
Reference	NEW CH19

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(250)	(150)		
Cumulative Savings	(250)	(400)	(400)	(400)
Budget after Savings (Controllable Budget)	809	409	359	359
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>Existing Education Services Grant (ESG) will cease completely in its current form from 2017-18 onwards. Replacing this, in part, is a new £50m national School Improvement Grant to Councils to cover monitoring and commissioning of school improvement and intervention in failing schools. This commences in September 2017. The Council's share in 2017-18 will be approximately £250k with an annual share thereafter of £400k and will sit within the Learning and Skills budget.</p> <p>The budget after savings takes account of savings on separate templates</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
N/A	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Jo-Anne Saunders
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Kirklees Council Budget Template for 2017/18

Directorate	Children and Young People
Service Area	Learning and Skills, Schools Organisation & Planning & School Admissions
Headline Proposal	Reduce support to Schools Organisation & Planning & School Admissions
Reference	NEW CH20

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(228)	(302)		
Cumulative Savings	(228)	(530)	(530)	(530)
Budget after Savings (Controllable Budget)	302	0	0	0
Est. Reduction in FTE's	0	2.0		

Description of Savings Proposal (Including interdependencies and risk)

This activity relates to the organisation, sufficiency of and admission to school places. This also supports council wide activity for the reorganisation of maintained schools, closures, opening of new Free schools, expansions and changes of category of schools, for example when schools convert to become academies.

As stipulated in various legislation;

- Academies Act 2010,
- The School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2013
- The School Organisation (Establishment and Discontinuance of Schools) (England) Regulations 2013
- The School and Early Years Finance (England) Regulations 2015
- School Admissions Code 2014
- School Admissions Appeal Code 2012
- School Standards and Framework Act 1998
- Education and Inspections Act 2006

There are statutory and regulatory functions that the LA is required to carry out for individual children (Admissions), for schools (both maintained and academies) and the whole system (securing sufficient high quality places).

Duties relating to Admissions and School Organisation, which in the main relates to the staffing required to operate such functions are largely funded by centrally retaining part of the Dedicated Schools Grant in line with The School and Early Years Finance (England) Regulations 2015 extracts below.

SCHEDULE 2 Regulations 6 and 8

CLASSES OR DESCRIPTIONS OF PLANNED EXPENDITURE PRESCRIBED FOR THE PURPOSES OF THE SCHOOLS BUDGET OF A LOCAL AUTHORITY WHICH MAY BE DEDUCTED FROM IT TO DETERMINE THE INDIVIDUAL SCHOOLS BUDGET

PART 1 -Central Services

1. Expenditure on the operation of the system of admissions of pupils to schools (including

expenditure incurred in carrying out consultations under section 88C(2) of the 1998 Act(b)) and in relation to appeals.

SCHEDULE 1 Regulation 4

CLASSES OR DESCRIPTIONS OF PLANNED EXPENDITURE PRESCRIBED FOR THE PURPOSES OF THE NON-SCHOOLS EDUCATION BUDGET OF A LOCAL AUTHORITY

Access to education

10. Expenditure in relation to—

- (a) management of the authority's capital programme including preparation and review of an asset management plan and negotiation and management of private finance transactions;*
(b) planning and managing the supply of school places, including the authority's functions in relation to the establishment, alteration or discontinuance of schools under Part 2 of, and Schedule 2 to, the 2006 Act;

There is also an element of Council budget that funds the activity that the above legislation requires of the Council to undertake to be compliant when schools (including special schools and PRUs) become an academy, change category eg to foundation status or from Voluntary Aided to Voluntary Controlled, where schools amalgamate, become larger, are required to close or where new provision is opened. Activity across the Council is supported by this budget;

- There are legal costs in relation to enacting required statutory processes, the transfer of land and buildings, commercial transfer agreements and costs in relation to schools that are in a PPP contract etc.
- There are HR costs in relation to TUPE processes/reorganisation of staffing structures
- There are costs in relation to Finance processes in terms of closing down school budgets and planning new arrangements where schools amalgamate etc.
- There are costs in relation to publication of legal notices and statutory consultation processes including newspaper advertisements, consultation documents etc
- There are Physical Resources and Procurement costs that are required to in order to enable the property transfer/landlord function of the asset in order that legal work can be instructed appropriately
- There are other general one-off costs associated with reorganisation/growth/relocation/amalgamation that cannot be capitalised for example set up costs for modular accommodation, removal costs for equipment, pensions assessments etc.

The level of activity outlined above is not uniform, and is demand led. For example, school governing bodies can determine a change of category to become an academy, in instances of underperformance the Secretary of State requires a maintained school to become an academy as a route to secure improvement. The LA can lead on school reorganisation proposals where this can improve school performance and/or to commission additional places to meet sufficiency for example expansion of existing schools and the amalgamation of 2 or more schools to create a single organisation.

Removal of the entire Council budget is a significant risk and pressure to the Council as there would be zero funding by 2019 to carry out the activity it is obliged to carry out statutorily in relation to changes to schools, particularly for schools becoming academies.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes

This has a major impact for the LA duty to secure sufficient school places, and a reduced capacity for carrying out the strategic planning of such requirement. The School Organisation function undertakes an annual return to the Education Funding Agency/Department for Education School Capacity Collection that determines the level of Capital Funding Grant the Council receives to fund additional places and the strategic commissioning of additional places.

The obligations required of the Council to enable the process of academisation for schools subject to an academy order are stipulated in the Academies Act, and to not carry out the required activity would mean the Council would be uncompliant. This would have reputational implications for the Council with the Department for Education.

There would be very little or no opportunity for any Council led reorganisation proposals to amalgamate/expand/close/ or open provision. This would impact on sufficiency duties, and where there are insufficient places it would not be possible to allocate children a reasonable offer of a school place. In turn, this could see increased costs/demand for admission appeals/school transport help and/or lower attendance/Children Missing Education across schools in the LA.

Further dialogue with schools about contributing some additional funding for some of this activity as mitigation is possible, however, the requirements that the Council is obligated to carry out regarding academisation in particular, is unlikely to be supported.

Does this proposal require an Equality Impact Assessment?	Yes
Will this proposal require a Specific Service Consultation	Yes

Accountable Head of Service	Jo-Anne Sanders
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Kirklees Council Budget Template for 2017/18

Directorate	Children and Young People
Service Area	Learning and Skills, Attendance & Pupil Support
Headline Proposal	Reduce support to Attendance & Pupil Support – fully trade non-statutory activity
Reference	NEW CH21

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(145)			
Cumulative Savings	(145)	(145)	(145)	(145)
Budget after Savings (Controllable Budget)	602	602	602	602
Est. Reduction in FTE's	4.0			

Description of Savings Proposal (Including interdependencies and risk)
<p>The saving equates to approximately 4 Attendance and Pupil Support Officer posts (APSO post = £35400).</p> <p>4 posts are being removed from the staffing structure, including the removal of the Attendance Manager post.</p> <p>The non-statutory part of the Attendance Team already generates income, however this has fallen during 2016 and is likely to fall again once prices increase and schools employ their own staff. There is an APSO deployed to the Multi-Agency Safeguarding Hub as the education representative and this continues to be required.</p> <p>In addition, five posts are funded through Stronger Families. This is currently under review as decisions are being made about the work of Early Help Hubs, but these posts may be taken out of the Attendance Team.</p> <p>Savings would come from the non-statutory arm of the service and this would lead to a weaker picture of attendance across our schools and academies. Given that children and young people who do not attend school are at greater risk (CSE, Prevent, gangs, criminal activity, etc.) we will not have a coherent picture of trends and underlying factors.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>The Attendance Team has strong links across other areas of the Council and contributes and adds capacity to a number of strategies – FGM, Human Trafficking and Slavery, No Child out of Sight, Channel, Gangs, etc. Teams and agencies that work within these strategies rely on the Attendance Team for their link with schools and their knowledge of attendance.</p> <p>The development of a Schools' Led Company could include this function and help us to maintain our richer picture of school attendance.</p> <p>We will continue to receive overall attendance data. We have a data sharing agreement with all school the exception of one secondary school.</p>	
Does this proposal require an Equality Impact Assessment?	Yes
Will this proposal require a Specific Service Consultation	Yes

Accountable Head of Service	Mandy Cameron
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Kirklees Council Budget Template for 2017/18

Directorate	Childrens and Young People
Service Area	Learning and Skills, Strategic Leadership & Intervention
Headline Proposal	Review Service
Reference	NEW CH22

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(100)	(100)		
Cumulative Savings	(100)	(200)	(200)	(200)
Budget after Savings (Controllable Budget)	1,059	959	909	909
FTE Reduction	3.0	3.0		

Description of Savings Proposal (Including interdependencies and risk)

Additional savings can be achieved by removal of 2 – 3 FTE posts each year, depending on the level and costs associated with them. This will require a review of the Deputy Assistant Director roles, reflecting the needs of New Council and the evolving Head of Service structure.

The service funds some apprentices through this budget. Their training will end this year as will their roles.

Statutory functions relating to school improvement will be further realigned to national expectations and can be part year funded through the 2017/18 National School Improvement Monitoring and Brokerage Grant. This is currently short term funding and will not sustain roles and provision beyond 2018. It should be noted that a significant contribution to strategic work is currently made to the Council by schools via de-delegation. This de-delegation is no longer allowed and Schools Forum are to take a decision in January on the future contribution for next year, this will need to be considered alongside the Council savings.

The additional FTE reductions are not likely to be made from naturally-arising vacancies so will require a redundancy or severance arrangement.

Note: The budget after savings shown takes account of savings on separate templates.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes

The removal of posts has the potential to align current structures within Learning and Skills to the newly proposed structure. The Council continues to have a duty to ‘know’ schools and settings and to ensure the sufficiency of provision of good and outstanding places for children.

The Council currently knows schools well, enabling positive conversations with school leaders as well as ability to respond to challenges from OFSTED, Regional Schools Commissioner and Department for Education. OFSTED expects us to know all our schools – and to engage in discussions relating to provision, outcomes and complaints. Relationships are key to ensure sharing of data and intelligence; community understanding; and shared commitment to development of school places to meet the needs of all pupils.

Considerable challenge and support is provided to schools and settings. This has resulted in the high proportion of good and outstanding Kirklees schools. Kirklees schools have improved at a faster rate than those nationally. This strong reputation is a key factor in recruiting high quality teachers and school leaders. It is increasingly difficult to recruit strong leaders and the Council provides support for governors during Headteacher recruitment.

School to school support will increase – but council capacity to support this is currently insufficient overall. In future school to school support, with Teaching Schools, and the identification of sources of strengths and capacity for support from across all schools, will need to be secured through partnership working.

The development of a ‘learning-led partnership’ would ensure ongoing sharing of intelligence about schools, ensure the Council continues to ‘know’ its schools and communicates and support continuity of school improvement whilst capacity builds in schools. However untimely removal of the resource and capacity to enable the development of the partnership with schools will result in the absence of common ground for the building of a future relationship with schools and settings.

Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	YES

Accountable Head of Service	Liz Singleton
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Kirklees Council Budget Template for 2017/18

Directorate	Children and Young People
Service Area	Learning and Skills, Attendance & Pupil Support
Headline Proposal	Review
Reference	NEW CH24

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(14)			
Cumulative Savings	(14)	(14)	(14)	(14)
Budget after Savings (Controllable Budget)	0	0	0	0
FTE Reduction	1.0			

Description of Savings Proposal (Including interdependencies and risk)
<p>The proposal equates to a reduction of one Teaching Assistant. A review of demand across the strands of provision (Autistic Spectrum Disorder, Hearing Impairment, Visual Impairment, Physical Impairment, Speech Language and Communication Needs) will be undertaken to determine where this post may be saved. The provision is currently carrying some vacancies and will be managed through this.</p> <p>There is a risk that we increase pressure on an already pressurised service. The service works with schools to increase their capacity to meet need, and thereby enable the majority of Children and Young People to remain within their local school. Any decrease to service could result in a school being unable to meet need, and an escalation to a more expensive provision. While this would be funded through the High Needs Block, the Council has responsibility for any overspend here.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>There is a potential impact on the child's outcomes, particularly if they need a mainstream curriculum.</p> <p>There is a potential impact on the Transport budget if a more specialist solution has to be found in the absence of a local solution.</p> <p>Additional funding could be requested through the High Needs Block, but there are risks attached to this in relation to the Council's responsibility for any overspend</p> <p>We are looking to pilot the working of Specialist Provisions through a community hub in the future and this could lead to greater capacity across the school system in meeting CYP's needs.</p>	
Does this proposal require an Equality Impact Assessment?	Yes
Will this proposal require a Specific Service Consultation	No

Accountable Head of Service	Mandy Cameron
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Directorate	Children and Young People
Service Area	Learning and Skills, Psychology Services
Headline Proposal	Review
Reference	NEW CH25

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(64)	(84)		
Cumulative Savings	(64)	(148)	(148)	(148)
Budget after Savings (Controllable Budget)	806	720	720	720
Est. Reduction in FTE's	2	2.5		

Description of Savings Proposal (Including interdependencies and risk)

This saving equates to approximately 4.5 FTEs. Of the remaining team, 3.4 Education Psychologists (EPs) are funded through the team's income generation. There would be significantly less opportunity for income generation under these proposals which would lead to a decrease in early help and a potential acceleration of children & young people (CYP) with Special Educational Needs and Disabilities (SEND) to higher, more expensive levels of support. Opportunities to look at existing systems and processes would be undertaken to seek efficiencies in order to make the reductions required

There is a national issue with the recruitment and retention of EPs and their specialist knowledge. Any reduction in staffing levels would result in those EPs finding alternative employment immediately.

Educational Psychologists hold a number of statutory duties relating to SEND. These duties are held on behalf of the Local Authority for CYP with SEND, and are detailed in the SEND Code of Practice 2015 that relates to the Children and Families Act 2014. Health and Social Care also hold other statutory duties, as do schools and settings.

The Local Authority's statutory duties relate in the main to all Children and Young People with a statutory Education Health and Care Plan (EHCP) and there are currently approximately 2372 CYP in Kirklees who hold such a statutory assessment of need. This number has increased by 25% from a total of 1900 EHCPs in 2014, and have incorporated all CYP from 0 – 25 years since 2014, as opposed to just those of statutory school age (in effect, an additional 13 years of cohorts of children and young people with SEND). In addition, requests for statutory assessments have increased by 62% from 153 in 2014 to 261 in 2017. This reflects the trend across the country.

Code of Practice 9.3: The Local Authority must conduct an assessment of education, health and care needs when it considers that it may be necessary for special education provision to be made for the child or young person in accordance with an Education Health and Care Plan

Sections 5, 6 and 7 of the SEND Code of Practice outline the Local Authority duties in relation to pre-school children, those at school, and those post 16, and make specific reference to the role of the Educational Psychologist. Section 10 outlines the Local Authority's duties to those in 'specific circumstances' including LAC, those leaving care, electively home educated children, those in the youth justice system, those out of area, CME with SEND, international new arrivals with SEND, etc.,

and the same statutory duties apply to all children and young people in Kirklees who require a statutory assessment of their special educational needs at any point in their lives 0 – 25 years.

It is important to set out the functions the service undertakes for children in the area;

- EHCPs – core involvement in statutory assessment, required attendance at annual review, required input as a child’s needs change and provision must be considered. The Local Authority is responsible for the oversight of the EHCP system from statutory assessment to the issuing and upkeep of an EHCP.
- use of EP specialist skills for Workforce Development in relation to Mental Health and language and communication needs.
- specialist support to Early Years and schools as well as Post 16 provisions in order for them to provide for CYP with more complex needs (all elements of this work that are non-statutory are already funded through income-generation activity with schools).
- support at transition for vulnerable children (special circumstances plus those at risk of permanent exclusion). Although this last is not statutory, the costs to the Local Authority are high when a CYP is permanently excluded.
- Key involvement at SEND Tribunals where comprehensive preparation is key to avoid high costs resulting from a decision made.

Further details of the statutory core offer (apart from Tribunal work) can be found on the Kirklees Local Offer on the Council website.

All non-statutory duties are already funded through income generation with schools and other services. There are some exceptions where the EP Service still provides advice and support, e.g. CYP at risk of permanent exclusion, children who are bereaved, critical incidents within the school, e.g. death of a head teacher.

Risks: there are volume risks in relation to the savings. The numbers of CYP requiring and requesting assessments is increasing. Therefore this is demand led and, because of the growing numbers of requests for statutory assessments, the Local Authority may have a challenge in meeting its statutory timescales. These are monitored and challenged by the DfE.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes

If the Local Authority failed in its statutory duty to meet statutory timescales, there would likely be an increase in Tribunal activity which is both expensive and time-consuming for existing staff. Given that the LA would lose such a case, additional resource (agency staff) would be identified to prevent a move to Tribunal.

There is a potential that Kirklees data for meeting statutory timescales would reduce. This currently stands at just above the national average.

The Local Authority could make a request to Schools’ Forum for support from the High Needs Block. This is currently £2.5 million overspent and rising, and the Council has responsibility for any overspend. Recent news about the Funding Formula tells us that we will receive an increase over the next three years to our HN Block, but this will only cover the current overspend and will not be fully in place until 2020. We are working to reduce costs within the HN Block.

Kirklees Council Budget Template for 2017/18

Does this proposal require an Equality Impact Assessment?	Yes
Will this proposal require a Specific Service Consultation	Yes

Accountable Head of Service	Mandy Cameron
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ADULTS (ADULTS, COMMISSIONING & PUBLIC HEALTH DIRECTORATE)

SERVICE ACTIVITY	16-17 CONTROLLABLE GROSS EXPENDITURE £000	16-17 CONTROLLABLE INCOME £000	16-17 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSES £000	17-18 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	18-19 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	19-20 BUDGET PROPOSAL £000	20-21 INDICATIVE BUDGET £000
Assessment and Care Management													
Assessment and Care Management	10,173	(2,209)	7,964	(376)		7,588	(200)		7,388	(560)		6,828	6,828
Total	10,173	(2,209)	7,964	(376)	0	7,588	(200)	0	7,388	(560)	0	6,828	6,828
Access and Information													
Access and Information - Gateway to Care	1,550	(200)	1,350	(172)		1,178			1,178			1,178	1,178
Total	1,550	(200)	1,350	(172)	0	1,178	0	0	1,178	0	0	1,178	1,178
Demand Led Client Service Provision													
Self Directed Support	36,578	(12,196)	24,382	(600)	5,275	29,057	(1,311)	4,998	32,744	(1,518)		31,226	30,897
Independent Sector Residential and Nursing Placements													
Independent Sector Residential and Nursing Placements - Older People	28,013	(15,707)	12,306	(312)	150	12,144	(301)	899	12,742	(267)	950	13,425	14,428
Independent Sector Residential and Nursing Placements - Physical Disabilities	3,821	(1,081)	2,740	(120)		2,620	(120)		2,500	(120)		2,380	2,380
Independent Sector Residential and Nursing Placements - Learning Disabilities	20,076	(5,868)	14,208	(423)	1,030	14,815	(424)	156	14,547	(423)		14,124	14,124
Independent Sector Residential and Nursing Placements - Mental Health	3,778	(1,189)	2,589	(67)		2,522	(66)		2,456	(67)		2,389	2,389
Total	55,688	(23,845)	31,843	(922)	1,180	32,101	(911)	1,055	32,245	(877)	950	32,318	33,321
In-House Residential Services													
In-House Residential - Older People	4,745	(1,666)	3,079	(469)		2,610	(766)		1,844	20		1,864	1,912
In-House Residential - Learning Disabilities	2,524	(54)	2,470			2,470			2,470			2,470	2,470
Total	7,269	(1,720)	5,549	(469)	0	5,080	(766)	0	4,314	20	0	4,334	4,382
Day Care and Other Contracted Services													
In-House Day Care	3,891	(802)	3,089			3,089	(200)		2,889			2,889	2,889
Contracted Services (mainly independent sector day care)	6,442	(398)	6,044	(367)		5,677	(366)		5,311	(367)		4,944	4,944
Total	10,333	(1,200)	9,133	(367)	0	8,766	(566)	0	8,200	(367)	0	7,833	7,833

ADULTS (ADULTS, COMMISSIONING & PUBLIC HEALTH DIRECTORATE)

SERVICE ACTIVITY	16-17 CONTROLLABLE GROSS EXPENDITURE £000	16-17 CONTROLLABLE INCOME £000	16-17 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSES £000	17-18 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	18-19 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	19-20 BUDGET PROPOSAL £000	20-21 INDICATIVE BUDGET £000
Other Demand-Led Services													
Re-ablement	6,346	(5,247)	1,099	(300)		799			799			799	799
Excellent Homes for Life (supported living)	1,500	(407)	1,093			1,093			1,093			1,093	1,093
Provision of Community Equipment	5,211	(4,184)	1,027	(33)		994	(34)		960	(33)		927	927
Emergency Support (including Persons from Abroad)	450	0	450			450			450			450	450
Learning Disability Shared Lives	1,076	0	1,076			1,076			1,076			1,076	1,076
Care Phones and Assistive Technology	1,134	(1,019)	115	(17)		98	(13)		85	(20)		65	65
Other Demand Led	650	(614)	36	(67)		(31)	(66)		(97)	(67)		(164)	(164)
Improved Funding allocation	0	0	0	(2,670)		(2,670)	(6,300)	1,870	(7,100)	(5,700)		(12,800)	(12,800)
Total	16,367	(11,471)	4,896	(3,087)	0	1,809	(6,413)	1,870	(2,734)	(5,820)	0	(8,554)	(8,554)
Total Demand Led	126,235	(50,432)	75,803	(5,445)	6,455	76,813	(9,967)	7,923	74,769	(8,562)	950	67,157	67,879
Early Intervention & Prevention													
Supporting Vulnerable People	5,314	(1,309)	4,005	(1,500)	1,625	4,130			4,130			4,130	4,130
Community Liaison (including grants)	1,967	(400)	1,567	(1,567)		0			0			0	0
Support for Carers	576	0	576			576			576			576	576
EIP Activity	0	0	0		2,500	2,500			2,500			2,500	2,500
Total	7,857	(1,709)	6,148	(3,067)	4,125	7,206	0	0	7,206	0	0	7,206	7,206
Commissioning (Adults)													
Adult Protection	184	(27)	157			157			157			157	157
Contracts Management	749	(300)	449			449			449			449	449
Service Specialist Training	230	(82)	148			148			148			148	148
Children & Adults Learning Team	509	0	509	(50)		459			459			459	459
Commissioning Heads of Service	78	0	78			78			78			78	78
Other Commissioning Infrastructure	1,358	(754)	604	(89)		515			515			515	515
Total	3,108	(1,163)	1,945	(139)	0	1,806	0	0	1,806	0	0	1,806	1,806
Other Services													
Domestic Abuse	124	0	124			124			124			124	124
Other Services	156	(75)	81			81			81			81	81
Best Partnering	6	(978)	(972)		972	0			0			0	0
Total	286	(1,053)	(767)	0	972	205	0	0	205	0	0	205	205
Management & Regulatory Functions	3,631	(497)	3,134	(93)		3,041	(94)		2,947	(93)		2,854	2,854
FURTHER SERVICE PRESSURES					4,000	4,000			4,000			4,000	4,000
TOTAL ADULTS	152,840	(57,263)	95,577	(9,292)	15,552	101,837	(10,261)	7,923	99,499	(9,215)	950	91,234	91,956

ADULTS - MINUSES (ADULTS, COMMISSIONING & PUBLIC HEALTH DIRECTORATE)

Service Activity	Proposed Change	Reference	£000				
			2017-18	2018-19	2019-20	2020-21	Total
EXISTING MTFP MINUSES							
Assessment & Care Management							
Assessment & Care Management	Review service efficiencies	EX AD1	(100)				(100)
	Review	EX AD2	(76)				(76)
Access & Information							
Gateway to Care	Review (see also EX CH7)	EX AD3	(172)				(172)
Other Demand-Led Services							
Re-ablement	Medium risk - efficiency savings in the delivery of the model for reablement services.	EX AD4	(300)				(300)
Early Intervention & Prevention							
Supporting People	Review	EX AD5	(1,500)				(1,500)
Community Liaison (including grants)	Review	EX AD6	(1,567)				(1,567)
Commissioning (Adults)							
Other Commissioning Infrastructure	Efficiencies in commissioning (joint saving with Children's)	EX AD7	(89)				(89)
			(3,804)	0	0	0	(3,804)
NEW MINUSES							
Assessment & Care Management							
	Review of management arrangements	NEW AD1	(100)	(100)	(310)		(510)
	Reduction of staffing across assessment, review and support management	NEW AD2	(100)	(100)	(250)		(450)
Demand Led Client Service Provision							
Self Directed Support (SDS)	Future Pressures National Living Wage - net unfunded pressure - Adults contract			(684)	(93)	(329)	(1,106)
	Reduced spend on direct payment and independent sector home care	NEW AD4	(600)	(600)	(1,400)		(2,600)
	Independent Living fund reduction in grant			(27)	(25)		(52)
Independent Sector Residential & Nursing Placements - Older People	Reduction of older placements (net of replacement costs)	NEW AD5	(267)	(266)	(267)		(800)
	Removal of discounted respite	NEW AD6	(45)	(35)			(80)
Independent Sector Residential & Nursing Placements - Physical Disabilities	Reduction in high cost physical disability placements	NEW AD7	(120)	(120)	(120)		(360)
Independent Sector Residential & Nursing Placements - Learning Disabilities	Reduction in high cost learning disability placements	NEW AD8	(423)	(424)	(423)		(1,270)
Independent Sector Residential & Nursing Placements - Mental Health	Mental health placements	NEW AD9	(67)	(66)	(67)		(200)
In-House Residential Services							
In-House Residential - Older People	Identify partner(s) to deliver integrated health and social care to those with specialist needs or explore new delivery models.	NEW AD10	(469)	(766)	20	48	(1,167)

ADULTS - MINUSES (ADULTS, COMMISSIONING & PUBLIC HEALTH DIRECTORATE)

Service Activity	Proposed Change	Reference	£000				
			2017-18	2018-19	2019-20	2020-21	Total
Day Care and Other Contracted Services							
In-House Day Care	Reprovide older people day care services	NEW AD11		(200)			(200)
Contracted Services (mainly Independent Sector Day Care)	Review existing strategy for day care services & reduce by 20%	NEW AD12	(367)	(366)	(367)		(1,100)
Other Demand-Led Services							
Provision of Community Equipment	Community equipment	NEW AD13	(33)	(34)	(33)		(100)
Care Phones & Assistive Technology	Care phones - increased income	NEW AD14	(17)	(13)	(20)		(50)
Other Demand-Led	Review of out of hours services	NEW AD15	(67)	(66)	(67)		(200)
Improved Funding allocation	Improved Better Care Funding offer	NEW AD16	(800)	(6,300)	(5,700)		(12,800)
	Adult Social Care Grant	NEW AD18	(1,870)				(1,870)
Commissioning (Adults)							
Children & Adults Learning Team	Review of specialist training provision	NEW AD19	(50)				(50)
Other Services							
Management & Regulatory Functions	Business support realignment across ASC	NEW AD17	(93)	(94)	(93)		(280)
			(5,488)	(10,261)	(9,215)	(281)	(25,245)
TOTAL MINUSES FOR ADULTS			(9,292)	(10,261)	(9,215)	(281)	(29,049)

Please note reference NEW AD3 has not been used

ADULTS - PLUSES (ADULTS, COMMISSIONING & PUBLIC HEALTH DIRECTORATE)

Service Activity	Proposed Change	Reference	£000				
			2017-18	2018-19	2019-20	2021-21	Total
EXISTING MTFP PLUSES							
Demand Led Client Service Provision	2% Adult Social Care Council Tax precept		4,667	4,998			9,665
Other Services							
Best Partnering	Total budget removed and replaced with Older People Residential Strategy new saving		972				972
			5,639	4,998	0	0	10,637
NEW PLUSES							
Demand Led Client Service Provision	Future Pressures National Living Wage - net unfunded pressure - Adults contract		608				608
Independent Sector Residential & Nursing Placements - Older People	Future Pressures - Older People Demographic (3%)		150	899	950	1,003	3,002
Independent Sector Residential & Nursing Placements - Learning Disabilities	Future Pressures - Transforming Care Partnership Plan		1,030	156			1,186
Improved Funding allocation	Adult Social Care Grant	NEW AD18		1,870			1,870
Supporting Vulnerable People	Early Intervention and Prevention Add Back		1,625				1,625
EIP Activity	Early Intervention and Prevention Add Back		2,500				2,500
Further Service Pressures	Further Service Pressures		4,000				4,000
			9,913	2,925	950	1,003	14,791
TOTAL PLUSES FOR ADULTS							
			15,552	7,923	950	1,003	25,428

Kirklees Council Budget Template for 2017/18

Directorate	Adults
Service Area	Assessment and Care Management
Headline Proposal	Review service efficiencies
Reference	EX AD1

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(100)			
Cumulative Savings	(100)	(100)	(100)	(100)
Budget after Savings (Controllable Budget)	7,588	7,588	7,588	7,588
FTE Reduction	3			

Description of Savings Proposal (Including interdependencies and risk)

Review how people access and receive adult service care services in order to simplify the process and enable people to access services in a timely manner as well as realising savings.

This will involve:

- Using technology to enable people to self- access services.
- Implementing the early intervention and prevention approach
- Reviewing the way people access services and how we provide assessment and care management services
- Linking to other work including the review of Client Financial Affairs and Safeguarding review

The budget after savings shown takes account of savings on separate templates.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes

By simplifying and reviewing how we provide these services we will need fewer resources to deliver the service in the future. This allows for the re alignment of these resources to focus on other increasing pressures in the service such as Best interest and Deprivation of Liberty.

The ability to reduce resources is also dependent on the success of the 'front of house services' and the extent to which the increasing demand for services can be reduced through re direction and signposting to other services.

Need to consider redundancy/ Voluntary Redundancy costs/ deployment options through service change process.

Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Sally Townend
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Kirklees Council Budget Template for 2017/18

Directorate	Adults
Service Area	Assessment and Care Management
Headline Proposal	Review
Reference	EX AD2

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(76)			
Cumulative Savings	(76)	(76)	(76)	(76)
Budget after Savings (Controllable Budget)	7,588	7,588	7,588	7,588
FTE Reduction	3			

Description of Savings Proposal (Including interdependencies and risk)
<p>A number of options for delivery of our services for people with sight and/or hearing loss will be considered in order to achieve the £76K. Proposals are currently being developed as a part of the wider Adult Social Care redesign of services as well as linking with the Early Intervention and Prevention model.</p> <p>Positive opportunities exist that will reduce duplication and improve the customer experience of service.</p> <p>Work will be undertaken with the voluntary and community sector in order to inform the proposals</p> <p>The budget after savings shown takes account of savings on separate templates</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>Potential positive impact and contribution to Early Intervention and Prevention outcomes - people find it easy to get the right information, advice and support.</p> <p>Intended pathway and process improvements that will enhance the customer experience .</p>	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	YES

Accountable Head of Service	Debra Mallinson
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Kirklees Council Budget Template for 2017/18

Directorate	Adults and Children and Young People
Service Area	Access & Information, Gateway to Care
Headline Proposal	Review
Reference	EX CH7 & EX AD3

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(196)			
Cumulative Savings	(196)	(196)	(196)	(196)
Budget after Savings (Controllable Budget)	1,206	1,206	1,206	1,206
FTE Reduction	7			

Description of Savings Proposal (Including interdependencies and risk)
<p>Plans under development, some key work streams are progressing. Single Point of Access work ongoing; trialling new ways of working to reduce handoffs and reducing demand, increasing call rates, Interdependencies with adult pathway redesign and corporate front door and information and advice transformation A number of vacant posts have been removed from the budget.</p> <p>Positive opportunities around reducing handoffs, referrals, reductions in failure demand through right first time at first point of contact, improvements to customer service and customer perspective on how easy it is to find information and advice, No/negligible negative risks.</p> <p>Most of the savings are Adult related but there is a saving in the Childrens and Young People budget relating to this.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>Positive impact/contribution to Early Intervention and Prevention outcome 'people find it easy to get the right information, advice and support.' Benefit of reduced demand/referral into service may be seen by aligning to the community plus/universal offers and helping people look to own and community networks for support Pathway and process improvements links to corporate front door and information and advice improvement work – will deliver a coherent and consistent approach across phone and web access channels.</p>	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Debra Mallinson
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Kirklees Council Budget Template for 2017/18

Directorate	Adults
Service Area	Demand Led Client Service Provision, Other Demand- Led Services – Re-ablement
Headline Proposal	Medium Risk- efficiency savings in the delivery of the model for reablement services
Reference	EX AD4

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(300)			
Cumulative Savings	(300)	(300)	(300)	(300)
Budget after Savings (Controllable Budget)	799	799	799	799
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>To review our approach and model of re-ablement to re-focus resources on those in greatest need and with the most potential to benefit from re-ablement services</p> <p>There is a high risk that the full savings will not be achieved due to the nature of it being a demand-led service/Service of last resort. The current lack of capacity within the independent sector home care market remains a significant risk as people may not be able to move on from the re-ablement service and therefore could create a blockage within the service. This will create additional pressures within the short term and urgent support team.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>There are a number of projects underway that will create efficiencies in the operational services. These include:</p> <ul style="list-style-type: none"> • workforce planning and the reduction in spend and overtime • A review of the working patterns and rota's to minimise non-scheduled work and maximise capacity; • A review of travel arrangements to reduce the cost of mileage in the service. <p>The service continues to work towards an integrated model with partners that enables data sharing, aims to minimise duplication and create efficiencies across the system</p>	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Debra Mallinson
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Kirklees Council Budget Template for 2017/18

Directorate	Adults
Service Area	Early Intervention & Prevention, Supporting People
Headline Proposal	Review
Reference	EX AD5

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(1,000)			
Cumulative Savings	(1,000)	(1,000)	(1,000)	(1,000)
Budget after Savings (Controllable Budget)	4,130	4,130	4,130	4,130
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>Supporting People - review and reduce. This function will be part of the Targeted Early Intervention and Prevention (EIP) Offer -Supporting vulnerable people. In addition to base budget it will be supported by £1.625m EIP theme add back.</p> <p>The current model will be modernised to reflect integrated approaches and greater collaboration with partners and the voluntary and community sector.</p> <p>Housing related support that is provided either from specific accommodation or is 'visiting support' to people in their own tenancies will be reduced.</p> <p>The budget after savings shown takes account of Early Intervention & Prevention addback.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>There may be an ask for managed use of reserves to support the transition to the new model whilst simultaneously developing the 'community plus' offer.</p>	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	YES

Accountable Head of Service	Sue Richards
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Directorate	Adults
Service Area	Early Intervention & Prevention, Community Liaison (including grants)
Headline Proposal	Review
Reference	EX AD6

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(1,567)			
Cumulative Savings	(1,567)	(1,567)	(1,567)	(1,567)
Budget after Savings (Controllable Budget)	0	0	0	0
FTE Reduction	7			

Description of Savings Proposal (Including interdependencies and risk)
<p>Community liaison functionality will form part of the new EIP model. This function will become part of the Community Plus offer and will be funded through EIP Theme Add back.</p> <p>The transformation is interdependent with the Early Intervention Targeted Support (EITS) /Integrated Youth Support Service (IYSS)</p> <p>There is a risk expected savings could be delayed.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>Positive impact/contribution to Early Intervention and Prevention Outcomes as well as Joint Health and Wellbeing and Kirklees Economic Strategies.</p> <p>Benefit of reduced demand/referral into service may be seen by aligning to the community plus/universal offers and helping people look to own and community networks for support.</p>	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	YES

Accountable Head of Service	Clare Mulgan
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Kirklees Council Budget Template for 2017/18

Directorate	Adults
Service Area	Commissioning (Adults), Other Commissioning Infrastructure
Headline Proposal	Efficiencies in commissioning (joint saving with Children's)
Reference	EX AD7

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(89)			
Cumulative Savings	(89)	(89)	(89)	(89)
Budget after Savings (Controllable Budget)	515	515	515	515
FTE Reduction	1			

Description of Savings Proposal (Including interdependencies and risk)
Identify savings through the review of allocated staffing and non-staffing resources currently available within the Commissioning Service.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
The identification of savings will take place alongside the re-alignment of the Councils Senior Leadership Team	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Margaret Watt
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Kirklees Council Budget Template for 2017/18

Directorate	Adults
Service Area	Assessment and Care Management
Headline Proposal	Review of management arrangements
Reference	NEW AD1

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(100)	(100)	(310)	
Cumulative Savings	(100)	(200)	(510)	(510)
Budget after Savings (Controllable Budget)	4,610	4,410	3,850	3,850
FTE Reduction	2	2	7	

Description of Savings Proposal (Including interdependencies and risk)
<p>It is proposed that the current management structure be reviewed and aligned with the early intervention and prevention approach to working in the future.</p> <p>The use of on line assessment improved care planning and review to enhance self-service means that managerial duties can be streamlined. The new on-line services are planned to go live in June 2017.</p> <p>The budget after savings shown takes account of savings on separate templates and is included in the Assessment and Care Management line in the summary.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>Possible effect on performance initially which should be redressed once the new changes have been completed and introduced. New ways of working will be introduced in 2017 thereby enabling further staffing reductions take place in 2018/19.</p>	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	YES

Accountable Head of Service	Sally Townend
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Kirklees Council Budget Template for 2017/18

Directorate	Adults
Service Area	Assessment and Care Management
Headline Proposal	Reduction of staffing across assessment, review and support management
Reference	NEW AD2

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(100)	(100)	(250)	
Cumulative Savings	(100)	(200)	(450)	(450)
Budget after Savings (Controllable Budget)	4,610	4,410	3,850	3,850
FTE Reduction	3	3	8	

Description of Savings Proposal (Including interdependencies and risk)
Using systems thinking methodology to review the Adults pathway.
The implementation of online resources for assessment and review, more integrated ways of working and alignment with Early Intervention & Prevention redesign will ensure more efficient working.
The budget after savings shown takes account of savings on separate templates and is included in the Assessment and Care Management line in the summary.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
Considering the council's statutory obligation, these savings are challenging in a climate where demand is significantly rising. There is a risk of the system not meeting demand. System changes will be managed.	
The system relies on the availability of sufficient independent sector home support. Market development work is ongoing to ensure this sufficiency and contracts will be retendered with this in view.	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Sally Townend
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Directorate	Adults
Service Area	Demand Led Services
Headline Proposal	Reduced spend on direct payment and independent sector home care
Reference	NEW AD4

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(600)	(600)	(1,400)	
Cumulative Savings	(600)	(1,200)	(2,600)	(2,600)
Budget after Savings (Controllable Budget)	29,057	32,744	31,226	31,226
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)

Reduction in demand for and commissioning of home care packages and direct payments through:

- Systems thinking methodology
- Redesigning, refocusing and more alignment of the EIP offer
- Close monitoring of direct payments and ensuring reclaim of unspent resources
- Redesign of the response at single point of access
- Greater scrutiny of current packages through reviews

The budget after savings shown takes account of the adult social care precept.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes

- Adult social care demand and level of need is rising significantly which places increased challenge on the system.
- The system relies on sufficient independent sector homecare in the market. Market development is ongoing and homecare will be retendered next financial year.
- The reshaping of early intervention and prevention will take some time to reshape and embed and this gives rise to the risk of an increase in demand in the early stages.
- As part of other savings, the Review Team will reduce. The service will ensure that reviewing capacity is focussed where need is greatest.

Does this proposal require an Equality Impact Assessment? YES

Will this proposal require a Specific Service Consultation NO

Accountable Head of Service Sally Townend

Kirklees Council Budget Template for 2017/18

Directorate	Adults
Service Area	Independent Sector Residential & Nursing Placements
Headline Proposal	Reduction of older placements (net of replacement costs)
Reference	NEW AD5

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(267)	(266)	(267)	
Cumulative Savings	(267)	(533)	(800)	(800)
Budget after Savings (Controllable Budget)	12,144	12,742	13,425	14,428
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>People will be supported to stay at home for as long as possible, enabling services will support people to build on the strengths they have and can improve and will look at using local community resources and home care support. Also advances in assistive technology can greatly support people's independence and safety at home.</p> <p>Assessment and Reviewing Teams will ensure that people with continuing healthcare needs are identified.</p> <p>The budget after savings shown takes account of amounts included for volume change.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>Demand for adult social care is rising and so this diverting demand may be hidden by demographic changes.</p> <p>There is likely to be a consequent impact on the budget that supports people at home. Ensuring appropriate Early Intervention & Prevention interventions will mitigate this.</p> <p>As part of other savings the Reviewing Team is reducing and the service will need to ensure reviewing resources are appropriately targeted.</p>	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Sally Townend
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Kirklees Council Budget Template for 2017/18

Directorate	Adults
Service Area	Independent Sector Residential & Nursing Placements
Headline Proposal	Removal of Discounted Respite
Reference	NEW AD6

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(45)	(35)		
Cumulative Savings	(45)	(80)	(80)	(80)
Budget after Savings (Controllable Budget)	32,101	32,245	32,318	32,318
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)

The proposals in the Adult Social Care Charging Policy propose a number of changes.

One of these is the removal of the discounted rate of £20 per night for the first 7 days of respite care. All respite care will be subject to financial assessment. This will provide an increased income.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes

This is a charging proposal subject to consultation and due to go to Cabinet for approval in February 2017.

Does this proposal require an Equality Impact Assessment?	YES
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Will this proposal require a Specific Service Consultation	NO
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Accountable Head of Service	Sally Townend
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Kirklees Council Budget Template for 2017/18

Directorate	Adults
Service Area	Independent Sector Residential & Nursing Placements
Headline Proposal	Reduction in high cost physical disability placements
Reference	NEW AD7

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Income/Expenditure Savings	(120)	(120)	(120)	
Cumulative Savings	(120)	(240)	(360)	(360)
Budget after Savings (Controllable Budget)	2,620	2,500	2,380	2,380
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)

To ensure people with Continuing Health Care needs are identified and therefore reduce the numbers of people with high cost placements funded by the council.

To explore better use of technology (such as single handed care) to allow customers to remain at home for longer on relatively less expensive home care packages.

It is proposed to reduce the intake of customers to this type of service by 1 a year and reduce the current net weekly cost of £723 by £22 each year.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes

Demand in adult social care is increasing.

Will need a workforce skills and confident in ensuring Continuing Health Care funding is identified.

Does this proposal require an Equality Impact Assessment? YES

Will this proposal require a Specific Service Consultation NO

Accountable Head of Service Sally Townend

Kirklees Council Budget Template for 2017/18

Directorate	Adults
Service Area	Independent Sector Residential & Nursing Placements
Headline Proposal	Reduction in high cost learning disability placements
Reference	NEW AD8

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Income/Expenditure Savings	(423)	(424)	(423)	
Cumulative Savings	(423)	(847)	(1,270)	(1,270)
Budget after Savings (Controllable Budget)	14,815	14,547	14,124	14,124
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>Reduction in the number of high cost learning disability placements through:</p> <ul style="list-style-type: none"> • Development of the supported living market • Supporting people in residential care to move to more cost effective community based arrangements • Better commissioning of placements that agree a phased reduction in cost <p>The budget after savings shown takes account of amounts included for Transforming Care Partnership.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>Continuing Health Care funding is reducing and demand on learning disability placements is increasing. The level of need is also increasing.</p> <p>More dedicated capacity in reviewing will be needed to ensure that the cost of placements is reduced.</p> <p>Work is ongoing to explore 'joint commissioning' of placements – including pooled budgets.</p> <p>Further market development will be needed to ensure sufficient supported living arrangements.</p>	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Sally Townend
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Kirklees Council Budget Template for 2017/18

Directorate	Adult Services
Service Area	Independent Sector Residential & Nursing Placements
Headline Proposal	Mental health placements
Reference	NEW AD9

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(67)	(66)	(67)	
Cumulative Savings	(67)	(133)	(200)	(200)
Budget after Savings (Controllable Budget)	2,522	2,456	2,389	2,389
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)

The Mental Health (MH) service has recently appointed a reviewing social worker, to review the service users accessing local and external residential placements.

Cases will be prioritised for review and will cover people living in a range of different settings. The review will reassess the service users' social care and establish how these needs can be best met using a more independence model of care.

The outcome of these reviews will inform local commissioning with the view of providing not only more appropriate and recovery focussed support but also review the costs of these individual packages.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes

There is a Rehab and Recovery review within Kirklees currently underway. In addition to this, the Local Authority Commissioners are looking to redesign the range of local social care residential placements and have already begun to work more proactively with providers to ensure recovery provisions are in place.

Does this proposal require an Equality Impact Assessment?	YES
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Will this proposal require a Specific Service Consultation	NO
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Accountable Head of Service	Sally Townend
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Kirklees Council Budget Template for 2017/18

Directorate	Adults
Service Area	In-House Residential Services - OP Residential Strategy
Headline Proposal	Identify partner(s) to deliver integrated health and social care to those with specialist needs or explore new delivery models.
Reference	NEW AD10

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(469)	(766)	20	48
Cumulative Savings	(469)	(1,235)	(1,215)	(1,167)
Budget after Savings (Controllable Budget)	2,610	1,844	1,864	1,912
FTE Reduction	95	56		

Description of Savings Proposal (Including interdependencies and risk)
<p>In order to develop additional nursing home capacity and for the Council to focus on only the things that the Council can do, transfer in-house residential care homes to an external organisation. There would be no overall loss of capacity and individual residents would continue to receive a service. Current residential care would, subject to the appropriate registration requirements, be run as nursing care. It is anticipated that existing staff would continue to be the core care delivery team.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>The Care Homes Strategy has identified the need for additional Dementia Nursing beds to be available in the Borough together with a need to sustain a flexible intermediate care bed base.</p> <p>The potential transfer of services to other providers will ensure continuity of care, support choice and provide for ongoing employment for existing staff within the service.</p> <p>In addition the proposal for revised services will enhance the availability of local nursing beds within the Borough.</p>	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	YES

Accountable Head of Service	Sue Richards
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Kirklees Council Budget Template for 2017/18

Directorate	Adults
Service Area	Day- care & contracted services
Headline Proposal	Reprovide older people day care services
Reference	NEW AD11

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings		(200)		
Cumulative Savings		(200)	(200)	(200)
Budget after Savings (Controllable Budget)	767	567	567	567
FTE Reduction		24		

Description of Savings Proposal (Including interdependencies and risk)
<p>To provide dementia day services within the Independent sector. This will address the increasing demand for specialist Dementia services and focus our available resources in the area.</p> <p>The budget after savings shown is included in the In-House Day Care line in the summary.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>Currently there is no Market provision available for complex dementia delivery. Transfer of Undertakings (Protection of Employment), which is a regulation to protect employment rights when employees transfer from one business to another, are likely to apply so the potential cost of this needs to be taken from the anticipated savings.</p> <p>Need to consider possible redundancy/ Voluntary Redundancy costs/ deployment options through service change process.</p>	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Michelle Cross
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Kirklees Council Budget Template for 2017/18

Directorate	Adults
Service Area	Day- care & contracted services
Headline Proposal	Review existing strategy for day care services & reduce by 20%
Reference	NEW AD12

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(367)	(366)	(367)	
Cumulative Savings	(367)	(733)	(1,100)	(1,100)
Budget after Savings (Controllable Budget)	5,677	5,311	4,944	4,944
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>All contracts will be reviewed and amended accordingly with any revised demand levels indicated by Early Intervention & Prevention Management (EIP).</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>The achievement of any savings in this area will be considered against the Early Intervention & Prevention proposals being developed elsewhere and any Equality Impact Assessment being developed for that area.</p>	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Margaret Watt
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Kirklees Council Budget Template for 2017/18

Directorate	Adults
Service Area	Joint Commissioning
Headline Proposal	Community equipment
Reference	NEW AD13

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(33)	(34)	(33)	
Cumulative Savings	(33)	(67)	(100)	(100)
Budget after Savings (Controllable Budget)	994	960	927	927
Current FTE				

Description of Savings Proposal (Including interdependencies and risk)
<p>The reduced spend will be achieved through the new approach to clinical oversight to ensure that equipment supplied meets needs at best price.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>The Approved List of equipment will continue to be reviewed against best clinical advice to ensure that service users receive the appropriate equipment to meet assessed need.</p>	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Margaret Watt
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Kirklees Council Budget Template for 2017/18

Directorate	Adults
Service Area	Care Phones & Assistive Technology
Headline Proposal	Care phones - Increased income
Reference	NEW AD14

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(17)	(13)	(20)	
Cumulative Savings	(17)	(30)	(50)	(50)
Budget after Savings (Controllable Budget)	98	85	65	65
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>It is proposed to achieve an increase in Carephone income of £50K by 2019/20 through promoting and marketing the service with the aim of realising a 7% increase in the number of service users paying for the service. It is also intended to explore new opportunities to support independent providers and other partners through the provision of chargeable services.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>Some Housing scheme providers are considering solutions to address their concerns which includes asking Care phones to provide out of hours telecare monitoring alongside a number of other services. This would be a chargeable service and therefore may provide some additional income for the Council.</p>	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Debra Mallinson
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Directorate	Adults
Service Area	Other Demand Led
Headline Proposal	Review of out of hours services
Reference	NEW AD15

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(67)	(66)	(67)	
Cumulative Savings	(67)	(133)	(200)	(200)
Budget after Savings (Controllable Budget)	583	517	450	450
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>There are a number of Out of Hours functions within Adult Social Care which will be looked at as part of the Adults review work - primarily to explore opportunities for efficiency savings. The plan for this is in development.</p> <p>There are also links/interdependencies to corporate out of hours developments and to the development of integrated health & social care services and Early Intervention Prevention agenda.</p> <p>The budget after savings shown is included in the Other Demand Led line in the summary.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>This proposal has the potential to improve out of hours services for Adults and the work will link to the corporate front door services to deliver a consistent approach across the Council out of hours</p>	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Debra Mallinson
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Kirklees Council Budget Template for 2017/18

Directorate	Adults
Service Area	Other Demand-Led Services
Headline Proposal	Additional Better Care funding
Reference	NEW AD16

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(800)	(6,300)	(5,700)	-
Cumulative Savings	(800)	(7,100)	(12,800)	(12,800)
Budget after Savings (Controllable Budget)	(800)	(7,100)	(12,800)	(12,800)
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>Government proposal to allocate additional Better Care Funding (BCF) to Councils over the next 3 years. Government expectation is that this will be allocated through existing BCF 'pooled budget' arrangements, which consist of a range of health partner (clinical commissioning groups) and Council resources brought together into a single 'pool'; £30m currently, jointly commissioned to promote greater integration of health and social care related activity across the 2 sectors.</p> <p>Government expects that this additional funding will be targeted specifically to mitigate adult social care service pressures over the medium term. The Council approved Medium Term Financial Plan (MTFP) update report on 12 October 2016 also built in a number of cost pressures against adult social care activity, and it is anticipated that the additional BCF funding will help offset these pressures.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Phil Longworth
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Directorate	Adults
Service Area	Other services
Headline Proposal	Business support realignment across Adult Social Care
Reference	NEW AD17

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(93)	(94)	(93)	
Cumulative Savings	(93)	(187)	(280)	(280)
Budget after Savings (Controllable Budget)	1,283	1,189	1,096	1,096
FTE Reduction	6	7		

Description of Savings Proposal (Including interdependencies and risk)

This proposal will enable both Commissioning and Adult Services to investigate and realign its Business Support and have a well organised, structured Support service which is able to deliver services based on the key priorities for 'New Council'.

The realignment will focus on providing a cost effective and efficient service by re considering the number of vacancies and secondments within the service with a view to either removing or realigning posts to where pressures are emerging. The proposal is to merge existing resources, addressing wider service changes, and ensuring resources are used flexibly to support the changing demands within the Directorate.

Based on above, we will be able to meet this proposal.

The budget after savings shown is included in the Management & Regulatory Functions line in the summary.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes

There are a small number of temporary Business Support Officer posts that are being funded using current underspend to address key service pressures. It is anticipated that these will be managed within the existing budgets in the medium term.

Reductions in staffing and management levels within Business Support will impact on the services being supported. Before any decisions are finalised, an impact analysis will be created.

Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Debra Mallinson
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Kirklees Council Budget Template for 2017/18

Directorate	Adults
Service Area	Other Demand Led Services
Headline Proposal	Adult Social Care Grant
Reference	NEW AD18

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(1,870)	1,870	-	-
Cumulative Savings	(1,870)	-	-	-
Budget after Savings (Controllable Budget)	(1,870)	-	-	-
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
Due to changes in the criteria for New Homes Bonus un-ring fenced grant payments, £240m has been released at a national level and re-directed to fund a one off Adult Social Care grant in 2017-18. Individual Council shares are based on a Government relative needs formula calculation and Kirklees' share is £1.9m. This funding is effectively used to support cost pressures being born in Adult Services.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	N/A
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Directorate	Adults
Service Area	Children & Adults Learning Team
Headline Proposal	Review of specialist training provision
Reference	NEW AD19

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(50)			
Cumulative Savings	(50)	(50)	(50)	(50)
Budget after Savings (Controllable Budget)	459	459	459	459
FTE Reduction	1			

Description of Savings Proposal (Including interdependencies and risk)
Training for Children and Adults will be reviewed to determine an appropriate level of spend commensurate with their reduced magnitude. This will be achieved from reductions in both supporting staffing infrastructure and consumable spend.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Phil Longworth
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PUBLIC HEALTH (ADULTS, COMMISSIONING & PUBLIC HEALTH DIRECTORATE)

SERVICE ACTIVITY	16-17 CONTROLLABLE GROSS EXPENDITURE £000	16-17 CONTROLLABLE INCOME £000	16-17 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSES £000	17-18 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	18-19 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	19-20 BUDGET PROPOSAL £000	20-21 INDICATIVE BUDGET £000
Health Protection Services													
Sexual Health	4,151	0	4,151	(124)		4,027	(73)		3,954	(523)		3,431	3,431
Health Checks	447	0	447	(39)		408	(128)		280			280	280
Health Protection	521	(38)	483	(49)		434			434			434	434
Child Measurement	22	0	22	(7)		15			15			15	15
Total	5,141	(38)	5,103	(219)		4,884	(201)		4,683	(523)		4,160	4,160
Substance Misuse	6,351	(446)	5,905	(436)		5,469			5,469	(500)		4,969	4,969
Obesity	111	0	111		100	211	(12)		199	(17)		182	182
Physical Activity	389	0	389			389	(12)		377	(17)		360	360
Smoking & Tobacco	1,340	0	1,340	(614)		726	(141)		585			585	585
5-19 Public Health	1,654	0	1,654	(156)		1,498			1,498			1,498	1,498
Miscellaneous	7,759	(98)	7,661	(592)		7,069	(22)		7,047	(69)		6,978	6,978
Employee Healthcare	559	(551)	8	(25)		(17)			(17)			(17)	(17)
Corporate Health & Safety	148	(30)	118			118			118			118	118
Emergency Planning Team	265	(115)	150	(29)		121			121			121	121
Funding available for recommissioning activity	6,003	0	6,003		49	6,052			6,052			6,052	6,052
Management & Regulatory Functions	1,274	0	1,274	(938)		336			336			336	336
Public Health Grant	0	(29,625)	(29,625)		2,952	(26,673)		693	(25,980)		675	(25,305)	(25,305)
Total Public Health	30,994	(30,903)	91	(3,009)	3,101	183	(388)	693	488	(1,126)	675	37	37

PUBLIC HEALTH - MINUSES (ADULTS, COMMISSIONING & PUBLIC HEALTH DIRECTORATE)

Service Activity	Proposed Change	Reference	£000				
			2017-18	2018-19	2019-20	2020-21	Total
EXISTING MTFP MINUSES							
Health Protection Services							
Health Protection	Service Efficiencies	EX PH1	(49)				(49)
Employee Healthcare	Service efficiencies	EX PH2	(25)				(25)
Emergency Planning	Service efficiencies	EX PH3	(29)				(29)
			(103)	0	0	0	(103)
NEW MINUSES							
Sexual Health	Incorporating additional schemes into Integrated Sexual Health Services Main Contract	NEW PH1	(124)	(73)	(523)		(720)
Health Checks	Incorporating existing contracts into a new Wellness Service	NEW PH2	(39)	(128)			(167)
Child Measurement	Incorporating additional schemes into Healthy Child Programme main contract	NEW PH3	(7)				(7)
Substance Misuse	Reducing payments in Primary Care and ongoing contract efficiencies	NEW PH4	(436)		(500)		(936)
Obesity	Incorporating additional schemes into Healthy Child Programme main contract	NEW PH5		(12)	(17)		(29)
Physical Activity	Incorporating additional schemes into Healthy Child Programme main contract	NEW PH6		(12)	(17)		(29)
Smoking & Tobacco	Stopping specialist Stop Smoking Service	NEW PH7	(614)	(141)			(755)
5-19 Public Health	Incorporating additional schemes into Healthy Child Programme main contract	NEW PH8	(156)				(156)
Miscellaneous	Incorporating additional schemes into Healthy Child Programme main contract	NEW PH9	(592)	(22)	(69)		(683)
Management & Regulatory Functions	Removal of vacancies and service redundancies	NEW PH10	(489)				(489)
Management & Regulatory Functions	Unidentified savings		(449)				(449)
			(2,906)	(388)	(1,126)	0	(4,420)
TOTAL MINUSES FOR PUBLIC HEALTH DIRECTORATE			(3,009)	(388)	(1,126)	0	(4,523)

PUBLIC HEALTH - PLUSES (ADULTS, COMMISSIONING & PUBLIC HEALTH DIRECTORATE)

Service Activity	Proposed Change	Impact Overview Reference	£000				
			2017-18	2018-19	2019-20	2020-21	Total
EXISTING MTFP PLUSES							
Funding available for re-commissioning activity	Public Health grant available to redirect to related Council services		49				49
NEW PLUSES							
Obesity	Funding of the Weight Watchers Programme	NEW PH5	100				100
Public Health Grant	Grant reduction		2,952	693	675		4,320
TOTAL PLUSES FOR PUBLIC HEALTH DIRECTORATE			3,101	693	675	0	4,469

Kirklees Council Budget Template for 2017/18

Directorate	Public Health
Service Area	Health Protection Services, Health Protection
Headline Proposal	Service Efficiencies
Reference	EX PH1

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(49)			
Cumulative Savings	(49)	(49)	(49)	(49)
Budget after Savings (Controllable Budget)	434	434	434	434
FTE Reduction	1	1	1	1

Description of Savings Proposal (Including interdependencies and risk)
<p>Efficiencies on staffing in Protecting health and wellbeing, Infection Prevention and Control team. Savings will be made as planned in 2017/18 due to staff member retirement.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes				
<p>Service is more efficient, no risks.</p>				
<table border="1"> <tr> <td>Does this proposal require an Equality Impact Assessment?</td> <td>NO</td> </tr> <tr> <td>Will this proposal require a Specific Service Consultation</td> <td>NO</td> </tr> </table>	Does this proposal require an Equality Impact Assessment?	NO	Will this proposal require a Specific Service Consultation	NO
Does this proposal require an Equality Impact Assessment?	NO			
Will this proposal require a Specific Service Consultation	NO			

Accountable Head of Service	Jane O'Donnell
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Kirklees Council Budget Template for 2017/18

Directorate	Public Health
Service Area	Health Protection Services, Employee Healthcare
Headline Proposal	Service efficiencies
Reference	EX PH2

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(25)			
Cumulative Savings	(25)	(25)	(25)	(25)
Budget after Savings (Controllable Budget)	(17)	(17)	(17)	(17)
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
Savings will be made in Employee Healthcare as planned in 2017/18. No ongoing risks identified.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
No discernible impact. Service has made savings through income generation.	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Jane O'Donnell
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Kirklees Council Budget Template for 2017/18

Directorate	Public Health
Service Area	Health Protection Services, Emergency Planning
Headline Proposal	Service efficiencies
Reference	EX PH3

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(29)			
Cumulative Savings	(29)	(29)	(29)	(29)
Budget after Savings (Controllable Budget)	121	121	121	121
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
Savings to be made through alternative operational efficiencies.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
The service will be looking at their resources in totality to achieve these savings.	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Jane O'Donnell
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Kirklees Council Budget Template for 2017/18

Directorate	Public Health
Service Area	Sexual Health
Headline Proposal	Incorporating Additional Schemes into Integrated Sexual Health Services Main Contract
Reference	NEW PH1

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(124)	(73)	(523)	0
Cumulative Savings	(124)	(197)	(720)	(720)
Budget after Savings (Controllable Budget)	4,027	3,954	3,431	3,431
FTE Reduction	N\A	N\A	N\A	N\A

Description of Savings Proposal (Including interdependencies and risk)
<p>Savings to be found through the following:</p> <ul style="list-style-type: none"> • Savings made to the HIV prevention budget by contact efficiencies • Incorporating the university practice sexual health contract into the main Integrated Sexual Health Services (ISHS) contract as a spoke • Savings on contraception products fitted in primary care • Savings on the ISHS <p>Risks:</p> <ul style="list-style-type: none"> • GP prescribing in primary care may increase, of which we have no control over. • Out of area payments are out of our control hence may increase. • Sexual health service does not perform as expected so reducing contract is more difficult

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>HIV late diagnoses increases. Mitigation through possible investment in rapid HIV testing, as well as refocus the Integrated Sexual Health Service on groups at risk of HIV.</p>	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	NO
Accountable Head of Service	Keith Henshall

Kirklees Council Budget Template for 2017/18

Directorate	Public Health
Service Area	Health Checks
Headline Proposal	Incorporating Existing Contracts into a new Wellness Service
Reference	NEW PH2

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(39)	(128)	0	0
Cumulative Savings	(39)	(167)	(167)	(167)
Budget after Savings (Controllable Budget)	408	280	280	280
Current FTE	N/A	N/A	N/A	N/A

Description of Savings Proposal (Including interdependencies and risk)
<p>Savings made through the following proposals:</p> <ul style="list-style-type: none"> • Efficiencies made by re-commissioning contracts into one service

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Tony Cooke
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Kirklees Council Budget Template for 2017/18

Directorate	Public Health
Service Area	Child Measurement
Headline Proposal	Incorporating Additional Schemes into Healthy Child Programme main contract
Reference	NEW PH3

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(7)	0	0	0
Cumulative Savings	(7)	(7)	(7)	(7)
Budget after Savings (Controllable Budget)	15	15	15	15
Current FTE	N/A	N/A	N/A	N/A

Description of Savings Proposal (Including interdependencies and risk)
Savings are proposed by incorporating Child Measurement into the main Healthy Child Programme contract

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Keith Henshall
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Kirklees Council Budget Template for 2017/18

Directorate	Public Health
Service Area	Health Improvement – Substance Misuse
Headline Proposal	Reducing payments in Primary Care and Ongoing Contract Efficiencies
Reference	NEW PH4

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(436)	0	(500)	0
Cumulative Savings	(436)	(436)	(936)	(936)
Budget after Savings (Controllable Budget)	5,468	5,468	4,968	4,968
FTE Reduction	N\A	N\A	N\A	N\A

Description of Savings Proposal (Including interdependencies and risk)
<p>Savings to be made by:</p> <ul style="list-style-type: none"> Reducing spend on primary care substance misuse services Further efficiencies on substance misuse contract <p>Risks:</p> <ul style="list-style-type: none"> Substance misuse services have already taken substantial cut. The implications of further reduction must be assessed to ensure viability of service is not threatened

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
Any possible service outcome risk needs to be explored as proposal develops in more detail	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Tony Cooke
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Kirklees Council Budget Template for 2017/18

Directorate	Public Health
Service Area	Obesity
Headline Proposal	Incorporating Additional Schemes into Healthy Child Programme main contract
Reference	NEW PH5

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	100	(12)	(17)	0
Cumulative Savings	100	88	71	71
Budget after Savings (Controllable Budget)	159	147	130	130
Current FTE	N/A	N/A	N/A	N/A

Description of Savings Proposal (Including interdependencies and risk)
<p>Funding of the successful Weight Watchers programme which will help to lever in the Clinical Commissioning Groups taking over the weight management responsibility.</p> <p>Savings are proposed by incorporating Obesity into the main Healthy Child Programme contract</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>Does this proposal require an Equality Impact Assessment?</p>	
	NO
<p>Will this proposal require a Specific Service Consultation</p>	
	NO

Accountable Head of Service	Keith Henshall
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Kirklees Council Budget Template for 2017/18

Directorate	Public Health
Service Area	Physical Activity
Headline Proposal	Incorporating Additional Schemes into Healthy Child Programme main contract
Reference	NEW PH6

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	0	(12)	(17)	0
Cumulative Savings	0	(12)	(29)	(29)
Budget after Savings (Controllable Budget)	59	48	31	31
Current FTE	N/A	N/A	N/A	N/A

Description of Savings Proposal (Including interdependencies and risk)
Savings are proposed by incorporating Physical Activity into the main Healthy Child Programme contract

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Keith Henshall
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Kirklees Council Budget Template for 2017/18

Directorate	Public Health
Service Area	Smoking & Tobacco
Headline Proposal	Stopping Specialist Stop Smoking Service
Reference	NEW PH7

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(614)	(141)	0	0
Cumulative Savings	(614)	(755)	(755)	(755)
Budget after Savings (Controllable Budget)	142	0	0	0
FTE Reduction	N\A	N\A	N\A	N\A

Description of Savings Proposal (Including interdependencies and risk)
<p>Savings made through the following proposals:</p> <ul style="list-style-type: none"> • Significant reduction in specialist stop smoking services due to underperformance of the service <p>Risks</p> <ul style="list-style-type: none"> • Stopping the specialist stop smoking services may result in the public not being able to access stop smoking support. This will be mitigated by provision still being available in primary care • Stopping the specialist stop smoking services may have an impact on partners, specifically GP's e.g. their activity will increase

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
Short term impact possible on particular at risk groups e.g. pregnant women. This will need to be explored as the proposal is developed	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Tony Cooke
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Kirklees Council Budget Template for 2017/18

Directorate	Public Health
Service Area	Children 5-19 Public Health Programme
Headline Proposal	Incorporating Additional Schemes into Healthy Child Programme main contract
Reference	NEW PH8

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(156)	0	0	0
Cumulative Savings	(156)	(156)	(156)	(156)
Budget after Savings (Controllable Budget)	1,498	1,498	1,498	1,498
Current FTE	N/A	N/A	N/A	N/A

Description of Savings Proposal (Including interdependencies and risk)
Savings are proposed by incorporating Children's 5-19 Public Health Programme into the main Healthy Child Programme contract

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Keith Henshall
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Kirklees Council Budget Template for 2017/18

Directorate	Public Health
Service Area	Miscellaneous - Healthy Child Programme (HCP)
Headline Proposal	Incorporating Additional Schemes into HCP main contract
Reference	NEW PH9

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(592)	(22)	(69)	0
Cumulative Savings	(592)	(614)	(683)	(683)
Budget after Savings (Controllable Budget)	6,193	6,171	6,102	6,102
FTE Reduction	N\A	N\A	N\A	N\A

Description of Savings Proposal (Including interdependencies and risk)
<p>Savings are proposed by incorporating the following areas into the Healthy Child Programme contract;</p> <ul style="list-style-type: none"> • Children 0-5 Programme • Family Nurse Partnership • Safety Scheme • Oral Health • Auntie Pam’s support for mums-to-be and families • Physical Activity - Starting a healthy lifestyle • Nutrition Initiative - Food for Life • Healthy Start Vitamin Scheme <p>Savings will also be made in reducing the opening budget of the Healthy Child Programme.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Keith Henshall
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Kirklees Council Budget Template for 2017/18

Directorate	Public Health
Service Area	Management & Regulatory Functions
Headline Proposal	Removal of vacancies and service redundancies.
Reference	NEW PH10

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(489)	0	0	0
Cumulative Savings	(489)	(489)	(489)	(489)
Budget after Savings (Controllable Budget)	611	611	611	611
FTE Reduction	9	9	9	9

Description of Savings Proposal (Including interdependencies and risk)
Savings found through a combination of removal of vacancies and service redundancies.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
No risk as savings already made	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Rachel Spencer-Henshall
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PLACE DIRECTORATE

SERVICE ACTIVITY	16-17 CONTROLLABLE GROSS EXPENDITURE £000	16-17 CONTROLLABLE INCOME £000	16-17 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSES £000	17-18 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	18-19 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	19-20 BUDGET PROPOSAL £000	20-21 INDICATIVE BUDGET £000
STREETSCENE													
Streetscene Highways	11,628	(2,970)	8,658	(750)		7,908	(150)		7,758			7,758	7,758
West Yorkshire Driver Training	4,372	(4,830)	(458)			(458)			(458)			(458)	(458)
Highways Construction	12,584	(14,130)	(1,546)			(1,546)			(1,546)			(1,546)	(1,546)
Seasonal Weather	1,840	(27)	1,813	(600)		1,213			1,213			1,213	1,213
Waste Services	25,951	(7,841)	18,110			18,110	(450)		17,660			17,660	17,660
Transport Services	6,028	(7,342)	(1,314)	(200)		(1,514)	(200)		(1,714)			(1,714)	(1,714)
Security Transport	168	(173)	(5)			(5)			(5)			(5)	(5)
Bereavement Services	1,563	(3,060)	(1,497)	(50)		(1,547)	(100)		(1,647)	(150)		(1,797)	(1,797)
Parks & Open Spaces	5,939	(3,646)	2,293	(300)		1,993	(310)		1,683	(80)		1,603	1,603
Housing General Fund	4,856	(2,774)	2,082	(135)		1,947			1,947			1,947	1,947
INVESTMENT & REGENERATION SERVICE													
Transportation Strategy	2,298	(1,427)	871	(152)		719	(50)		669			669	669
Parking	2,609	(5,795)	(3,186)			(3,186)			(3,186)			(3,186)	(3,186)
Markets	1,551	(2,137)	(586)			(586)			(586)			(586)	(586)
Business & Enterprise Centres	691	(1,241)	(550)			(550)			(550)			(550)	(550)
Regulation Services													
Building Control	1,076	(1,441)	(365)	(40)		(405)			(405)			(405)	(405)
Licensing	544	(1,137)	(593)			(593)			(593)			(593)	(593)
Local Land Charges	273	(328)	(55)			(55)			(55)			(55)	(55)
Environmental Health	1,783	(674)	1,109	(146)		963	(25)		938			938	938
Planning	2,450	(1,629)	821	(170)		651			651			651	651
Total	6,126	(5,209)	917	(356)	0	561	(25)	0	536	0	0	536	536

PLACE DIRECTORATE

SERVICE ACTIVITY	16-17 CONTROLLABLE GROSS EXPENDITURE £000	16-17 CONTROLLABLE INCOME £000	16-17 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSES £000	17-18 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	18-19 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	19-20 BUDGET PROPOSAL £000	20-21 INDICATIVE BUDGET £000
PHYSICAL RESOURCES & PROCUREMENT AND BUILDING SERVICES													
Building Services	0	0	0			0			0			0	0
School Facilities Management													
School Facilities Management - School Transport	3,193	(117)	3,076	(325)		2,751	(285)		2,466			2,466	2,466
School Facilities Management - Catering/Assets	17,859	(19,060)	(1,201)	(1,150)	67	(2,284)	(60)		(2,344)			(2,344)	(2,344)
School Facilities Management - Cleaning	5,956	(5,986)	(30)	(280)		(310)	(95)		(405)	(25)		(430)	(430)
Total	27,008	(25,163)	1,845	(1,755)	67	157	(440)	0	(283)	(25)	0	(308)	(308)
Corporate Landlord	15,622	(4,403)	11,219	(874)		10,345	(650)		9,695	(300)		9,395	9,395
Facilities Management													
Capital Delivery & Development	1,388	(2,134)	(746)			(746)	(60)		(806)			(806)	(806)
Procurement	496	(424)	72		228	300			300			300	300
Physical Resources & Procurement - Overheads	(41)	0	(41)			(41)			(41)			(41)	(41)
Commercial portfolio	1,152	(2,658)	(1,506)	(150)		(1,656)			(1,656)			(1,656)	(1,656)
Total	2,995	(5,216)	(2,221)	(150)	228	(2,143)	(60)	0	(2,203)	0	0	(2,203)	(2,203)
Policy Strategy, Commissioning	765	0	765	(550)	222	437			437			437	437
DIRECTORATE WIDE Management & Regulatory Functions	2,489	0	2,489	(60)		2,429	(200)		2,229			2,229	2,229
TOTAL PLACE	137,083	(97,384)	39,699	(5,932)	517	34,284	(2,635)	0	31,649	(555)	0	31,094	31,094

PLACE DIRECTORATE - MINUSES

Service Activity	Proposed Change	Reference	£000				
			2017-18	2018-19	2019-20	2020-21	Total
EXISTING MTFP MINUSES							
STREETSCENE							
Streetscene Highways	New ways of working	EX PL1	(100)				(100)
INVESTMENT & REGENERATION SERVICE							
Transportation Strategy	Withdrawal of the free town bus facility in Huddersfield and Dewsbury town centres.	EX PL2	(102)				(102)
Regulation Services							
Environmental Health	Employee Reductions	EX PL3	(121)				(121)
			(323)	0	0	0	(323)
NEW MINUSES							
STREETSCENE							
Streetscene Highways	Changes to Routine Maintenance service	NEW PL1	(650)	(150)			(800)
Seasonal Weather	New methods of working, efficiency and a reduction to the Delivered service.	NEW PL2	(600)				(600)
Waste Services	Further in Street Cleansing Frequencies and Mechanical Sweeping	NEW PL3		(450)			(450)
Transport Services	Smarter Practices/efficiencies	NEW PL4	(200)	(200)			(400)
Bereavement Services	Additional income potential, 20%, through smarter marketing/product offer	NEW PL5	(50)	(100)	(150)		(300)
Parks & Open Spaces	Performance Management, Service Level Agreement (SLA) Restructure and Reduction in Gold, Silver, Bronze and Natural (GSBN) Standards	NEW PL6	(300)	(80)	(80)		(460)
	Performance Management, Service Level Agreement (SLA) Restructure and Reduction in Gold, Silver, Bronze and Natural (GSBN) Standards	NEW PL7		(230)			(230)
Housing General Fund	Reduction in costs	NEW PL8	(135)				(135)
Streetscene Highways							
INVESTMENT & REGENERATION SERVICE							
Transportation Strategy	Efficiency Gains & Increase in Service Income	NEW PL9	(50)	(50)			(100)
Regulation Services							
Building Control	Income Generation	NEW PL15	(40)				(40)
Environmental Health	New ways of working	NEW PL10	(25)	(25)			(50)
Planning	Improved Income - £120k, Reduced Local Plan Spend - £50k	NEW PL19	(170)				(170)
PHYSICAL RESOURCES & PROCUREMENT AND BUILDING SERVICES							
Schools Facilities Management							
Schools Facilities Management - School Transport	Combined Authority Working	NEW PL17	(325)	(285)			(610)
Schools Facilities Management - Catering/Assets	Assumed continuation of Universal Infant Free Schools Meals (UIFSM) national policy & funding arrangement, the service will continue to deliver the financial outturn of 2015/16.	NEW PL11	(1,150)	(60)			(1,210)
Schools Facilities Management - Cleaning	Realignment to current performance	NEW PL12	(280)	(95)	(25)		(400)
Corporate Landlord	New ways of working	NEW PL13	(874)	(650)	(300)		(1,824)

PLACE DIRECTORATE - MINUSES

Service Activity	Proposed Change	Reference	£000				
			2017-18	2018-19	2019-20	2020-21	Total
Facilities Management							
Capital Delivery & Development	Deletion of the Capital Development Manager post budget	NEW PL16		(60)			(60)
Commercial Portfolio	Improved Leases Income	NEW PL18	(150)				(150)
Policy, Strategy & Commissioning	Currently under review council wide	NEW PL14	(550)				(550)
Management & Regulatory Functions	Business Support Reductions	NEW PL20	(60)				(60)
	Further savings to be identified	NEW PL21		(200)			(200)
			(5,609)	(2,635)	(555)	0	(8,799)
TOTAL MINUSES FOR PLACE DIRECTORATE			(5,932)	(2,635)	(555)	0	(9,122)

PLACE DIRECTORATE - PLUSES

Service Activity	Proposed Change	Reference	£000				
			2017-18	2018-19	2019-20	2020-21	Total
EXISTING MTFP PLUSES							
PHYSICAL RESOURCES & PROCUREMENT AND BUILDING SERVICES							
<u>Schools Facilities Management</u>							
Schools Facilities Management - Catering/Assets	Change in income/food costs due to number of trading days each year. Loss of income for School Asset Management Team in 15/16 (£144k)		67				67
Procurement	Allocation of base budget from Policy, Strategy and Commissioning		228				
<u>Facilities Management</u>							
Policy, Strategy and Commissioning	Section will be responsible for strategic development of transportation, carbon reduction, housing, jobs and growth, environment, waste, capital planning, asset strategy, procurement		222				222
TOTAL PLUSES FOR PLACE DIRECTORATE			517	0	0	0	289

Kirklees Council Budget Template for 2017/18

Directorate	Place
Service Area	Streetscene Highways
Headline Proposal	New ways of working
Reference	EX PL1

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(100)			
Cumulative Savings	(100)	(100)	(100)	(100)
Budget after Savings (Controllable Budget)	8,558	8,558	8,558	8,558
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>A reduction of £100k from the Insurance provision in the Budget reflecting the Systems thinking review of Reactive Maintenance which has improved the service delivery repairing more Carriageway defects.</p> <p>The Services Insurers and the industry in general consider a councils financial investment in the Highway. The current reduction proposal of circa £2.5m (50%) will affect their assessment of the Risk from Highways service and correspondingly the premium cost.</p> <p>Similarly Insurers consider the score Highways services achieve in the Governments National Self –assessment process as a barometer of competence of Asset maintenance. Kirklees is working towards Level 3 failure to achieve this standard will result in a reduction in the Highway Maintenance Grant of £1m (20%) over the next 3 years. A reduction in investment would affect risk with a corresponding effect upon premiums</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
If assumptions are realised there will be no effect upon service delivery.	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Martin Bowler
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Kirklees Council Budget Template for 2017/18

Directorate	Place
Service Area	Investment & Regeneration Service, Transportation Strategy-Free Town Bus
Headline Proposal	Withdrawal of the free town bus facility in Huddersfield and Dewsbury town centres
Reference	EX PL2

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(102)			
Cumulative Savings	(102)	(102)	(102)	(102)
Budget after Savings (Controllable Budget)	769	769	769	769
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>The Councils contribution to the Free Town Bus Facility in Huddersfield and Dewsbury town centres ceased in October 2016, saving £96,000 in 2016/17 and a £102,000 being saved in 2017/18 . (already achieved physically)</p> <p>From October 2016 the Free Town Bus facility in both town centres will be financially supported by the WY Combined Authority and private contributions. FTB services will continue from October 2016 for both centres, but they will be at a reduced frequency and over shorter time periods.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>The reduction in service will have some impact on service delivery (reduced service) , but the core hours of use previously covered will still continue to be covered and retendering the service provision has also enable cost savings to be made.</p>	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO
Accountable Head of Service	R Hadfield

Kirklees Council Budget Template for 2017/18

Directorate	Place
Service Area	Regulation Services, Environmental Health
Headline Proposal	Employee Reductions
Reference	EX PL3

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(121)			
Cumulative Savings	(121)	(121)	(121)	(121)
Budget after Savings (Controllable Budget)	988	988	988	988
FTE Reduction	1			

Description of Savings Proposal (Including interdependencies and risk)

Savings required to meet the Medium Term Financial Plan have, on the whole, been met. This has been achieved through a reduction in front line staff (Senior Environmental Health Officers) and the changes to the Night Time Noise Service; reduction in service provision during winter months and officers in Environmental Health (EH) covering the summer months as part of their 'working hours' – this has led to the reduction of 1 post.

Environmental Health has also significantly reduced the maintenance contract for air monitoring stations which has allowed for further savings.

Environmental Health has also generated income through the enforcement of gas servicing regulations by working closely with Kirklees Neighbourhood Housing.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes

Mitigations re service provision (Night Time Noise) described above.

Does this proposal require an Equality Impact Assessment? NO

Will this proposal require a Specific Service Consultation NO

Accountable Head of Service Wendy Blakeley

Kirklees Council Budget Template for 2017/18

Directorate	Place
Service Area	Streetscene Highways
Headline Proposal	Changes to Routine Maintenance Service
Reference	NEW PL1

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(650)	(150)		
Cumulative Savings	(650)	(800)	(800)	(800)
Budget after Savings (Controllable Budget)	7,908	7,758	7,758	7,758
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p><u>2017/18</u> <i>Reactive Maintenance £250k</i></p> <p>Proposal to provide £100K savings following structural replacement program and corresponding reduced risk. The Services Insurers and the industry in general consider a councils financial investment in the Highway. This investment should reduce our premium.</p> <p>Proposal to provide £300k savings following a planned replacement of lighting units. This will provide a reduction in both energy and maintenance costs. This saving will continue in 2018/19.</p> <p>£60k from reduced street lighting maintenance costs £60 k from revenue safety budget £65 k from reactive maintenance £65k from Insurance costs</p> <p>Review of the process for managing Streetscene ward meetings to realise efficiencies through the reduction of commitment of resources that have arisen out of these meetings.</p> <p><u>2018/19</u> The Highways Service has some opportunities to increase efficiency through the Digital by Design program. £100k productivity savings to be generated through reviewing the core service model and new ways of working as part of the Highways 2017 project. £50k to be funded from lower energy and reduced street lighting maintenance costs</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>Please note that the reduction will be mitigated by effectively a planned overspend that will then be covered by the Driver training annual "surplus" the money being used to improve</p>

safety.	
If assumptions are realised there will be no effect upon service delivery.	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Martin Bowler
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Kirklees Council Budget Template for 2017/18

Directorate	Place
Service Area	Seasonal Weather (Winter maintenance)
Headline Proposal	New methods of working, efficiency and a reduction to the Delivered service.
Reference	NEW PL2

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(600)			
Cumulative Savings	(600)	(600)	(600)	(600)
Budget after Savings (Controllable Budget)	1,213	1,213	1,213	1,213
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>Proposed saving of (33%) of the current revenue budget will require a review of the provision of the existing Winter service.</p> <p>Currently around 50% of the service is currently contracted which allows the service significant economies from the reduced fleet requirement, the balance is provided in house. The labour resource is the foundation of the size of the operational delivery service and its capacity to provide a sustainable Highway Maintenance capacity.</p> <p>Changes to working patterns, which are necessary to meet safety legislation, are being introduced this winter (2016 / 17)</p> <p>Through the development of a new operating model the service will investigate new ways of working involving extending the capacity of Night service, reduction to Night patrols, Scout patrol gritting, improved route efficiency, investment in a new depot to centralise service delivery and a new salt storage facility, advances in telematics this will contribute to the savings.</p> <p>The Broader Highways service has some opportunities to increase efficacy through the Digital by Design program. A review of the core need and new ways of working and increased productivity will also generate savings that will support and mitigate the pressure upon the winter savings.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes

Winter Maintenance is one part of the Statutory duty to maintain the Highway ensuring the provision of a Highway infrastructure that is available and safe for use. The Highways Asset

<p>Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes</p>	
<p>underpins the Economic Strategy ensuring that business can move goods, people and deliver services.</p> <p>Early intervention and Prevention is equally reliant on a functioning asset with the rural and isolated communities of particular concern.</p> <p>Service provision of our key partners including, WY Police, NHS and Public Health could be impacted.</p> <p>The key Council services that operate through the network e.g. Cleansing Services could also be impacted.</p>	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	YES
Accountable Head of Service	Martin Bowler

Kirklees Council Budget Template for 2017/18

Directorate	Place
Service Area	Waste Services (Street Cleaning)
Headline Proposal	Further Reductions in Street Cleansing Frequencies and Mechanical Sweeping
Reference	NEW PL3

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings		(450)		
Cumulative Savings		(450)	(450)	(450)
Budget after Savings (Controllable Budget)	3,307	2,857	2,857	2,857
FTE Reduction		23		

Description of Savings Proposal (Including interdependencies and risk)

This additional £450,000 would have to be achieved through the reduction in mechanical sweeping, changes to Town Centre cleansing and the move to mobile sweeping in most areas – removing most of the dedicated manual sweepers.

The impact of these changes would see a significant accumulation of litter in some communities and a significant reduction in the ability to respond quickly by the service.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes

The outcome of the street cleansing service would be reduced, with significant accumulation of litter in many areas and reduced ability to respond to these quickly. This would impact on the Economic Resilience and Early Intervention and Prevention strategies, with making areas becoming less attractive to work / live and impacts on deprived areas.

The current planned budget reduction is going to be achieved through vacancy management. This further proposed reduction would require redundancies, and this would impact on some of our lowest paid and lowest skilled people.

This further reduction would also require the 4 planned reactive teams from the first phase to be absorbed into the scheduled works. To counter this though there will be much more mobile working, but any unplanned interventions will be at the cost of scheduled works.

The workload for the service is not reducing. The budget reductions across Environment & Greenspace will rise by a further £0.9m. This places this and a number of other services at the point of losing critical mass – meaning we would have to explore shared services or

outsourcing.

This significant reduction in FTEs would also require a review of central overheads.

Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	YES

Accountable Head of Service	Will Acornley
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Directorate	Place
Service Area	Transport Services
Headline Proposal	Smarter Practices/Efficiencies
Reference	NEW PL4

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(200)	(200)		
Cumulative Savings	(200)	(400)	(400)	(400)
Budget after Savings (Controllable Budget)	(1,519)	(1,719)	(1,719)	(1,719)
FTE Reduction	2			

Description of Savings Proposal (Including interdependencies and risk)
<p><u>Savings Target year 1 - £200k (£150k plus £50k)</u></p> <ul style="list-style-type: none"> - Efficiencies in working practices in year 1. - Efficiencies in driving practices, identified as a result of telematics data and resulting in efficiencies across fuel usage and in accident repairs. - Reduction/ removal of the B Fleet producing savings on running costs. B Fleet is a small number of vehicles used as replacement for services when their contract vehicle is off the road due to accidental damage, maintenance or servicing. <p><u>Savings Target year 2 - £200k (£150k plus £50k)</u></p> <ul style="list-style-type: none"> - Reduction of 50 vehicles in the fleet producing savings in fuel, fleet SLAs, and a further reduction in the cost of accidents and Insurance claims <p>There are significant savings that could come out of fuel consumption in terms of using telematics data and more efficient driving behaviour.</p> <p>Vehicle accident reduction, with the introduction of an accident reduction plan and telematics data it is expected that savings can be made.</p> <p>Fleet rationalisation/reduction will deliver further savings.</p> <p>Interdependencies – travel planning needs to be carried out in other services in terms of looking at more efficient ways for people to get about, accident reduction, driver behaviour and fuel reduction will need to be managed jointly between Transport Services and the relevant service.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes

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Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Mick Farmer
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Kirklees Council Budget Template for 2017/18

Directorate	Place
Service Area	Bereavement
Headline Proposal	Additional income potential, 20%, through smarter marketing/product offer
Reference	NEW PL5

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(50)	(100)	(150)	
Cumulative Savings	(50)	(150)	(300)	(300)
Budget after Savings (Controllable Budget)	(1,547)	(1,647)	(1,797)	(1,797)
FTE Reduction	N/A	N/A	N/A	N/A

Description of Savings Proposal (Including interdependencies and risk)

Scope to do a number of things:

- Income generation opportunities e.g. increasing fees whilst benchmarking against other local providers, new service offers, new premium services as well as value for money choice.
- Cover costs of existing 'out of hours' services
- Reduce costs where feasible e.g. procurement of horticultural supplies, depot provision.
- Increased productivity e.g. changing cremation service times.

Interdependencies include IT and where this service sits within the prioritising of Digital by Default in Place.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes

- Capital investment is required in:
 - Cremators - essential to ensure machinery is robust and capable of meeting our operational needs. Existing cremators are approaching their 'end of life', prone to breakdown and some parts are now obsolete. New cremators would also cremate faster, and operate more efficiently, using less gas. Procurement support has been requested to commence this process.
 - Cemeteries - to develop under-utilised space and maximise capacity.
 - Memorialisation – to enable range of options that can generate income.
- Service users could chose alternative burial and cremation providers including neighbouring authorities and private burial grounds, leading to loss of income. Mitigation = competitive pricing plus premium offer, improved marketing and IT access to service (bookings, memorial purchases).
- Service bookings could move from weekdays to weekends without actual increase in volume of services, leaving capacity on weekdays. Mitigation = utilisation of capacity, flexible working where practical.
- Potential need for additional employees to cover greater number of workable hours per week, therefore additional costs may be incurred. Mitigation = consider shifting, casual employees and cross – service support initially.
- Potential service change to ensure correct structure and skills to develop business

Kirklees Council Budget Template for 2017/18

<p>element to service. Mitigation = will be done in line with corporate guidelines and with Trade Union & employee engagement.</p> <ul style="list-style-type: none"> • Political impact and preference not to change service offer. Mitigation = political briefing and community engagement / planning. 	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	YES

Accountable Head of Service	Sarah Durdin
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Kirklees Council Budget Template for 2017/18

Directorate	Place
Service Area	Parks & Open spaces
Headline Proposal	Performance Management, Service Level Agreement (SLA) Restructure and Reduction in Gold, Silver, Bronze and Natural (GSBN) Standards
Reference	NEW PL6 & 7

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(300)	(310)	(80)	
Cumulative Savings	(300)	(610)	(690)	(690)
Budget after Savings (Controllable Budget)	1,994	1,684	1,604	1,604
FTE Reduction	0 (12*)	(12) (1.2*)		

*Should partners not fund the increase or withdrawn from the service

Description of Savings Proposal (Including interdependencies and risk)

NB. Combined information with £230K savings template in Parks.

The climatic changes, combined with a lack of GIS and mapping data, means performance management and operational adaptation is extremely difficult. As a result we are in the process of undertaking the full GIS mapping of the district and our assets, combined with the development of a public facing online platform for bookings/reporting issues and a digital work schedule / in-cab system. This is reliant on the Council's Digital by Design programme and a move to change the workforce to be seasonal to meet demands.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes

The outcome of the Parks & Open Spaces service would be drastically impacted, with significant increase of non-maintained land in many areas and an inability of the service to respond to issues quickly. This would directly impact on the Economic Resilience and Early Intervention and Prevention strategies, with making areas becoming less attractive to work / live and impacts on deprived areas.

This significant reduction in FTEs would also require a review of central overheads.

Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	YES
Accountable Head of Service	Will Acornley

Kirklees Council Budget Template for 2017/18

Directorate	Place
Service Area	Housing General Fund
Headline Proposal	Reduction in costs
Reference	NEW PL8

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(135)			
Cumulative Savings	(135)	(135)	(135)	(135)
Budget after Savings (Controllable Budget)	1,947	1,947	1,947	1,947
FTE Reduction	0	0	0	0

Description of Savings Proposal (Including interdependencies and risk)
As we have modernised and moved to new ways of working and a new operating model which focuses more on streamlining our service offer and facilitating individuals to do more for themselves via our online services we have been able to identify a reduction in costs across our service area. Significantly the change to people registering for housing on-line (currently over 10k applicants) and our use of email rather than letter reduces printing / postage costs and co-location of staff in town centres has resulted in lower office expenses, room hire and equipment requirements. In addition publication, conference and consultancy costs have been reduced as a result of the availability of and use of on-line information and services.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
Changes can be introduced without any adverse impact on service outcomes.	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Helen Geldart
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Kirklees Council Budget Template for 2017/18

Directorate	Place
Service Area	Transport Strategy
Headline Proposal	Efficiency Gains & Increase in Service Income
Reference	NEW PL9

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(50)	(50)	0	0
Cumulative Savings	(50)	(100)	(100)	(100)
Budget after Savings (Controllable Budget)	719	669	669	669
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p><u>2017/18</u> Proposed efficiency measure of reduction in electricity consumption needed to power Kirklees traffic signal network. Over the last few years a concentrated programme of switching existing signal head halogen bulbs to LEDs will enable the service to reduce their overall energy consumption – this in turn will lead to a cost saving of £50,000 being achievable in 2017/18.</p> <p><u>2018/19</u> Proposed increase in service income due to increase in housing development activity (section 38 income from new road building activity for housing sites) and also an increase in capital plan scheme delivery due to workload from the West Yorkshire Transport Fund – this joint increase in activity will lead to an increase in service income of £50,000 being achievable from 2018/19 onwards.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
No adverse impact on other service outcomes.	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	R Hadfield
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Directorate	Place
Service Area	Environmental Health
Headline Proposal	New ways of working
Reference	NEW PL10

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(25)	(25)		
Cumulative Savings	(25)	(50)	(50)	(50)
Budget after Savings (Controllable Budget)	963	938	938	938
FTE Reduction	1	1		

Description of Savings Proposal (Including interdependencies and risk)

The proposals are IT based and can be broadly broken down into the following categories, all of which are interdependent on IT solutions:

1. Digital by Design
2. Installation of 'Assure' (Systems Supplier: MVM Northgate)
3. Mobile solutions once 'Assure' has been installed

For Pest Control, we are currently going down a digital by design route – once operational, this will allow customers to book appointments directly, and therefore reduce admin time. The introduction of a mobile solution would result in further admin savings as well as increased officer efficiency – this is due to happen in the second or the third phase, currently. Once introduced, the subsequent officer efficiencies could generate more income.

For wider Environmental Health, the focus is on mobile solutions, allowing officers to complete inspection reports while on site, thus improving efficiency. For this to work, installation of 'Assure' is needed which is currently taking place.

For example, a mobile solution currently being used at another council for food safety inspections resulted in a saving of 600 hours annually. A mobile solution could also work for Pollution and Noise Control. Increases in efficiency as a result of such a system could then be used to reduce Business Support Officer levels.

Installation of Assure would also allow for the introduction of the Licensing and Complaints package, allowing for savings in Business Support Officers in both functions.

Risk

At the moment it appears that the Environmental Health/Pest Control IT improvements/solutions, other than Digital by Design for Pest Control are not part of Phase 1 – any delay in the introduction of such system would naturally pose a risk and may therefore need an alternative platform.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes

Successful and timely introduction of the above IT solutions would significantly increase officer efficiency and reduce the amount of admin/business support needed, which could then be reduced to meet the savings needed. Such an outcome would ensure the viability of a functional and effective environmental health service.

Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Wendy Blakeley
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Kirklees Council Budget Template for 2017/18

Directorate	Place
Service Area	Schools Facilities Management - Catering/Assets
Headline Proposal	Assumed continuation of Universal Infant Free Schools Meals (UIFSM) national policy & funding arrangement, the service will continue to deliver the financial outturn of 2015/16.
Reference	NEW PL11

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(1,150)	(60)		
Cumulative Savings	(1,150)	(1,210)	(1,210)	(1,210)
Budget after Savings (Controllable Budget)	(2,284)	(2,344)	(2,344)	(2,344)
FTE Reduction	-	-	-	-

Factors impacting on retaining the catering surplus (Including interdependencies and risk)
<p>Factors Included in below proposals</p> <p>Catering outturn in financial year 2015/16 was a credit. This is the rationale behind the starting point of the AD proposal.</p> <p>The purpose of this report is to inform that this surplus is at risk of being generated to the same level, with a clear rationale below why this is at risk despite improved performance by the service.</p> <p>Reasons for the risk of a controllable surplus budget reduction include;</p> <ul style="list-style-type: none"> • Statutory gas work in kitchens due to legislative changes.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>In order to be a flexible service, the following actions are possible to mitigate any future changes in service delivery;</p> <ul style="list-style-type: none"> • Supplies and Services budgets will be reduced where possible to fund statutory gas work. • Service overheads reduced to mitigate any future losses incurred • To ensure full cost recovery • Review fees and charges through the budget setting process. 	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	YES

Accountable Head of Service	Jenny Frear
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Kirklees Council Budget Template for 2017/18

Directorate	Place
Service Area	Schools Facilities Management – Cleaning
Headline Proposal	Realignment to current performance
Reference	NEW PL12

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(280)	(95)	(25)	
Cumulative Savings	(280)	(375)	(400)	(400)
Budget after Savings (Controllable Budget)	(310)	(405)	(430)	(430)
FTE Reduction	1	2	2	

Description of Savings Proposal (Including interdependencies and risk)
<p>2017/18 -£280k £250k savings proposal to bring budget proposals in line with current performance. £30k saving.</p> <p>2018/19 -£95k Reduced subsidy on Living Wage. Reduction of Relief staffing levels.</p> <p>2019/20 -£25k Reduced staff hours through efficiency savings.</p> <p><u>Risk</u> Corporate Buildings diminish at a faster rate than expected, whilst a Corporate Landlord saving this would impact on overall controllable surplus for the Caretaking & Cleaning service.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
Staff will be offered alternative hours to reduce the impact of the efficiencies in line with council procedures.	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	YES

Accountable Head of Service	Jenny Frear
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Directorate	Place
Service Area	Corporate Landlord
Headline Proposal	New ways of working
Reference	NEW PL13

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(874)	(650)	(300)	0
Cumulative Savings	(874)	(1524)	(1,824)	(1,824)
Budget after Savings (Controllable Budget)	10,345	9,695	9,395	9,395
FTE Reduction			4	

Description of Savings Proposal (Including interdependencies and risk)

17/18

Reduced Facility Management repairs budget from £1.6m to £1.25m **£350k**

This budget has underspent last year and forecast to underspend this financial year, the number of operational asset is projected to reduce. The Council will continue to adopt a prudential approach to repairs and the most efficient deployment of capital and revenue funding.

Reduced support and professional fees **£100k**, in line with the reduced capital and revenue budgets.

Asset Transfer savings, seven assets in the disposal pipeline two of which should complete by Spring 2017. Forecast savings **£75k**

Asset Disposals (Subject to cabinet approval Jan 2017) 17/18 savings **£50k**.

Office Accommodation savings **£75k**, reductions in building numbers

Utility Reductions **£100k** forecast reduction

Assess the opportunity for additional income generation **£124k**

18/19

Reduced Facility Management repairs budget from £1.25m to £1m **£250k**

This budget has underspent last year and forecast to underspend this financial year, the number of operational asset is projected to reduce. The Council will continue to adopt a prudential approach to repairs and the most efficient deployment of capital and revenue funding.

Office Accommodation reductions (Subject to approval) with forecast saving of **£200k** in

year **18/19** is achievable.

The pace and profile of saving is heavily linked to the journey to new council and new models of service delivery.

Asset Disposal Programme **£100k**

A further batch of asset disposals is programme to be brought forward for approval to dispose in 2017 that will release further revenue savings. This is subject to the approval processes and Asset Committee.

Reduced FM overall budgets to reflect reduced overall resources required **£100k**

19/20

Office Accommodation reductions (Subject to approval) forecast **£200k** in year **19/20**

Reduced FM overall budgets to reflect reduced overall resources required **£100k**

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes

The budget savings are linked to the transformation of the council and the delivery of a number work streams. The reduced unplanned maintenance budget will be focused on strategic priorities and support service delivery.

Does this proposal require an Equality Impact Assessment?

NO

Will this proposal require a Specific Service Consultation

NO

Accountable Head of Service

Joe Tingle

Kirklees Council Budget Template for 2017/18

Directorate	Place
Service Area	Policy, Strategy & Commissioning
Headline Proposal	Currently under review council wide
Reference	NEW PL14

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(550)			
Cumulative Savings	(550)	(550)	(550)	(550)
Budget after Savings (Controllable Budget)				
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>Policy, Strategy and Commissioning resource to provide intelligence, commissioning research and analysis and develop strategy and policy in relation to the Economic Strategy and Resilience strands. This also includes a shift to a new model of community and voluntary sector engagement and capacity which supports the new council approach.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
N/A	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	YES

Accountable Head of Service	Kim Brear
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Kirklees Council Budget Template for 2017/18

Directorate	Place
Service Area	Building Control
Headline Proposal	Income Generation
Reference	NEW PL15

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(40)	0	0	0
Cumulative Savings	(40)	(40)	(40)	(40)
Budget after Savings (Controllable Budget)	(405)	(405)	(405)	(405)
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>The £40k will be achieved by increased income from providing a service that people want and competing more proactively for building regulation work with the private sector.</p> <p>The income is reliant on workload in construction industry being maintained at current levels and on customers opting to choose the council's Building Control Service.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>There should be no direct impact on the service outcomes. There will however be an increased demand on staff which will be met by a more risk based approach, better use of IT and more efficient working practices.</p>	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Neal Fearn
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Kirklees Council Budget Template for 2017/18

Directorate	Place
Service Area	Capital Delivery & Development
Headline Proposal	Deletion of the Capital Development Manager post budget
Reference	NEW PL16

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	0	(60)	0	0
Cumulative Savings	0	(60)	(60)	(60)
Budget after Savings (Controllable Budget)				
FTE Reduction		1		

Description of Savings Proposal (Including interdependencies and risk)
<p>The current post holder is retiring at the end of 2016/17. The proposal is to not fill the post and delete the budget allocation from 2018/19 onwards. The work undertaken by the current post holder, which is primarily around the governance of the Council's Capital Plan and the development and approval of major capital projects, will still need to be delivered and the £60k budget allocation for 2017/18 will be used to develop alternative methods of doing so.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>This is an important role and the associated work will need to continue to ensure the effective governance of the Council's Capital Investment Plan.</p>	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	David Martin
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Kirklees Council Budget Template for 2017/18

Directorate	Place
Service Area	Schools Facilities Management – Schools Transport
Headline Proposal	Combined Authority Working
Reference	NEW PL17

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(325)	(285)		
Cumulative Savings	(325)	(610)	(610)	(610)
Budget after Savings (Controllable Budget)	2,750	2,465	2,465	2,465
FTE Reduction	8	5		

Description of Savings Proposal (Including interdependencies and risk)
<p><u>2017/18</u> – indicative year on year reduced expenditure of £325k. Review current cohort of children receiving home to school transport based on the SEN, disability, mobility criterion in order to reduce the level of discretionary service offered from September 2017.</p> <p><u>2018/19 onwards</u> - additional Indicative year on year reduced expenditure of £285k.</p> <p>Contract out the procurement and contract management of all home to school transport functions (including the administration of bus passes) to WYCA under a co-operation agreement (£110k). Change the policy to mirror the legislative requirements resulting in a “statutory duty only” service provision level (£175k).</p> <p>Reducing service provision may increase the risk of non-attendance at school for a small number of children. This may lead to reputational harm to the Authority from some quarters.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Mick Bunting
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Kirklees Council Budget Template for 2017/18

Directorate	Place
Service Area	Commercial Portfolio
Headline Proposal	Improved Leases Income
Reference	NEW PL18

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(150)	0	0	0
Cumulative Savings	(150)	(150)	(150)	(150)
Budget after Savings (Controllable Budget)	(1,656)	(1,656)	(1,656)	(1,656)
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
Commercial portfolio £150k additional income from new or revised commercial leases.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
The budget savings are linked to the transformation of the council and the delivery of a number work streams.	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Joe Tingle
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Directorate	Place
Service Area	Planning
Headline Proposal	Improved Income - £120k, Reduced Local Plan Spend – 50k
Reference	NEW PL19

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(170)	0	0	0
Cumulative Savings	(170)	(170)	(170)	(170)
Budget after Savings (Controllable Budget)	651	651	651	651
FTE Reduction	0	0	0	0

Description of Savings Proposal (Including interdependencies and risk)

Proposal 1 Increased Planning Application fees.

Two of the three previous years (including this year) have shown increased planning fees to a significant level above predicted levels. This reflects the improved housing market and improved economic conditions.. As a consequence of this we have seen a strong increase in new residential planning applications. The resultant fee income looks set to exceed predicted levels this year by circa £230k. Whilst some of this additional fee income is being used to employ more staff (to deal with increased workloads) it is anticipated that that fees will continue to rise. The drivers for this are:

- The national drive for more housing delivery
- The production of a local plan to publication stage and beyond (releases more housing sites)
- An indication that fees (currently set nationally) will either increase proportionally during 2017/18 or be handed to high performing authorities to set their own fees.

In the context of those three factors then an increase in overall fee incomes of £120k per annum would be a reasonable and achievable target.

There are of course risks to this in that as seen between 2009 and 2012 the economy may take a downward trend meaning that planning applications submitted to the Council were significantly lower than predicted.

Proposal 2 – Reduced Local Plan Budget

There is currently an allocation of £198k within the Planning Policy team budget. This assists in the development of policy work and supports the development of the Local Plan to full adoption.

Given current anticipated spend a £50k/annum reduction in this area would be sustainable.

<p>Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes</p>	
<p>A reduction in fee income will arise if the volume of planning applications reduces. Any reduction in staff levels to account for this may not be immediately felt unless key specific technical expertise is lost.</p> <p>The Council needs to be mindful of the central government performance benchmarks and the risks of losing planning powers if these levels are not achieved. The thresholds do keep increasing but we are well above expected levels.</p> <p>In terms of lost local plan budget the medium to long term carries greatest risk in terms of future planning of our community. It will mean that this will need to be carried out over a much longer timeframe.</p>	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO
Accountable Head of Service	Simon Taylor

Kirklees Council Budget Template for 2017/18

Directorate	Place
Service Area	Management & Regulatory Functions – Business Support
Headline Proposal	Business Support Reductions
Reference	NEW PL20

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(60)			
Cumulative Savings	(60)	(60)	(60)	(60)
Budget after Savings (Controllable Budget)	2,419	2,419	2,419	2,419
FTE Reduction	2			

Description of Savings Proposal (Including interdependencies and risk)
<p>Reduction of catering business support by 2 x FTE due to the implementation of Cy-pad (management software tool) which in turn reduces the requirement for manual intervention in relation to trading accounts, timesheets and receipting, orders centrally.</p> <p>The savings are directed to changes within catering but will be an actual saving to the central business support budget.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>The service outcomes would be positive, reduction of errors cost, support in relation to audit trails.</p> <p>Staff would be offered alternative positions within the council through deployment</p>	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Jenny Frear
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Kirklees Council Budget Template for 2017/18

Directorate	Place
Service Area	Service Directorate wide review of support services to gain efficiency savings
Headline Proposal	Further savings to be identified
Reference	NEW PL21

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	0	(200)		
Cumulative Savings	0	(200)	(200)	(200)
Budget after Savings (Controllable Budget)				
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>A Service Directorate wide review of support services to gain efficiency savings through procurement, shared centres of excellence and administration. This will be aimed at management and back office arrangement across the main frontline services including Waste, Highways, Parks, Licensing and Building Control.</p> <p>Included within this will be a review of the inter dependant relationship with LOCALA in respect to clinical services, such as medical waste collection and Elsan toilet emptying.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>A review is aimed to improve service delivery wherever possible and make efficiencies.</p>	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Will Acornley
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RESOURCES DIRECTORATE

SERVICE ACTIVITY	16-17 CONTROLLABLE GROSS EXPENDITURE £000	16-17 CONTROLLABLE INCOME £000	16-17 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSES £000	17-18 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	18-19 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	19-20 BUDGET PROPOSAL £000	20-21 INDICATIVE BUDGET £000
Legal Services	2,559	(542)	2,017	(440)		1,577	(143)		1,434	(122)		1,312	1,191
Elections, Electoral Registration	783	(8)	775	(447)		328		297	625	(122)		503	461
Support for Council as Democratic Organisation	2,941	(42)	2,899	(446)		2,453	(241)		2,212			2,212	2,212
Finance, Risk & Performance	4,029	(826)	3,203	(528)		2,675	(336)		2,339	(201)		2,138	2,138
IT	13,009	(1,771)	11,238	(522)		10,716	(1,145)		9,571	(1,360)		8,211	8,211
Welfare & Exchequer incl Benefits Advice													
Income Collection - Welfare & Exchequer	4,702	(2,813)	1,889	(100)		1,789			1,789			1,789	1,789
Welfare & Complimentary Benefits	5,032	(221)	4,811	(91)		4,720	(91)		4,629	(88)		4,541	4,491
Corporate Customer Standards	96	(4)	92			92			92			92	92
Payment of Benefits - Social Fund/Local Welfare	1,042	0	1,042	(410)		632	(80)		552			552	552
Benefit Payments	114,617	(114,698)	(81)			(81)			(81)			(81)	(81)
Library & Information Centres	5,811	(319)	5,492	(1,354)		4,138	(1,900)		2,238			2,238	2,238
Total	131,300	(118,055)	13,245	(1,955)	0	11,290	(2,071)	0	9,219	(88)	0	9,131	9,081
Town Halls & Public Halls													
Public Halls	138	(276)	(138)			(138)			(138)			(138)	(138)
Town Halls	684	(334)	350			350	(50)		300			300	300
Total	822	(610)	212	0	0	212	(50)	0	162	0	0	162	162
Registrars	650	(601)	49	(18)		31	(18)		13			13	13
KD Contact Centre and Customer Service Centre													
Access to Services - Customer Service Centres	3,667	(2,532)	1,135	(100)		1,035	(100)		935	(100)		835	735
Looking Local (Digi TV)	1,321	(1,321)	0			0			0			0	0
Total	4,988	(3,853)	1,135	(100)	0	1,035	(100)	0	935	(100)	0	835	735
HD-One:Financial & HR Transactional Services	2,275	(1,140)	1,135	(47)		1,088	(347)		741			741	741
Corporate & Democratic Core													
Corporate Management	562	(62)	500			500			500			500	500
Democratic Representation & Management	116	(350)	(234)			(234)			(234)			(234)	(234)
Total	678	(412)	266	0	0	266	0	0	266	0	0	266	266
Management & Regulatory Functions	1,247	(33)	1,214	(110)		1,104			1,104			1,104	1,104
TOTAL RESOURCES	165,281	(127,893)	37,388	(4,613)	0	32,775	(4,451)	297	28,621	(1,993)	0	26,628	26,315

RESOURCES DIRECTORATE - MINUSES

Service Activity	Proposed Change	Reference	£000				
			2017-18	2018-19	2019-20	2020-21	Total
EXISTING MTFP MINUSES							
Legal Services	Review of service	EX RE1	(340)				(340)
Elections, Electoral Registration	Efficiency savings	EX RE2	(176)				(176)
	Review of Council electoral cycle and number of councillors	EX RE3	(120)				(120)
Support for Council as Democratic Organisation	Efficiency savings	EX RE4	(305)				(305)
Finance, Risk & Performance	Process efficiency savings from new IT systems, & service modernisation	EX RE5	(192)				(192)
Welfare & Exchequer							
Library & Information Centres	Re-shape Library and information Service (see also NEW RE9)	EX RE6	(1,354)				(1,354)
HD-One:Financial & HR Transactional Services	Efficiency savings; transactional HR services. Includes deferral of existing saving for moving to monthly payroll; now in 2018-19.	EX RE7		(300)			(300)
Management & Regulatory Functions	Reduction to match planned reduction in Senior Management across the Council.	EX RE8	(110)				(110)
			(2,597)	(300)	0	0	(2,897)
NEW MINUSES							
Legal Services	Further savings to be identified	NEW RE14	(100)	(143)	(122)	(121)	(486)
Elections, Electoral Registration	Smoothing Adjustment to Reflect Cycle of Elections	NEW RE1	(151)		(122)	(42)	(315)
Support for Council as Democratic Organisation	Members Allowances – Potential Further Savings	NEW RE2		(100)			(100)
	Savings to be identified	NEW RE15	(141)	(141)			(282)
Finance, Risk & Performance	Generation of additional income by internalisation of claims & reduction of workforce	NEW RE3	(336)	(336)	(201)		(873)
IT	IT Efficiency Savings	NEW RE4	(522)	(1,145)	(1,360)		(3,027)
Welfare & Exchequer							
Income collection - Welfare & Exchequer	More digital and automated services	NEW RE5	(100)				(100)
Welfare & Complimentary Benefits	New Adult Social Care Charging Policy. Automation of office services and increased collection of income	NEW RE6	(38)	(38)	(38)		(114)
Payment of Benefits - Social Fund/Local welfare	More Automation of back office services	NEW RE7	(53)	(53)	(50)	(50)	(206)
	Review of Local Welfare provision and Loan scheme for white goods	NEW RE8	(410)	(80)			(490)
Library & Information Centres	Re-shape Library and information Service (see also EX RE6)	NEW RE9		(1,900)			(1,900)
Town Hall & Public Halls	Review of fees and Charges	NEW RE10		(50)			(50)
Registrars	Charging review - look to break even	NEW RE11	(18)	(18)			(36)
Access to Services - Customer Service Centres	New ways of working	NEW RE12	(100)	(100)	(100)	(100)	(400)
HD-One: Financial & HR Transactional Services	Further savings	NEW RE13	(47)	(47)			(94)
			(2,016)	(4,151)	(1,993)	(313)	(8,473)
TOTAL MINUSES FOR RESOURCES DIRECTORATE			(4,613)	(4,451)	(1,993)	(313)	(11,370)

RESOURCES DIRECTORATE - PLUSES

Service Activity	Proposed Change	Reference	£000				
			2017-18	2018-19	2019-20	2020-21	Total
NEW PLUSES							
Elections, Electoral Registration	Smoothing of budgets over years	NEW RE1		297			297
TOTAL PLUSES FOR RESOURCES DIRECTORATE			0	297	0	0	297

Directorate	Resources
Service Area	Legal Services
Headline Proposal	Review Service
Reference	EX RE1

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(340)			
Cumulative Savings	(340)*	(340)	(340)	(340)
Budget after Savings (Controllable Budget)	1,677	1,677	1,677	1,677
Current FTE	Approx 5			

Description of Savings Proposal (Including interdependencies and risk)
<p>2017/18</p> <p>The original savings of £340k were planned to be made primarily from vacancies as well as savings from on-going underspends in budget heads. We are also reviewing the use of locum solicitors and external use of Solicitor/Barrister panels in light of the need for work/demand for support going ahead. This is on-going.</p> <p>There was an assumed reduction in demand for legal support following on from other decisions elsewhere. This hasn't currently materialised from the intelligence we have on time recording/case management information, discussion with service areas and spend on legal matter as well as cases opened.</p> <p>The savings we will make in the 2017/18 year are as follows:</p> <p>Employees Using existing vacancies to make savings of £240,000</p> <p>Others Savings across other budget heads – Know how, training and consultancy lines of £25,000</p> <p>Other budget areas*(Children's Services) £90,000 (approx) We filled two vacant posts in 2016/17 to offset the cost of external lawyers who provide support across Children's Services. Current figures indicate that by doing this we are also reducing the cost of external lawyers in Children's Services budget which we believe will flow through to next year. It's difficult to quantify this figure exactly but based on comparing this year with last it looks like there will be a net saving to the council. This is despite the increase in cases in this area.</p>

Added together the saving to the Council next year would be more than the target of £340,000.

We still have more work to do this year looking at demand/use of locums which may lead to more savings moving forwards. (see MTFP NEW RE14 re further savings)

Inter-dependencies and Risk

Cost of external lawyers as well as Court fees, expert witnesses etc are met by service areas. Spend on external Solicitors and Barristers was £444,634 and £386,576 (respectively) in 2015/16. Highest cost is in Children's but then Property and Planning.

Demand for legal support isn't decreasing. Although it fluctuates across legal work types there is no discernible reduction in demand overall.

Staff absence (maternity leave) needs to be covered either by a temporary replacement or a locum or by external solicitors. This has been offset by the vacancies. There is a strong likelihood we will overspend to fill work gaps through maternity leave cover use of locums/external lawyers or it will lead to extra pressure to service areas as we will need to commission external lawyers from the framework panel.

There are risks that costs will continue to be passed to Local Authorities to deal with and manage - for example Judiciary – continue to pass on costs to public sector to save costs eg drafting orders, new Drugs and Alcohol Court.

Historic external trading target needs adjustment to reflect what is achievable.

2018/19

Need to continue to review demand with service areas and look at new ways of working with them to reduce demand. Also need to consider practicality of achieving increased external trading and better synergy across WYLAW. Also See MTFP NEW RE 14 for additional savings ask.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes

Service is largely demand driven. Reducing staff numbers is likely to result in increased use of external lawyers at greater cost. Alternatively we may need to take a corporate decision not to do some things. We can make suggestions about how we manage matters and deal with cases / advice that comes through but ultimately cases are impacted by strategic decisions / policy/ day to day activities of the Council. Obvious synergy with approach to risk/commissioning approach moving forwards.

The Ofsted review/ Commissioner decision at the end of March will impact on the likely need for support . It will give an opportunity to review how we work together with Children’s Services. This area of work represents about half of the demand for legal support.

Services will need to do more themselves and recognise when the best time to seek support is. We will help services to do this e.g. low value contracts, non- contested prosecutions.

The WYLAW framework for Solicitors will be retendered over the coming months. We need to ensure with West Yorkshire colleagues that we drive best value from this exercise. We will continue to move towards more effective collaboration across WYLAW.

We corporately need to improve recording of disbursements across service areas.

Potential for better use of IT by the Courts. The new approach would transfer information to court electronically. Impact on paper lite policies and data protection risks

Improvements to case management system across Legal Services to move towards a more paper lite approach

Consider opportunities to improve external trading.

Does this proposal require an Equality Impact Assessment?	No not presently [but may be linked to services stopping some activites]
Will this proposal require a Specific Service Consultation	No

Accountable Head of Service	Julie Muscroft AD – Legal Governance and Monitoring and Deputy Heads in Legal
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Directorate	Resources
Service Area	Elections, Electoral Registration
Headline Proposal	Efficiency savings
Reference	EX RE2

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(176)*			
Cumulative Savings	(176)	(176)	(176)	(176)
Budget after Savings (Controllable Budget)	598	598	598	598
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>*This saving, due to the technical realignment of costs (<u>see Template NEW RE2</u>) is intended to be achieved over the next four years.</p> <p>The following activities can / will be progressed:</p> <ul style="list-style-type: none"> • Secure free annual storage for polling booths - £8k • Consider reviewing polling stations, including the creation of “super polling stations”, which may save on accommodation costs. Statue determines that the absolute minimum number of polling stations we can have is 124 (we currently have 192). A formal boundary review would be necessary to achieve any such reduction. This would require a complete review of wards and polling districts to achieve such reductions. However this would be wholly dependent on: <ul style="list-style-type: none"> - The availability of appropriate accommodation (initial investigations have already evidenced that such accommodation is not available across the borough); - Councillor and Returning Officer agreement. • A further consequence of this approach may be an increase in postal votes which is more costly i.e. the unit cost of a postal vote is significantly greater than voting at a polling station. This will need to be subject to the agreement of politicians and the Returning Officer. <p><u>The above mentioned will by no means meet the MTFP savings.</u></p> <p>Contextually it is important to note that electoral episodes are a growth area. By the end of October there have been 7 during the last 12 months alone. Future developments / pressures which need to be borne in mind include:</p> <ul style="list-style-type: none"> • Government funding for Individual Electoral Registration (IER) is reducing year-on-year, however, this does not reflect the costs;

- An increase in housing will create an additional cost to the annual household canvass;
- An increase of electorate creates an additional financial cost to the registration budget;
- Changes in legislation – Votes for Life will be introduced in the near future and the requirement to issue Postal Vote Rejection Notices (PVNI) after every election creates additional costs to the local authority;
- The ongoing trend of unscheduled by-elections and elections;
- 2019/20 financial year, with no European election, will mean that 100% of the cost of the election will fall to the local authority;
- Continued sale of council building and land (both of which are used for polling stations) will continue to result in the need to secure other polling stations at greater cost from the private sector.

In light of the above the only realistic way to meet the MTFP (whilst continuing to meet legislative requirements and manage budget pressures) will be to change the cycle of elections to four yearly. This would result in savings significantly above the MTFP requirement over time. This matter is being considered and progressed by the Kirklees Democracy Commission as part of its terms of reference.

This should be considered with reference to Template EX RE3

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
The principal impact relates to a change to the electoral cycle. Whilst such a change will deliver savings in excess of the MTFP requirements, it will require front end resources to deliver an all-out election in 2019. This is the most realistic point to move to a four yearly cycle as it guarantees alignment with Parish elections. Thereafter, over time, savings will be realised. A further consideration may be the impact on voter turnout, although this is not something that could be predicted at this stage.	
Does this proposal require an Equality Impact Assessment?	YES – In respect of the impact on voters in reducing the number of polling stations
Will this proposal require a Specific Service Consultation	YES – Should there be a wish to move to a four yearly cycle of elections

Accountable Head of Service	Carl Whistlecraft, Head of Governance and Democratic Services
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Kirklees Council Budget Template for 2017/18

Directorate	Resources
Service Area	Elections, Electoral Registration / Supporting the Council as a Democratic Organisation
Headline Proposal	Review of Council electoral cycle and number of councillors
Reference	EX RE3

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(120)			
Cumulative Savings	(120)*	(120)	(120)	(120)
Budget after Savings (Controllable Budget)	478	478	478	478
Current FTE				

Description of Savings Proposal (Including interdependencies and risk)
<p>This MTFP saving relates to the budget amendment seeking to reduce the number of councillors and change to a four yearly cycle of elections. These issues have been picked up as part of the work of the Kirklees Democracy Commission (see other templates). The Commission’s recommendations (on this and other issues) will be reported to Council. Council will determine if these savings will be achieved by this means and when these might occur*.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p><u>See other templates in respect of impact.</u></p>	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	YES

Accountable Head of Service	Carl Whistlecraft, Head of Governance and Democratic Services
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Directorate	Resources
Service Area	Support for Council as Democratic Organisation
Headline Proposal	Efficiency savings
Reference	EX RE4

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(305)			
Cumulative Savings	(305)	(305)	(305)	(305)
Budget after Savings (Controllable Budget)	2,594	2,594	2,594	2,594
FTE Reduction	4			

Description of Savings Proposal (Including interdependencies and risk)
<p>Delivery of the MTFP savings will mean reductions across the breadth of the activities supporting the Council as a Democratic Organisation. In proposing this approach every attempt has been made to minimise the impact on customers, although this has not been fully avoided. The proposed savings are as follows:</p> <p>The Civic Office – Comprises a realignment of the budget to actual spend, no impact on current arrangements for transport, civic regalia and hospitality - £5k.</p> <p>Governance – Comprises the deletion of a further post within the Governance Team. £42k</p> <p>Service Business Support / Councillor Support – Comprises the deletion of 2.5 posts within the Business Support Team which provides support to both councillors and the wider service in the delivery of its functions. £64k</p> <p>Members Allowances – Comprises a reduction in ancillary costs (e.g. printing, advertising, subsistence etc) within the Allowances budget although a major part of the reductions are as a result of legislative changes in respect of the superannuation entitlement for councillors. £168K</p> <p>Political Group Budgets – Monitoring of spending trends reveals that this budget (currently £50k) consistently underspends. In light of this a reduction by 50% should not significantly impact on current activity. £25k</p> <p>It should be noted that the above delivers a total of £305k in savings, £5k more than the MTFP requirement.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>By way of a general point, the future shape and expectations of the service and its functions moving forward is heavily dependent on the outcomes of the Kirklees Democracy Commission. Such outcomes will strongly influence the council’s governance and decision making structures / processes and the role of councillor in the future. Given the core business of the service, the Commission’s findings will shape the model of support and</p>

service design in the future. This has been borne in mind when identifying MTFP savings and should be noted in considering these proposals. **(please read in conjunction with Template EX RE3 and Template NEW RE2)**

In terms of impact, it is important to consider the following:

- Current governance and decision making structures will continue to be supported. Following the service review and the deletion of another post from this team it is important that there is no further growth in governance commitments beyond those that currently exist.
- Reductions in service business support / councillor support significantly reduces the scope to manage peaks and troughs across the wider service and may require some reduction in the level of support currently provided to councillors.
- The proposed reductions to the Members Allowances budget has no impact on the current scheme (i.e. it does not affect the allowances payable to ward councillors and those in receipt of special responsibility allowances). Should there be a wish to reduce this budget further there would be an impact on these core elements. Such an approach would require consideration by the Members Allowances Independent Review Panel and a decision by Council. It is unlikely that this could be progressed and completed by 31 March 2017. The alternative means by which further savings could be made from this budget would be by reducing the number of councillors. This matter would require an electoral review, involving the Local Government Boundary Commission, taking approximately 18 months. This matter, and others, is being considered as part of the Kirklees Democracy Commission’s terms of reference.
- As mentioned above, reducing political group budgets by 50% should not have a significant impact based on historical spend. It would be a matter for Group Leaders to determine the extent to which this proposal is likely to have an impact in the future.

Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation?	YES – If there is a proposal to reduce the number of councillors.

Accountable Head of Service	Carl Whistlecraft, Head of Governance and Democratic Services
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Kirklees Council Budget Template for 2017/18

Directorate	Resources
Service Area	Finance, Risk & Performance
Headline Proposal	Process efficiency savings from new IT systems, & service modernisation
Reference	EX RE5

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(192)			
Cumulative Savings	(192)	(192)	(192)	(192)
Budget after Savings (Controllable Budget)	3,011	3,011	3,011	3,011
FTE Reduction	6			

Description of Savings Proposal (Including interdependencies and risk)
<p>This is the final tranche of 2016-17 MTFP savings relating to the Accountancy, Internal Audit & Performance teams. These savings have been delivered in part through; technological advances, building on the implementation of the council's business system (SAP), prioritisation of activities and changes in the way the services is delivered. These saving have been incremental and largely managed through turnover.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>The impact of having reduced resource has been carefully managed to ensure we continue to deliver our statutory functions and valued support services.</p>	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Debbie Hogg
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Kirklees Council Budget Template for 2017/18

Directorate	Resources
Service Area	Customer and Exchequer, Library and Information Centres
Headline Proposal	Re-shape Library and information Service
Reference	EX RE6 & NEW RE9

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(1,354)	(1,900)	0	0
Cumulative Savings	(1,354)	(3,254)	(3,254)	(3,254)
Budget after Savings (Controllable Budget)	4,138	2,238	2,238	2,238
FTE Reduction	60	50		

Description of Savings Proposal (Including interdependencies and risk)
<p>The Council completed a review of the library service in 2016/17; saving £1,854k over the period April 2016 to March 2017 (includes the £1,354k savings for 2017/18).</p> <p>The reduction of £1,900k for 2018/19 will require a further significant service review and will impact across the library service budget. This includes a review on the number of libraries the council can continue to support. There are currently 24 libraries in the portfolio. Supplies & services and book fund budgets will also be reviewed.</p> <p>As with the earlier service change the council will undertake consultation and develop options for future service delivery based on the £2,238k allocated budget.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>Reducing the library building footprint could see customers move to those remaining meaning an increase in footfall. The outreach programme will need to be developed further to mitigate reducing the footprint. Collaborating further with the health service, schools and local community groups.</p> <p>To achieve savings in 18-19 a Service Specific Consultation will need to take place in spring/summer 2017.</p>	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	YES

Accountable Head of Service	Dave Thompson
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Kirklees Council Budget Template for 2017/18

Directorate	Resources
Service Area	HD-One: Financial & HR Transactional Services
Headline Proposal	Efficiency savings, transactional HR services. Includes deferral of existing saving for moving to monthly payroll, now in 2018-19.
Reference	EX RE7

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings		(300)		
Cumulative Savings		(300)	(300)	(300)
Budget after Savings (Controllable Budget)	1,134	834	834	834
FTE Reduction		8		

Description of Savings Proposal (Including interdependencies and risk)
<p>Reduction in payroll staff following implementation of monthly payroll for school and council staff from 4 weekly.</p> <p>HR has produced an implications and timeline report for Redesign Board, which was considered in November. Report now passed to New Council Board. Report proposes Aug 2018 for the earliest possible implementation, which is 6 months later than the savings are built in to the budget.</p> <p>Interdependency: This is a big project of work, so internal team will need to be assigned and external technical support will be required, so there will be associated external support costs of approx. £40k.</p> <p>Risks: Ongoing academisation of schools and maintaining the new payrolls this creates, impacts resource availability in HR and HD-One. Rate of conversions from 2017 is not yet known until further Government guidance is issued.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>Employee Handbook would need revision, so negotiation with TU's is required. It is not known whether this will be well received by employees or not.</p> <p>KAL, John Curwen Academy and King James Academy have negotiated to move to monthly. Two took 6 months and one took 3. Minimal staff disagreement in all three.</p>	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	YES

Accountable Head of Service	Rosemary Gibson
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Directorate	Resources
Service Area	Management & Regulatory Functions
Headline Proposal	Reduction to match planned reduction in Senior Management across the Council
Reference	EX RE8

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(110)			
Cumulative Savings	(110)	(110)	(110)	(110)
Budget after Savings (Controllable Budget)	549	549	549	549
Current FTE	4			

Description of Savings Proposal (Including interdependencies and risk)
<p>This budget relates solely to the support provided to the Chief Executive, Directors and Assistant Directors provided by Directorate Support Managers, the Secretary to the Chief Executive and Secretaries. The future shape, role and structure of the model of support is inextricably linked to the review of the Council's senior management arrangements that are currently underway.</p> <p>In terms of the MTFP savings it is proposed that they are met through vacancy management and progressing the opportunities presented by voluntary severance which has now been offered to all relevant staff.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>The above mentioned approach should not significantly impact on current service delivery, although it will be important to manage issues around skills and knowledge retention in advance of service redesign which will need to take place as senior management arrangements are implemented.</p>	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Carl Whistlecraft, Head of Governance and Democratic Services
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Kirklees Council Budget Template for 2017/18

Directorate	Resources
Service Area	Elections, Electoral Registration
Headline Proposal	Smoothing Adjustment to Reflect Cycle of Elections
Reference	NEW RE1

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(151)	297	(122)	(42)
Cumulative Savings	(151)	146	24	(18)
Budget after Savings (Controllable Budget)	327	624	502	460
Current FTE				

Description of Savings Proposal (Including interdependencies and risk)
<p>Technical adjustment to realign the budget in line with the number and pattern of electoral episodes (based on what can currently be predicted) whilst still taking into account savings targets (see EX RE2 for Elections MTFP savings target)</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
(See EX RE2)	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Carl Whistlecraft
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Kirklees Council Budget Template for 2017/18

Directorate	Resources
Service Area	Support for Council as a Democratic Organisation
Headline Proposal	Members Allowances – Potential Further Savings
Reference	NEW RE2

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	0	(100)*		
Cumulative Savings	0	(100)	(100)	(100)
Budget after Savings (Controllable Budget)	2,358	2,117	2,117	2,117
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>This proposal was included in a review exercise carried out by Finance looking at areas of consistent underspend for the AD’s Group. Members Allowances have consistently shown an under spend. <u>The current underspend of £164k is taken into account in template EX RE4. Taking further resources out of this budget without amending the scheme or reducing the number of councillors will mean this budget will overspend.</u></p> <p>This proposal looks at the extent to which any further savings might be possible. The extent to which this is achievable is wholly dependent on the outcome of the work of the Kirklees Democracy Commission.</p> <p>The savings of £164k (<u>see template EX RE4</u>) can be made without any impact on the core principles of the current scheme. Should there be an intention to make further savings from this budget the impacts below need to be considered.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>In progressing the AD proposal the following needs to be borne in mind:</p> <ul style="list-style-type: none"> - Additional savings of £100k would impact on the core components of the allowances scheme i.e. payment of the ward role and special responsibility allowances. Any changes to the Allowances Scheme would require a recommendation of the Members Allowances Independent Review Panel and a decision by Council. Consideration would need to be given as to whether this could be realistically achieved within the above time scales. - A reduction in the number of councillors, and hence a reduction in the allowances payable, is the only other means by which this saving could be achieved. This is not an approach that is in the Council’s gift, it would require an electoral review process conducted by the Local Government Boundary Commission. Such a process would

<p>take 18 months should the Council be minded to go down this route.</p> <p>This proposal needs to be considered in the wider strategic context and the ongoing work of the Kirklees Democracy Commission. As part of their terms of reference the Commission is considering the changing role of the councillor, their community leadership responsibilities in a New Council and the number of councillors needed in a borough the size of Kirklees to ensure effective representation.</p> <p>See * above. 2018/19 is the earliest that further savings to this budget could be made. Such savings would be predicated on the recommendations of the Members Allowances Independent Review Panel or an electoral review undertaken by the Local Government Boundary Commission.</p>	
<p>Does this proposal require an Equality Impact Assessment?</p>	<p>YES – Where there is a proposal to reduce the number of councillors</p>
<p>Will this proposal require a Specific Service Consultation</p>	<p>YES - Where there is a proposal to reduce the number of councillors</p>
<p>Accountable Head of Service</p>	<p>Carl Whistlecraft, Head of Governance and Democratic Services</p>

Kirklees Council Budget Template for 2017/18

Directorate	Resources
Service Area	Finance, Risk & Performance, Insurance
Headline Proposal	Generation of additional income by internalisation of claims & reduction of workforce
Reference	NEW RE3

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(336)	(336)	(201)	
Cumulative Savings	(336)	(672)	(873)	(873)
Budget after Savings (Controllable Budget)	2,675	2,339	2,138	2,138
FTE Reduction	10	10	6	

Description of Savings Proposal (Including interdependencies and risk)
<p>This proposal builds on the changes & savings delivered as part of 2016-19 MTFP. The underpinning approach to delivery relies on further prioritisation of the service offer & greater use of technology however given the scale of resource reduction there will inevitably be an impact on the available capacity. The management team of the service will continue to prioritise service requirements to ensure core & statutory functions are protected.</p> <p>The scale of savings will require organisational change & this will be managed voluntarily or through a managed process.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>The capacity and ability of the finance team to respond to service requirements will be affected. Core & statutory functions will continue to be prioritised.</p>	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Debbie Hogg
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Kirklees Council Budget Template for 2017/18

Directorate	Resources
Service Area	Finance, Risk & Performance, Information Technology
Headline Proposal	IT Efficiency Savings
Reference	NEW RE4

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(522)	(1,145)	(1,360)	
Cumulative Savings	(522)	(1,667)	(3,027)	(3,027)
Budget after Savings (Controllable Budget)	10,716	9,571	8,211	8,211
FTE Reduction		12	28	

Description of Savings Proposal (Including interdependencies and risk)		
2017/18	2018/19	2019/20
Bringing forward "cheaper to run" infrastructure projects Reduced levels of support on specific contracts Reductions in consumable procurement Deletion of obsolete / duplicate applications Mid-Contract Renegotiation of applications renewals Adjustment to Transformation budget <u>Dependencies</u> Reduced corporate expectation Success of contract negotiations Reduced corporate demand for adhoc technology procurement	Documents Solutions Service Review IT and Change VR/VER Process Reduction in network Reduction in legacy telephony Printing Reduction (volume and associated consumables) Withdraw Access WiFi Transfer Move to Digital Payslips only Contract Review / Renegotiation (Phase 1) <u>Dependencies</u> Paperlite Council Modified courier routing Reduced print and mail Reduced Building Count Take-up level of VR	IT and Change Service Review Contract Review & Renegotiation (Phase 2) <u>Dependencies</u> Mobile and Agile Programme, Digital by Design Programme, SAP Support Self Sufficiency Network Support Switches to BAU Rightsizing post-transformation Smaller Council Automation of IT support Reduced Application Portfolio Simplified development methods

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<ul style="list-style-type: none"> • Adjustment to courier services frequency and/or discontinuation • Frontline IT services will be automated / self service at first point of contact • Reduction in out of hours support cover / availability • Onsite call response reduction • Reduced responsiveness or contractors and service recovery times • Contract level of service reduction • Reduced capacity of the service 	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	YES

Accountable Head of Service	Andrew Brammall
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Kirklees Council Budget Template for 2017/18

Directorate	Resources
Service Area	Welfare and Exchequer, Income collection
Headline Proposal	More digital and automated services
Reference	NEW RE5

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(100)			
Cumulative Savings	(100)	(100)	(100)	(100)
Budget after Savings (Controllable Budget)	1,789	1,789	1,789	1,789
FTE Reduction	4			

Description of Savings Proposal (Including interdependencies and risk)
Review of staffing in Exchequer Service in light of additional digital services for exemptions, discounts, e-billing, texting and automation of some recovery processes.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Steven Bird
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Kirklees Council Budget Template for 2017/18

Directorate	Resources
Service Area	Welfare and Exchequer, Client Financial Affairs
Headline Proposal	New Adult Social Care Charging Policy Automation of office services and increased collection of income
Reference	NEW RE6

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(38)	(38)	(38)	0
Cumulative Savings	(38)	(76)	(114)	(114)
Budget after Savings (Controllable Budget)	1,018	980	942	942
FTE Reduction	N/A	N/A	N/A	N/A

Description of Savings Proposal (Including interdependencies and risk)
<p>Increase in income collection – New Adult Social Care Charging Policy, New Deferred Payment Arrangement policy, Review of recovery policy and changes to automate processes and CFA set-up.</p> <p>High risk as never implemented before and subject to consultation and approval of the full policy, any variation may affect the savings. (The policy has not been agreed, consultation started, Cabinet 7th Feb 2017)</p> <p>Cabinet report on 3rd Oct – is on link below:- https://democracy.kirklees.gov.uk/ieListDocuments.aspx?CId=139&MId=5189</p> <p>The consultation is also on the web http://www.kirkleestalk.org/index.php/get-involved/lets-talk-adult-social-care/</p> <p>Note - This saving line was originally in Adult services prior to CFA moving to resources, and had a total saving of £300k. An element of this saving is not directly controlled through the core CFA team and as such remains as a saving within the Adults Directorate. See additional template under Adults for this element/saving.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
See above	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	YES

Accountable Head of Service	Steven Bird
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Kirklees Council Budget Template for 2017/18

Directorate	Resources
Service Area	Welfare and Exchequer, Welfare & Complementary benefits
Headline Proposal	More Automation of back office services
Reference	NEW RE7

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(53)	(53)	(50)	(50)
Cumulative Savings	(53)	(106)	(156)	(206)
Budget after Savings (Controllable Budget)	3,702	3,649	3,599	3,549
FTE Reduction	6	2	2	2

Description of Savings Proposal (Including interdependencies and risk)
<p>Review of welfare and complementary benefits staffing, in light of changes to automation, caseload changes and implementation of Universal Credit (UC) in Kirklees. (UC rollout will run until at least 2022.)</p> <p>Statutory Service - this proposal will affect the most vulnerable people in Kirklees, the migration to Universal Credit (UC) is a national process run by the Department for Work and Pensions, the migration of working age Housing Benefit claimants to UC has already started in Kirklees for single people in June 2015. November 17 sees the start of couples UC migration in Kirklees. The Council already has procedures in place to assist residents with the changes including "Advice Kirklees".</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
See above	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Steven Bird
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Kirklees Council Budget Template for 2017/18

Directorate	Resources
Service Area	Welfare and Exchequer, - Social Fund/Local Welfare Provision
Headline Proposal	Review of Local Welfare provision and Loan scheme for white goods
Reference	NEW RE8

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(410)	(80)		
Cumulative Savings	(410)	(490)	(490)	(490)
Budget after Savings (Controllable Budget)	632	552	552	552
FTE Reduction	1			

Description of Savings Proposal (Including interdependencies and risk)
<p>Review of Local Welfare provision funding for white goods, food and advice – the proposal is to review this non statutory service and move white goods expenditure 410k to a loan scheme.</p> <p>The LWP funding also funds Advice for Welfare benefits Advice and Universal Credit personal budgeting support (100k) to Kirklees Citizen Advice & Law Centre (KCA&LC). Support and Advice is also provided (53k) for the mission to fund homeless and welfare benefits support & advice and similar provisions are paid to Fusion Housing (79k) for North Kirklees.</p> <p>This proposal would reduce the grant allocation.</p> <ul style="list-style-type: none"> - The white goods proposal is to utilise the Credit Union(s) to set up a loan scheme(s), this would replace the annual grant and therefore the expenditure. - KCA&LC grant of 100k would be reduced by 30k and new burdens Universal Credit funding for personal budgeting support will be used instead. - Funding for Support and Advice to Fusion and the Mission to be reduced by approx 50k – alternative support to be provided through “Advice Kirklees”. - Reserve fund from existing underspend (approx 38k to be increased to 50k) held as a reserve/hardship fund <p>This proposal is also linked to Credit Union proposal and Advice Kirklees. Modelling is required on similar schemes to establish actual rate of repayments, and LWP schemes will be compared across West Yorkshire.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>This is a non statutory service; it will however, affect the most vulnerable people in Kirklees, the risks are minimised as the white goods provision is substituted with a low cost loan scheme, and alternative advice is still available through the main advice contract at other</p>

locations.

The main risk with the proposal is setting up the Credit Union scheme(s) prior to Oct 2017.

There are also risks for Kirklees Neighbourhood Housing - if there are delay's in providing white goods and basic furniture through the credit union(s), this could lead to delays in tenant occupation of properties, and therefore rent arrears if housing benefit cannot be paid, however, this risk will change as housing benefit is replace by Universal Credit.

White goods 410k

Support and Advice 80k

Total 490k

Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Steven Bird
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Kirklees Council Budget Template for 2017/18

Directorate	Resources
Service Area	Customer and Exchequer, Town Halls
Headline Proposal	Review of fees and Charges
Reference	NEW RE10

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	0	(50)	0	0
Cumulative Savings	0	(50)	(50)	(50)
Budget after Savings (Controllable Budget)	350	300	300	300
FTE Reduction	0	0	0	0

Description of Savings Proposal (Including interdependencies and risk)
<p>Review of fees and charges and service change to make service delivery more efficient and effective. This will include the review of bookings, stewarding of events and staff to manager ratios.</p> <p>A full analysis of the programme of work in the service is being undertaken including benchmarking of chargers with other similar services.</p> <p>Charges have only increased by inflation rates for the last 4 years and higher increases could mean hirers seeking alternatives or not using our services.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Dave Thompson
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Kirklees Council Budget Template for 2017/18

Directorate	Resources
Service Area	Customer and Exchequer, Registrars
Headline Proposal	Charging review - look to break even
Reference	NEW RE11

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(18)	(18)		
Cumulative Savings	(18)	(36)	(36)	(36)
Budget after Savings (Controllable Budget)	31	13	13	13
FTE Reduction	0	0	0	0

Description of Savings Proposal (Including interdependencies and risk)
<p>The service undertook a service change in 2015/16. The further savings are to be a change to non-statutory fees and charges to bring them more into line with regional and national charges for services.</p> <p>This is a statutory service where a number of the charges are set nationally. Concentration will be on those charges the council control. Benchmarking with other LA's in the region will be undertaken.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
See above	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Dave Thompson
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Directorate	Resources
Service Area	Customer and Exchequer, KD/Customer Service Centres
Headline Proposal	New ways of working
Reference	NEW RE12

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(100)	(100)	(100)	(100)
Cumulative Savings	(100)	(200)	(300)	(400)
Budget after Savings (Controllable Budget)	971	871	771	671
FTE reduction	5	5	5	5

Description of Savings Proposal (Including interdependencies and risk)

The service has been moving to more digital by design and automated service delivery models. There will be a complete service redesign looking at staff to manager ratios, senior role requirements and service delivery changes.

Increasing digital by design contacts, increased automation of telephone calls and reducing avoidable contact are necessary to meet the budget requirements. Risk also includes the increase of services using the customer service centres and Kirklees Direct as those resources reduce.

The proposals from 2018/19 onwards are due to the expected ongoing roll out of Universal credit (from 2017 to at least 2022) and the transferring of claims and contacts to the department for work and pensions. As the DWP take on all responsibility for specific claims this will reduce the caseload and will reduce claims for back office processing and contacts into the customer service centres and Kirklees Direct.

Statutory Service - this proposal will affect the most vulnerable people in Kirklees, the migration to Universal Credit (UC) is a national process run by the Department for Work and Pensions, the migration of working age Housing Benefit claimants to UC has already started in Kirklees for single people. November 17 sees the start of couples UC migration in Kirklees. The Council already has procedures in place to assist residents with the changes including "Advice Kirklees".

Consideration needs to be given to reducing opening hours of both the customer service centres and telephone contact centre. Online would remain 24/7 with telephone contacts being emergency services only

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes

Continued work with services to reduce avoidable contact, digital by design and automated services.

Kirklees Council Budget Template for 2017/18

Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Dave Thompson
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Kirklees Council Budget Template for 2017/18

Directorate	Resources
Service Area	HD-One: Financial & HR Transactional Services
Headline Proposal	Further savings
Reference	NEW RE13

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(47)	(47)		
Cumulative Savings	(47)	(94)	(94)	(94)
Budget after Savings (Controllable Budget)	1,088	741	741	741
FTE Reduction	2	3		

Description of Savings Proposal (Including interdependencies and risk)
<p>HD- One was created as a centre of excellence to provide payroll, payment processing and organisational infrastructure required to support the efficient running of our core business system SAP.</p> <p>As part of the centralisation of support functions this was also an opportunity to streamline management arrangements, improve processes and realise significant savings. During 2016-17 the service redesign was completed to deliver £426k savings. This saving will arise through continuous improvement and further review of processes.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>The key areas of performance relate to payroll and payment of invoices. Cash flow is vitally important to local businesses and we will continue to aim to pay 95% of invoices within 30 days.</p>	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Lisa Melia
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Kirklees Council Budget Template for 2017/18

Directorate	Resources
Service Area	Legal Services
Headline Proposal	Further savings to be identified
Reference	NEW RE14

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(100)	(143)	(122)*	(121)*
Cumulative Savings	(100)	(243)	(365)	(486)
Budget after Savings (Controllable Budget)	1,577	1,434	1,312	1,191
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>2017/18</p> <p>The savings may be met by a combination of:</p> <ul style="list-style-type: none"> • Reducing the cost to the locum budget by filling a post to meet demand (Litigation), • not filling posts which are about to become or may become vacant during the year, • consideration with service areas about them managing cases and/or matters themselves with support and training from Legal Services • Monitoring the effect of changes in service areas and the impact on the demand for Legal work • We will also during 2017/18 consider in more detail as a Redesign Board exercise the likely demand for Legal Services in New Council and how expectations may be managed by stopping some work or reducing demand <p>2018/19</p> <p>There are no firm proposals for how this will be achieved. It will follow on from the exercise through Redesign Board referred to above and with service areas looking at likely demand and how those may be achieved.</p> <p>2019/20 and 2020/21*</p> <p>As above for 2018/19. The savings here are again dependent on service area demand and the likely need for Legal support across the Council. These are more difficult to foresee.</p> <p><u>Interdependencies and Risk</u></p> <p>See 2016/17/19 MTFP EX RE1 which sets out general interdependencies and risk for Legal Services savings which would continue to be the case for the additional savings above. The additional savings for 2017/18 set out above may be achievable but will depend on discussions with service areas about how support is managed. The impact of Ofsted and Commissioner work will be known and will be likely to impact on the support for Children's</p>

Services work which is a potential and significant risk area. There is the possibility we may need to fill new posts to support Childrens services during this period.

Further work is needed to consider the current budget for external income and the ability with less staff to achieve that. There is a significant risk that this won't be achieved.

2018/19

See above and earlier MTFP. These savings cannot be assured until there has been further discussion with service areas about demand moving forwards.

2019/20 and 2020/21*

See above.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes

See 16/19 MTFP EX RE1 which apply here.

In later years some of the issues raised in EX RE1 will be clearer. We will need to continue to measure the impact on services of the proposed mitigation actions set out in the earlier MTFP as well as some of the proposals to improve case management systems and better use of IT as well as working more effectively across West Yorkshire authorities (WYLAW).

Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Julie Muscroft Assistant Director (Legal Governance and Monitoring) and Deputy Heads in Legal
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Directorate	Resources
Service Area	Support for Council as Democratic Organisation
Headline Proposal	Further savings
Reference	NEW RE15

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(141)	(141)		
Cumulative savings	(141)	(282)	(282)	(282)
Budget after Savings (Controllable budget)	2,453	2,312	2,312	2,312
FTE Reduction	To be determined			

Description of Savings Proposal (Including interdependencies and risk)
<p>Following the completion of the work of the Kirklees Democracy Commission work will take place to remodel the support to councillors, governance and decision making in its totality. It is envisaged that this will deliver savings of £100k but ultimately will be driven by the outcome of the Kirklees Democracy Commission.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>As yet the specific impact is unclear as this will be dependent on the outcomes of the Commission's work.</p>	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation?	NO

Accountable Head of Service	Carl Whistlecraft, Head of Governance and Democratic Services
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COMMUNITIES, TRANSFORMATION & CHANGE DIRECTORATE

SERVICE ACTIVITY	16-17 CONTROLLABLE GROSS EXPENDITURE £000	16-17 CONTROLLABLE INCOME £000	16-17 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSES £000	17-18 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	18-19 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	19-20 BUDGET PROPOSAL £000	20-21 INDICATIVE BUDGET £000
Engagement & Cohesion													
Healthwatch	106	0	106	(48)		58	(32)		26			26	26
Engaging Communities & Building Community	852	0	852	(582)		270			270			270	270
Total	958	0	958	(630)	0	328	(32)	0	296	0	0	296	296
District Committees													
Activity budget - New Homes Bonus	926	0	926	(926)		0			0			0	0
Activity budget - Other	297	0	297	(147)		150			150			150	150
Staffing	356	(127)	229	(49)		180	(49)		131			131	131
Total	1,579	(127)	1,452	(1,122)	0	330	(49)	0	281	0	0	281	281
Sport & Physical Activity													
Leisure Management	81	(28)	53			53			53			53	53
Total	81	(28)	53	0	0	53	0	0	53	0	0	53	53
Professional Services													
Policy Unit	451	(21)	430		300	730	(100)		630			630	630
Organisational Change	844	(76)	768	(94)		674	(145)		529			529	529
Human Resources Professional Service	2,303	(798)	1,505			1,505			1,505			1,505	1,505
Communications & Marketing	1,590	(362)	1,228	(610)		618	(80)		538			538	538
Community Languages	633	(730)	(97)			(97)	(9)		(106)			(106)	(106)
Total	5,821	(1,987)	3,834	(704)	300	3,430	(334)	0	3,096	0	0	3,096	3,096
Transformation Team	0	0	0		34	34		232	266			266	266
Management & Regulatory Functions	415	0	415	(100)		315	(122)		193			193	193
TOTAL CTC	8,854	(2,142)	6,712	(2,556)	334	4,490	(537)	232	4,185	0	0	4,185	4,185

COMMUNITY, TRANSFORMATION & CHANGE DIRECTORATE - MINUSES

Service Activity	Proposed Change	Reference	£000				
			2017-18	2018-19	2019-20	2020-21	Total
EXISTING MTFP MINUSES							
Engaging Communities and Building Community Capacity	Review & reduce Service	EX CT1	(582)				(582)
Professional Services							
Communications and Marketing	Service efficiencies (see also NEW CT7)	EX CT3	(410)				(410)
Management & Regulatory Services	Service efficiencies (see also NEW CT9)	EX CT4	(100)				(100)
			(1,092)	0	0	0	(1,092)
NEW MINUSES							
Engagement & Cohesion							
Healthwatch	Healthwatch – savings	NEW CT1	(48)	(32)			(80)
District Committees	Removal of NHB which is equivalent of underspend in 2016/17 & previous trends (£926k proposal)	NEW CT2	(926)				(926)
	District Committees – Reduction in Activity budget	NEW CT3	(147)				(147)
	District Committees – Reduction in Staffing	NEW CT4	(49)	(49)			(98)
Professional Services							
Policy Unit	Review and reduce Service in line with new model for Policy & Intelligence	NEW CT5		(100)			(100)
Organisational Change	Efficiency savings	NEW CT6	(94)	(145)			(239)
Communications & Marketing	Service efficiencies (see also EX CT3)	NEW CT7	(200)	(80)			(280)
Community Languages	Efficiency savings/Further income	NEW CT8		(9)			(9)
Management & Regulatory Services	Service efficiencies (see also EX CT4)	NEW CT9		(122)			(122)
			(1,464)	(537)	0	0	(2,001)
TOTAL MINUSES FOR CTC DIRECTORATE			(2,556)	(537)	0	0	(3,093)

Please note reference EX CT2 has not been used

COMMUNITY, TRANSFORMATION & CHANGE DIRECTORATE - PLUSES

Service Activity	Proposed Change	Reference	£000				
			2017-18	2018-19	2019-20	2020-21	Total
NEW PLUSES							
Professional Services							
Policy Unit	Policy, Strategy and Commissioning (Place) funding transfer in line with new model for Policy & Intelligence		300				300
Transformation Team	Creation of mainstream budget for the Transformation Team (funding re-prioritised from other CTC functions).		34	232			266
TOTAL PLUSES FOR CTC DIRECTORATE			334	232	0	0	566

Kirklees Council Budget Template for 2017/18

Directorate	Community, Transformation & Change
Service Area	Engagement & Cohesion, Prevent, Engaging Communities and Building Community Capacity
Headline Proposal	Review and reduce Service
Reference	EX CT1

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(582)			
Cumulative Savings	(582)	(582)	(582)	(582)
Budget after Savings (Controllable Budget)	270	270	270	270
FTE Reduction	14	0	0	0

Description of Savings Proposal (Including interdependencies and risk)
<p>Engaging Communities and Building Community Capacity/Prevent functions will form part of the new EIP model. This function will become part of the Community Plus offer and will be funded through EIP Theme Add back.</p> <p>The transformation is interdependent with the Early Intervention Targeted Support (EITS) /Integrated Youth Support Service (IYSS) transformation.</p> <p>There are some Statutory Functions which need to be discharged.</p> <p>There is a risk expected savings will be delayed.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>Positive impact/contribution to Early Intervention and Prevention Outcomes as well as Joint Health and Wellbeing and Kirklees Economic Strategies.</p>	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	YES

Accountable Head of Service	Carol Gilchrist
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Kirklees Council Budget Template for 2017/18

Directorate	Community, Transformation & Change
Service Area	Professional Services, Communications and Marketing
Headline Proposal	Service Efficiencies
Reference	EX CT3 & NEW CT7

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(610)	(80)		
Cumulative Savings	(610)	(690)	(690)	(690)
Budget after Savings (Controllable Budget)	618	538	538	538
FTE Reduction	11	0	0	

Description of Savings Proposal (Including interdependencies and risk)				
<ul style="list-style-type: none"> - A service review is planned early 2017 to ensuring resources are aligned closely to the priorities of new council - Looking to work with other local authorities to share some comms resource. 				

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<ul style="list-style-type: none"> - Service review planned to focus team on council priorities – and the outcomes that need to be achieved. Potential solutions that use more templates and more digital activity. - Review to be completed quickly to mitigate risk of uncertainty causing staff leaving. - Acknowledgement by the organisation the priorities for the service will change and that the team will not necessarily complete activity previously undertaken. 	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	YES

Accountable Head of Service	Stuart Tarbuck
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Kirklees Council Budget Template for 2017/18

Directorate	Community, Transformation & Change
Service Area	Management and Regulatory Services
Headline Proposal	Service Efficiencies
Reference	EX CT4 & NEW CT9

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(100)	(122)	0	0
Cumulative Savings	(100)	(222)	(222)	(222)
Budget after Savings (Controllable Budget)	315	193	193	193
FTE Reduction	3	3		

Description of Savings Proposal (Including interdependencies and risk)
<p>All posts funded by this budget are dependent on other reviews:</p> <ul style="list-style-type: none"> • Community Transformation and Change Director – savings will be transferred to Council Management saving • 3xHoS (Safe & Cohesive Communities, Active and Creative Communities, Transformation) – subject to Economic Resilience/Early Intervention and Prevention Themes and decisions on Transformation Team budget • 7.3 Business Support – subject to decisions on Business Support review <p>Proposal to manage the £100K saving</p> <ul style="list-style-type: none"> • £80K from business support reductions • £20K taken from supplies and services budget. All budget lines reduce to zero other than those we need to retain for corporate recharge or costs relating to Heads of Service posts <p>Further £122k saving based on 1x Head of Service role c£66k (to be covered in wider management review) plus savings in Business Support (up to 2 fte) c£56k</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
The plan is for this budget line to cease from April 2017 when current Community Transformation and Change services are moved to the new structure.	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Julie Fothergill
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Kirklees Council Budget Template for 2017/18

Directorate	Community, Transformation & Change
Service Area	Engagement & Cohesion – Healthwatch
Headline Proposal	Healthwatch – savings
Reference	NEW CT1

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(48)	(32)	0	0
Cumulative Savings	(48)	(80)	(80)	(80)
Budget after Savings (Controllable Budget)	58	26	26	26
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
Contractual saving

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
No impact in 17/18 due to previous underspend this will then allow for planned reduction for future years which will help mitigate against contract not complying with outcomes already set out.	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Carol Gilchrist
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Kirklees Council Budget Template for 2017/18

Directorate	Community, Transformation & Change
Service Area	District Committees
Headline Proposal	Removal of NHB which is equivalent of underspend in 2016/17 & previous trends (£926k proposal)
Reference	NEW CT2

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(926)	0	0	0
Cumulative Savings	(926)	(926)	(926)	(926)
Budget after Savings (Controllable Budget)	0	0	0	0
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>It is proposed that the district committees' budgets are reduced by £926k.</p> <p>There are no staff posts attached to this budget reduction or any interdependencies.</p> <p>The political risks of reducing the budget have been identified and discussed with the relevant portfolio holders. Even with this reduction, district committees would retain a budget with which to conduct their work in line with current spending levels.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>No expected impact on service outcomes.</p> <p>No service review required to implement these changes.</p>	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Carol Gilchrist
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Kirklees Council Budget Template for 2017/18

Directorate	Community, Transformation & Change
Service Area	District Committees
Headline Proposal	District Committees – Reduction in Activity budget
Reference	NEW CT3

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(147)	0	0	0
Cumulative Savings	(147)	(147)	(147)	(147)
Budget after Savings (Controllable Budget)	150	150	150	150
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
Reduction in Activity budget to £150k. Note – additional utilisation of £80k to be drawn down from rollover reserve (this leaves £10k per ward).

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
Impact will be across the council as opposed to service specific as the activity budget for District Committees is mainly used to fund community activity (People doing more for themselves and each other) and other priorities identified at a ward level by elected members. The impact of the saving will be a reduction in the amount of community activity that will happen at a neighbourhood level.	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Carol Gilchrist
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Kirklees Council Budget Template for 2017/18

Directorate	Community, Transformation & Change
Service Area	District Committees
Headline Proposal	District Committees – Reduction in Staffing
Reference	NEW CT4

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(49)	(49)	0	0
Cumulative Savings	(49)	(98)	(98)	(98)
Budget after Savings (Controllable Budget)	180	131	131	131
FTE Reduction	1	1		

Description of Savings Proposal (Including interdependencies and risk)
Reduction in staffing budget

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
Year one will be vacancy management and therefore no impact. Year two savings will mean a re-profiling of the operational workload in order to maintain effective service delivery.	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Carol Gilchrist
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Kirklees Council Budget Template for 2017/18

Directorate	Community, Transformation & Change
Service Area	Policy Intelligence and Performance
Headline Proposal	Review and reduce Service in line with new model for Policy & Intelligence
Reference	NEW CT5

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings		(100)	0	0
Cumulative Savings		(100)	(100)	(100)
Budget after Savings (Controllable Budget)		630	630	630
FTE Reduction		2		

Description of Savings Proposal (Including interdependencies and risk)
<p>A new model for Policy, Intelligence & Performance will be shaped over the next financial year. This will utilise funding from the Policy Unit base budget alongside with addback from the Economic Resilience budget. It is proposed that the new model can be shaped with a potential £100k saving in 2018-19. The shape and composition of this model will be available over the coming 12 months.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>Impacts will be considered and factored in when the model is being shaped, with mitigating actions proposed if/where applicable.</p>	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Rachel Spencer-Henshall
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Kirklees Council Budget Template for 2017/18

Directorate	Community, Transformation & Change
Service Area	Organisational Change
Headline Proposal	Efficiency savings
Reference	NEW CT6

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(94)	(145)	0	0
Cumulative Savings	(94)	(239)	(239)	(239)
Budget after Savings (Controllable Budget)	674	529	529	529
FTE Reduction	2	3		

Description of Savings Proposal (Including interdependencies and risk)
<p>Year one – staffing reduction in 2 Gr14/15 posts (one full year, one from June).</p> <p>Year two – release of existing vacancies (80k) plus remainder of one of the posts (remaining 2 months). Further savings to be achieved by redesigning development activities available from the corporate Learning and Organisational Development team.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>There will be reduced capacity and resource available from this budget for learning and organisational development. We will mitigate the impact by redesigning the service and our offer. We will increase self-service development and draw on expertise and other budgets across the council to sustain the development needed for New Council.</p>	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Julie Fothergill
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Kirklees Council Budget Template for 2017/18

Directorate	Community, Transformation & Change
Service Area	Community Languages
Headline Proposal	Efficiency savings/Further income
Reference	NEW CT8

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	0	(9)	0	0
Cumulative Savings	0	(9)	(9)	(9)
Budget after Savings (Controllable Budget)	(97)	(106)	(106)	(106)
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
The service will be reviewed – to look at the current model and other models for providing the service. This will take into account how additional savings could be made – or income increased.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
Any potential new model for providing interpretation services will not impact on outcomes for local people. Though delivery within the organisation might change.	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Stuart Tarbuck
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ECONOMIC RESILIENCE

SERVICE ACTIVITY	16-17 CONTROLLABLE GROSS EXPENDITURE £000	16-17 CONTROLLABLE INCOME £000	16-17 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSES £000	17-18 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	18-19 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	19-20 BUDGET PROPOSAL £000	20-21 INDICATIVE BUDGET £000
Quality of Life													
Uniformed Services	645	(219)	426			426			426			426	426
Safer Kirklees	699	(522)	177			177			177			177	177
CCTV	6	0	6			6			6			6	6
School Crossing Patrols	1	0	1			1			1			1	1
Voluntary Sector Support	256	0	256	(248)		8			8			8	8
Events and Concerts	0	0	0			0			0			0	0
Lawrence Batley Theatre	238	0	238	(34)		204			204			204	204
Museums & Galleries	1,411	(285)	1,126	(531)	40	635			635			635	635
Sport & Physical Activity	1,250	(840)	410	(129)		281			281			281	281
Grant to Kirklees Active Leisure	1,984	0	1,984	(750)		1,234	(200)		1,034	(100)		934	934
Total	6,490	(1,866)	4,624	(1,692)	40	2,972	(200)	0	2,772	(100)	0	2,672	2,672
People, Business & Skills													
Adult Learning	323	0	323			323			323			323	323
Connexions	1,720	0	1,720			1,720			1,720			1,720	1,720
Advice Kirklees	1,398	(58)	1,340	(100)		1,240	(100)		1,140			1,140	1,140
Creative Economy Support	413	0	413	(280)	250	383			383			383	383
Strategic Regeneration - Business & Skills	561	(27)	534	(532)	2,064	2,066			2,066			2,066	2,066
Total	4,415	(85)	4,330	(912)	2,314	5,732	(100)	0	5,632	0	0	5,632	5,632
Place													
Strategic Regeneration	1,028	(651)	377	(357)	760	780			780			780	780
Economic Resilience Add Back	4,123	0	4,123	(575)	(2,514)	1,034			1,034			1,034	1,034
TOTAL ECONOMIC RESILIENCE	16,056	(2,602)	13,454	(3,536)	600	10,518	(300)	0	10,218	(100)	0	10,118	10,118

ECONOMIC RESILIENCE - MINUSES

Service Activity	Proposed Change	Reference	£000				
			2017-18	2018-19	2019-20	2020-21	Total
EXISTING MTFP MINUSES							
Quality of Life							
Voluntary Sector Support	Review	EX ER1	(248)				(248)
Lawrence Batley Theatre	Review & reduce grant to the theatre	EX ER2	(34)				(34)
Museums and Galleries	Review	EX ER3	(531)				(531)
Sport and Physical Activity Team	Review & reduce Service	EX ER4	(129)				(129)
Grant to Kirklees Active Leisure	Review & reduce grant	EX ER5	(750)				(750)
People, Business & Skills							
Creative Economy Support	Review & reduce Service	EX ER6	(280)				(280)
Strategic Regeneration - Business & Skills	Review & reduce Service	EX ER7	(532)				(532)
Place							
Strategic Regeneration	Review & reduce Service	EX ER7	(357)				(357)
			(2,861)	0	0	0	(2,861)
NEW MINUSES							
Quality of Life							
Grant to Kirklees Active Leisure	Continuation of existing approach and reducing reduction of financial support to KAL	NEW ER1		(200)	(100)		(300)
People, Business & Skills							
Advice Kirklees	Subject to further service review and digital automation	NEW ER2	(100)	(100)			(200)
Economic Resilience Add Back	Further challenge to reduce overall costs	NEW ER3	(575)				(575)
			(675)	(300)	(100)	0	(1,075)
TOTAL MINUSES FOR ECONOMIC RESILIENCE			(3,536)	(300)	(100)	0	(3,936)

ECONOMIC RESILIENCE - PLUSES

Service Activity	Proposed Change	Impact Overview Reference	£000				
			2017-18	2018-19	2019-20	2020-21	Total
NEW PLUSES							
Economic Resilience	Add Back		600				600
TOTAL PLUSES FOR ECONOMIC RESILIENCE DIRECTORATE			600	0	0	0	600

Kirklees Council Budget Template for 2017/18

Directorate	Economic Resilience
Service Area	Creative Economy & Voluntary Sector Support, Voluntary Sector Support (VCS Link Team)
Headline Proposal	Review
Reference	EX ER1

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(248)	0	0	0
Cumulative Savings	(248)	(248)	(248)	(248)
Budget after Savings (Controllable Budget)	8	8	8	8
FTE Reduction	4 (2 for up to 6 months)	0	0	0

Description of Savings Proposal (Including interdependencies and risk)
<p>The VCS Link Team budget including contracts budget reduces to zero in 17/18. The savings proposal is to move from 4 staff to 2 (ER focussed) and to externally commission for third sector support.</p> <p>*Working with the Third Sector will form part of both the new EIP Model – working across Communities Plus and Targeted and the new ER Model – working across Place, Community and Quality of Life and Business and Skills workstreams.</p> <p>We anticipate jointly commissioning this work from both EIP add back (sum yet to be determined) plus an estimated £234k of Economic Resilience Add Back.</p> <p>(*subject to outcome of public consultation and formal approval from the Political Governance routes)</p> <p>A draft timeline to jointly commission this work is currently in place.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>Joint Commissioning will produce single focussed approach to working with the Third Sector; organisation wide improvement in strategic grant giving, positive impact on EIP/ ER outcomes. Improved Corporate Social Responsibility and unlocking business capacity to work with third sector.</p>	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	YES

Accountable Head of Service	Rachael Loftus
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Kirklees Council Budget Template for 2017/18

Directorate	Economic Resilience
Service Area	Creative Economy & Voluntary Sector Support, Lawrence Batley Theatre
Headline Proposal	Review and reduce grant to the theatre
Reference	EX ER2

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(34)	0	0	0
Cumulative Savings	(34)	(34)	(34)	(34)
Budget after Savings (Controllable Budget)	204	204	204	204
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
A reduction to the level of investment the council makes in the Lawrence Batley Theatre (LBT) managed by Kirklees Theatre Trust (KTT). This investment enables LBT to deliver its performance and education and outreach programmes and to support creative and community groups and individuals who use its facilities. KTT is adjusting its business plan to achieve the savings and seeking to increase its income and attract more funding and sponsorship to cover the shortfall.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>The reduced funding may affect KTT's capacity to contribute to the outcomes in the cultural vision:</p> <ul style="list-style-type: none"> • More people engaging with the arts • A strong sense of place established through our creative assets • A strong creative economy. <p>These have been developed to contribute to the Kirklees Economic Strategy (KES) and the Health and Well-being Strategy. LBT is a key element in creating a strong cultural offer to kickstart the transformation of Huddersfield town centre, a key priority in the KES.</p>	
Does this proposal require an Equality Impact Assessment?	YES – this was covered in the EIA produced for the reductions to the Creative Economy budget
Will this proposal require a Specific Service Consultation	YES – discussions have been held with the KTT board and Chief Executive of LBT

Accountable Head of Service	Adele Poppleton
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Directorate	Economic Resilience
Service Area	Museums and Galleries
Headline Proposal	Review
Reference	EX ER3

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(531)	0	0	0
Cumulative Savings	(531)	(531)	(531)	(531)
Budget after Savings (Controllable Budget)	595 plus earned income	595 plus earned income	595 plus earned income	595 plus earned income
FTE Reduction	10			

Description of Savings Proposal (Including interdependencies and risk)
<p>These savings were approved by Cabinet on 3rd October 2016:</p> <ul style="list-style-type: none"> • Closure of Dewsbury Museum to the public in November 2016 with withdrawal of the Museum service from the building by Christmas 2016. • Closure of Red House Museum to the public in December 2016 with withdrawal of the Museum service from the building by March 2017. • 44% reduction in opening hours at all remaining sites • Service redesign including reduction in staffing levels of 9.97 ftes • Increased income target with income targets set for most staff – exhibitions and events will be financed through funding, sponsorship and donations; all group visits including school visits will be costed at a level to recoup all costs such as staffing; decreased public opening provides the opportunity for increased income from private visits, filming and social functions <p>Tolson Museum and Huddersfield Art Gallery will only remain open until a new museum and art gallery is under construction in Huddersfield town centre. The budget for the operating costs for these two venues will then transfer to the new venue. Add back of £40K from Economic Resilience enables the service to continue operating Huddersfield Art Gallery until the service withdraws.</p> <p>Risks:</p> <ul style="list-style-type: none"> • Income targets are not achieved – the proposed staffing structure is the minimum required to continue operating and developing three sites in order to generate more income and therefore ensure resilience if there are future budget cuts. If targets are not achieved, further staff cuts will have to be implemented and at least one more site closed • Alternative uses for the sites from which the service is withdrawing are not secured leading to long term security costs for the council and maintenance as the buildings are listed and therefore the council has a legal duty to protect them and ensure they do not decline

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes

The proposed service redesign should achieve the vision for the service as outlined in Culture Kirklees, the vision approved by Cabinet on 3rd October 2016. This vision includes four outcomes:

- More people engaging with heritage, our collections & art in Kirklees
- A strong sense of place established through our collections
- Improved health & well-being through engagement with cultural activities
- More transferable & creative skills developed through an enhanced learning offer.

These have been developed to be in line with the Kirklees Economic Strategy and the Health and Well-being Strategy.

Does this proposal require an Equality Impact Assessment?	YES
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Will this proposal require a Specific Service Consultation	YES
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Accountable Head of Service	Adele Poppleton
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Kirklees Council Budget Template for 2017/18

Directorate	Economic Resilience
Service Area	Sport and Physical Activity, Sport and Physical Activity Team
Headline Proposal	Review and reduce service
Reference	EX ER4

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(129)	0	0	0
Cumulative Savings	(129)	(129)	(129)	(129)
Budget after Savings (Controllable Budget)	281 plus Public Health commissions	281	281	281
FTE Reduction	(5)			

Description of Savings Proposal (Including interdependencies and risk)

The savings have already been made as they were combined with the savings for 2016/17 to avoid two reviews. The Sports and Physical Activity Team has been reviewed, reduced and implementation began on 1st October 2016. Different approaches are being explored such as staff being based in the area they cover and providing them with mobile IT. The Sport in the Neighbourhood Grants cease in 2017/18.

If Public Health and other commissioners reduce the funding for any of the programmes they commission from SPAD, the team will have to go through review again as many of the posts are externally funded.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes

The impact on service outcomes is that there is less capacity to be able to meet them and so they will not be achieved at the rate they were previously. The priority is to meet the outcomes and targets set by Public Health in order to honour the funding they provide and so other outcomes such as support to VCS sports clubs may not be achieved as quickly as planned.

Does this proposal require an Equality Impact Assessment?	YES – already completed
Will this proposal require a Specific Service Consultation	YES – already undertaken

Accountable Head of Service	Adele Poppleton
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Kirklees Council Budget Template for 2017/18

Directorate	Economic Resilience
Service Area	Sport and Physical Activity, Grant to Kirklees Active Leisure
Headline Proposal	Review and reduce grant
Reference	EX ER5

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(750)			
Cumulative Savings	(750)	(750)	(750)	(750)
Budget after Savings (Controllable Budget)	1,234	1,234	1,234	1,234
FTE Reduction	N/A	N/A	N/A	N/A

Description of Savings Proposal (Including interdependencies and risk)
<p>KAL has adjusted its business plan to take into account the reduced funding. This includes increasing its earned income to cover the shortfall in funding.</p> <p>KAL is also reviewing all SLAs with the council in order to make efficiency savings, ensure best value for money and that its organisational needs and those of its customers are met. If it takes its business elsewhere, this could impact on council services such as IT and Payroll.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>If KAL has to increase charges to replace the reduced funding, this will impact on health and well-being outcomes as people who are economically disadvantaged may not be able to afford to use the centres. These people tend to be priorities for physical health interventions as there is a correlation between economic status and health. The Sport and Physical Activity team will continue to work with priority communities to encourage low cost forms of activity. KAL's mitigating actions include continuing to pursue new sources of income, from projects both within Kirklees and outside of the borough, as well as continuing with their drive for further expenditure efficiencies.</p>	
Does this proposal require an Equality Impact Assessment?	YES – already completed
Will this proposal require a Specific Service Consultation	YES - KAL's Chief Executive has been consulted and he has informed his trustees
Accountable Head of Service	Adele Poppleton

Kirklees Council Budget Template for 2017/18

Directorate	Economic Resilience
Service Area	Creative Economy & Voluntary Sector Support, Creative Economy Support
Headline Proposal	Review and reduce service
Reference	EX ER6

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(280)	0	0	0
Cumulative Savings	(280)	(280)	(280)	(280)
Budget after Savings (Controllable Budget)	133	133	133	133
FTE Reduction	Unable to state as dependent on Economic Resilience add back which is to be reviewed again to make £300K savings. Likely to be minimum of 2 fte and maximum of 4 fte			

Description of Savings Proposal (Including interdependencies and risk)
<p>The £280K saving comprises:</p> <ul style="list-style-type: none"> • Cessation of Creative Partners Investment Programme • Cessation of Arts in the Neighbourhood Grants • Reduction of 1.65 fte posts (1fte grade 11 post and 0.65 grade 8 post) • Deletion of Special Projects budget. <p>The Creative Economy service has been redesigned so that it is better able to deliver economic resilience priorities.</p> <p>The concert programme budget was deleted in 2016/17 but funding from Economic Resilience is funding a remodelling of the programme so that it is sustainable without council funding in the long term. The risk is that increased ticket sales, sponsorship, donations and funding are not secured so the concert programme over spends and has to be ceased in 2018/19.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>The proposed service redesign should achieve the vision for the service as outlined in Culture Kirklees, the vision approved by Cabinet on 3rd October 2016. This vision includes three outcomes:</p> <ul style="list-style-type: none"> • More people engaging with the arts • A strong sense of place established through our creative assets • A strong creative economy. <p>These have been developed to be in line with the Kirklees Economic Strategy and the Health and Well-being Strategy. Any further reductions in budget will affect the ability of the service to achieve outcomes. There would have to be a rethink about the service to be</p>

Kirklees Council Budget Template for 2017/18

provided and the outcomes to be achieved.	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	YES

Accountable Head of Service	Adele Poppleton
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Kirklees Council Budget Template for 2017/18

Directorate	Economic Resilience
Service Area	Investment & Regeneration Service, Strategic Regeneration
Headline Proposal	Review and reduce service
Reference	EX ER7

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(889)			
Cumulative Savings	(889)	(889)	(889)	(889)
Budget after Savings (Controllable Budget)	-	-	-	-
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>Strategic Regeneration – All budget across a number of service areas Review and reduce capacity to undertake regeneration, economic, housing, transportation, carbon/energy reduction and green infrastructure development. Total budget £1,779,000. Reduction in 16/17 £890,000 reduction in 17/18 £889,000</p> <p>Replaced by Economic Resilience New Model</p> <p>2016/17 savings are still to be realised; the service changes are in the process of being made. Risk that 2017/18 savings may take longer to achieve, but the service activity will be maintained throughout the implementation of service redesign changes.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>Cabinet approval obtained regarding the approach and priorities identified in relation to the overall delivery of Economic Resilience.</p> <p>The Strategic Regeneration and Investment Service will face changes as it goes in to due process but the service delivery will be maintained throughout – awaiting confirmation from HR on the appropriate strategy for implementing this service change.</p>	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	YES

Accountable Head of Service	Adele Buckley
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Kirklees Council Budget Template for 2017/18

Directorate	Economic Resilience
Service Area	Kirklees Active Leisure (KAL)
Headline Proposal	Continuation of existing approach and reducing reduction of financial support to KAL
Reference	NEW ER1

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	0	(200)	(100)	0
Cumulative Savings	0	(200)	(300)	(300)
Budget after Savings (Controllable Budget)		1,034	934	934
FTE Reduction	N/A			

Description of Savings Proposal (Including interdependencies and risk)
<p>KAL will adjust its business plan to take into account the reduced funding. This includes trying to further increase its earned income to cover the shortfall in funding.</p> <p>The achievement of these further savings will be dependent on whether KAL can manage the considerable savings required for 2017/18 of £750K, market competition and the wider economic situation, in terms of disposable income levels, across Kirklees.</p> <p>If KAL is unable to manage the savings, it will have to cover the loss from its reserves for 2018/19 and explore other ways to increase income/reduce expenditure or, in consultation with the council, redesign its business model.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>If KAL has to increase charges to replace the reduced funding, this will impact on the council's outcomes as people who are economically disadvantaged may not be able to afford to use the centres. These people tend to be priorities for physical health interventions as there is a correlation between economic status and health. The Sport and Physical Activity team will continue to work with priority communities to encourage low cost forms of activity. KAL's mitigating actions include continuing to pursue new sources of income, from projects both within Kirklees and outside of the borough, as well as continuing with their drive for further expenditure efficiencies.</p>	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	YES - KAL's Chief Executive has been consulted and he has informed his trustees

Accountable Head of Service	Adele Poppleton
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Kirklees Council Budget Template for 2017/18

Directorate	Economic Resilience
Service Area	Welfare and Exchequer, Advice Kirklees
Headline Proposal	Subject to further service review and digital automation
Reference	NEW ER2

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(100)	(100)		
Cumulative Savings	(100)	(200)	(200)	(200)
Budget after Savings (Controllable Budget)	1,240	1,140	1,140	1,140
FTE Reduction	0.2			

Description of Savings Proposal (Including interdependencies and risk)
Further review of Advice Kirklees, additional automation of processes and consolidation of "Advice Kirklees" contract, to include all advice and "BetterOff" Kirklees web platform. (Single claim form, welfare advice and benefits advice, debt advice, benefits calls (Impact on Kirklees Direct), KNH advice, Employment advice, Credit Union, Kirklees Citizen Advice & Law Centre and Fusion Housing. Would affect Advice Contract, Kirklees Neighbourhood Housing and Kirklees Direct

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
See Above	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Steven Bird
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Kirklees Council Budget Template for 2017/18

Directorate	Economic Resilience
Service Area	ER addback
Headline Proposal	Further challenge to reduce overall costs
Reference	NEW ER3

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(575)			
Cumulative Savings	(575)	(575)	(575)	(575)
Budget after Savings (Controllable Budget)				
Current FTE				

Description of Savings Proposal (Including interdependencies and risk)

Economic Resilience Addback – resource to deliver the broad approach to the Economic Resilience outcomes in relation to education, skills and employment; the infrastructure and investment framework to support economic growth and town centre vibrancy, the business offer.

Total budget allocation: up to £4.6m

ER Add back reduction 2017/18: £375,000

A further £200k saving will be achieved due to successful bids through the European Funding Programme which will provide a 50% match fund. This will allow costs i.e. staff and commissioning activity around education, skills and employment to be delivered over the next 2 years in line with economic resilience objectives.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes

All the proposals from these leads have been challenged as part of ongoing process through the Economic Resilience Board. The savings identified above are therefore a “reduced” budget ask as a consequence of the challenge and ability to deliver against the outcomes for less.

Does this proposal require an Equality Impact Assessment? NO

Will this proposal require a Specific Service Consultation NO

Accountable Head of Service Kim Brear

CENTRAL BUDGETS

SERVICE ACTIVITY	16-17 CONTROLLABLE GROSS EXPENDITURE £000	16-17 CONTROLLABLE INCOME £000	16-17 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSES £000	17-18 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	18-19 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	19-20 BUDGET PROPOSAL £000	20-21 INDICATIVE BUDGET £000
Treasury Management	32,465	0	32,465	(11,463)	985	21,987	(2,093)	1,748	21,642	(1,884)	1,166	20,924	21,084
General Contingencies	11,046	(10,977)	69	(3,606)	4,257	720	(1,968)	500	(748)	(1,251)		(1,999)	(1,999)
Inflation	(2,292)	0	(2,292)	(2,000)	4,931	639	(3,400)	5,133	2,372	(1,800)	3,552	4,124	5,934
Central Pension & Related Costs	5,864	(965)	4,899			4,899			4,899			4,899	4,899
Joint Committees	20,611	0	20,611	(594)	391	20,408	(873)	500	20,035	(500)	500	20,035	20,218
Council-wide senior management review	418	0	418	(367)		51			51			51	51
TOTAL CENTRAL BUDGETS	68,112	(11,942)	56,170	(18,030)	10,564	48,704	(8,334)	7,881	48,251	(5,435)	5,218	48,034	50,187

CENTRAL BUDGETS - MINUSES

Service Activity	Proposed Change	Reference					
			2017-18	2018-19	2019-20	2020-21	Total
<u>EXISTING MTFP MINUSES</u>							
General Contingencies	Reduction in general contingencies budgets required	EX CE1	(570)	(73)	(392)		(1,035)
Council-Wide Senior Management Review - cross cutting	Savings from senior management review		(367)				(367)
			(937)	(73)	(392)	0	(1,402)
<u>NEW MINUSES</u>							
Inflation	Savings from 0% Price Inflation versus 2% agreed in previous budget round	NEW CE1	(2,000)	(3,400)	(1,800)	(3,600)	(10,800)
Treasury Management	Base budget review	NEW CE2	(3,856)	(1,937)	(1,740)	(560)	(8,093)
Treasury Management	Baseline Capital Review	NEW CE3	(23)	(156)	(144)	(158)	(481)
Joint Committees	Transport Levy Contribution Review – Combined Authority	NEW CE4	(594)	(873)	(500)		(1,967)
Treasury Management	Minimum Revenue Provision Policy review (MRP)	NEW CE5	(7,584)			(238)	(7,822)
General Contingencies - cross cutting	Reduction in travel	NEW CE6	(100)				(100)
General Contingencies - cross cutting	Business support reductions	NEW CE7	(700)	(600)			(1,300)
General Contingencies - cross cutting	Reduction in sickness absence	NEW CE8	(1,250)	(1,295)	(859)		(3,404)
General Contingencies	Retention of ex Education Services Grant funding through Dedicated Schools Grant	NEW CE9	(986)				(986)
			(17,093)	(8,261)	(5,043)	(4,556)	(34,953)
TOTAL MINUSES FOR CENTRAL BUDGETS			(18,030)	(8,334)	(5,435)	(4,556)	(36,355)

CENTRAL BUDGETS - PLUSES

Service Activity	Proposed Change	Reference					
			2017-18	2018-19	2019-20	2020-21	Total
EXISTING MTFP PRESSURES							
General Contingencies	Increase in general contingencies budgets required	EX CE1				58	58
General Contingencies	Technical adjustment relating to early repayment to West Yorkshire Pension Fund in 13-14		1,357				1,357
General Contingencies	Assumed 1% Superannuation Increase in 2017-18		1,600				1,600
General Contingencies	Apprenticeship levy		800				800
Treasury Management	Borrowing costs required to support capital expenditure		985	1,300	400		2,685
Inflation	Future years inflation requirement		4,771	4,973	3,392	5,250	18,386
Joint Committees	Increased costs of Integrated Transport Authority levy		391	500	500		1,391
			9,904	6,773	4,292	5,308	26,277
NEW PRESSURES							
Treasury Management	Base budget review	NEW CE2		147	757	1,036	1,940
Treasury Management	Reduction in interest rates by 0.25%	NEW CE2				80	80
Treasury Management	Minimum Revenue Provision Policy review (MRP)	NEW CE5		301	9		310
Inflation	Car Parks and Markets income set at 0% (versus 2% as agreed in previous budget round)		160	160	160	160	640
Joint Committees	Increased costs of Integrated Transport Authority levy	NEW CE4				183	183
General Contingencies	Mobile & agile working		500	500			1,000
			660	1,108	926	1,459	4,153
TOTAL PLUSES FOR CENTRAL BUDGETS			10,564	7,881	5,218	6,767	30,430

Kirklees Council Budget Template for 2017/18

Directorate	Central Budgets
Service Area	General Contingencies
Headline Proposal	Reduction in general contingencies budgets required
Reference	EX CE1

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(570)	(73)	(392)	58
Cumulative Savings	(570)	(643)	(1035)	(977)
Budget after Savings (Controllable Budget)	3,483	3,410	3,018	3,076
FTE Reduction	-	-	-	-

Description of Savings Proposal (Including interdependencies and risk)
Review of general contingencies budget requirement over years.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
None	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Debbie Hogg
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Kirklees Council Budget Template for 2017/18

Directorate	Central Budgets
Service Area	General Contingencies
Headline Proposal	Reduction in price inflation provision requirement
Reference	NEW CE1

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(2,000)	(3,400)	(1,800)	(3,600)
Cumulative Savings	(2,000)	(5,400)	(7,200)	(10,800)
Budget after Savings (Controllable Budget)	1,877	3,610	5,362	7,114
FTE Reduction	-	-	-	-

Description of Savings Proposal (Including interdependencies and risk)
<p>Proposal to limit price inflation to exceptions only; demand led Adults and Children’s activity (but limited to 1% per annum over the next 4 years), waste contract (2%) and energy (7%).</p> <p>All service areas expected to manage price inflation within cash limits over the next 4 years.</p> <p>While the impact of the savings is reflected within central budgets as a reduced inflation provision requirement across years, the proposal effectively equates to a Council wide ‘efficiency target’, equivalent to 0.6% in 2017-18 against a current net controllable budget of £310m, and further annual efficiency targets of 1% in 2018-19, 0.6% in 2019-20 and 1.1% in 2020-21. This will release cumulative savings of £10.8m by 2020-21.</p> <p>The above proposal will be supported by a current review of purchase cards, spend review, systems review and procurement processes – all of the activities are linked to the New Council objectives and fundamentally support the organisation in getting a ‘financial grip’.</p> <p>Currently, Consumer Price Index (CPI) is 1%. Any significant inflationary pressures over the medium term, as per the above proposals, would also need to be effectively ‘absorbed’ by services.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Service Director	Debbie Hogg
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Kirklees Council Budget Template for 2017/18

Directorate	Central Budgets
Service Area	Treasury Management
Headline Proposal	Base Budget Review
Reference	NEW CE2

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings (original-MTFP update report)	(3,040)	(523)	489	1,116
Incremental Savings (further review)	(816)	(1,267)	(1,472)	(560)
Cumulative Savings	(3,856)	(5,646)	(6,629)	(6,073)
Budget after Savings (Controllable Budget)	21,987	21,642	20,924	21,084
FTE Reduction	-	-	-	-

Description of Savings Proposal (Including interdependencies and risk)
<p>Treasury management budget covers the cost of repaying both historic debt, and new borrowing, including interest payments; net of any income earned on balances.</p> <p>The cumulative savings proposals here reflect :</p> <ul style="list-style-type: none"> i) a downward revision of future interest rate projections from 0.5% to 0.25% compared to previous budget plan assumptions, and reflects the current Bank of England base rate; ii) the impact of a reduced amount of capital rollover from 2015-16 into 2016-17 has resulted in a re-profile of treasury management budget requirements (borrowing requirement) into later years; and iii) review of assumptions on short versus longer term-term borrowing opportunities over the medium term, in light of continuing low interest rates; extended opportunity to take advantage of short-term borrowing opportunities compared to previous budgeted assumptions.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
None	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Service Director	Debbie Hogg
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Kirklees Council Budget Template for 2017/18

Directorate	Central Budgets
Service Area	Treasury Management
Headline Proposal	Baseline Capital Review
Reference	NEW CE3

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(23)	(156)	(144)	(158)
Cumulative Savings	(23)	(179)	(323)	(481)
Budget after Savings (Controllable Budget)	22,003	21,499	20,803	21,013
FTE Reduction	-	-	-	-

Description of Savings Proposal (Including interdependencies and risk)
Capital plan proposals for 2017-22 period reflects a review of current approved baseline capital allocations supported by new borrowing across a range of capital programme areas. This has resulted in a reduced requirement for new borrowing, realising treasury management savings totalling £481k by 2020/21.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Service Director	Debbie Hogg
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Kirklees Council Budget Template for 2017/18

Directorate	Central Budgets
Service Area	Joint Committees
Headline Proposal	Transport Levy Contribution Review – Combined Authority
Reference	NEW CE4

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(970)	(318)	(316)	187
Incremental Savings (further review)	376	(555)	(184)	(4)
Cumulative Savings	(594)	(1,467)	(1,967)	(1,784)
Budget after Savings (Controllable Budget)	18,619	18,248	18,248	18,431
FTE Reduction	N/A	N/A	N/A	N/A

Description of Savings Proposal (Including interdependencies and risk)

Kirklees, along with the other West Yorkshire Councils, makes an annual transport levy contribution to the West Yorkshire Combined Authority. Each Council's share is pro-rata to its population size. Previous MTFP assumptions included annual levy uplifts to 2018-19, to support regional transport infrastructure; new investment.

Updated budget plans now reflect a 1% 'base budget' reduction in the annual transport levy contribution to the Combined Authority in 2017-18, across all West Yorkshire Councils, followed by a further 2% reduction in 2018-19. 2019-20 assumes a levy freeze, with an annual 1% levy uplift thereafter, acknowledging that these are indicative assumptions subject to annual review.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes

While it is expected that the combined authority will seek to contain a 3% levy reduction by 2018-19 as far as possible through efficiencies, it may impact on the extent to which it can continue to support future investment in regional transport infrastructure projects, to the extent assumed in previous budget assumptions.

Does this proposal require an Equality Impact Assessment? NO

Will this proposal require a Specific Service Consultation NO

Accountable Service Director Debbie Hogg

Kirklees Council Budget Template for 2017/18

Directorate	Central Budgets
Service Area	Treasury Management
Headline Proposal	Minimum Revenue Provision Policy review (MRP)
Reference	NEW CE5

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(7,584)	301	9	(238)
Cumulative Savings	(7,584)	(7,283)	(7,274)	(7,512)
Budget after Savings (Controllable Budget)	21,987	21,642	20,924	21,084
FTE Reduction	-	-	-	-

Description of Savings Proposal (Including interdependencies and risk)
<p>This further treasury management saving proposal reflects a review of the amount of revenue resources the Council sets aside each year as a provision to service current and future general fund capital borrowing costs; also referred to as the minimum revenue provision or MRP.</p> <p>The review has been undertaken with regard to existing Government capital financing regulations, and has resulted in a proposed revised profile of resource provision over future years that is a more appropriate and prudent match to the lives of capital assets funded by borrowing.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
None	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Service Director	Debbie Hogg
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Kirklees Council Budget Template for 2017/18

Directorate	All
Service Area	All
Headline Proposal	Reduction in travel
Reference	NEW CE6

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(100)			
Cumulative Savings	(100)	(100)	(100)	(100)
Budget after Savings (Controllable Budget)				
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
Council wide travel savings identified through the continued rollout of technology that enables a more digital workforce that can work more flexibly from any location with full functionality, reducing the need to travel between locations/essential travel .

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
None	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	All service areas
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Kirklees Council Budget Template for 2017/18

Directorate	All
Service Area	All
Headline Proposal	Business Support Reductions
Reference	NEW CE7

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(700)	(600)		
Cumulative Savings	(700)	(1,300)	(1,300)	(1,300)
Budget after Savings (Controllable Budget)	9,856	9,256	9,256	9,256
FTE Reduction	TBC	TBC	TBC	TBC

Description of Savings Proposal (Including interdependencies and risk)
<p>The implementation of 'New Council' ways of working (especially Digital by Design and Mobile and Agile ways of working) are expected to reduce the Council's requirement for business support. These new technologies will be implemented over two years from 2017/18, meaning that reductions have been staggered.</p> <p>There is also a need for the organisation to 'cut its cloth' and manage business support reductions within teams, even before new technologies such as digital by default are available. These figures are an average, with some council functions seeing greater reductions than others.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>Mitigating the impact of business support reductions is dependent on developing new, more efficient working practices. There could be some impact in service areas where this does not take place and numbers of business support staff are reduced, but the workload remains the same.</p>	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Michelle Nuttall
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Kirklees Council Budget Template for 2017/18

Directorate	All
Service Area	All
Headline Proposal	Reduction in sickness absence
Reference	NEW CE8

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(1,250)	(1,295)	(859)	0
Cumulative Savings	(1,250)	(2,545)	(3,404)	(3,404)
Budget after Savings (Controllable Budget)				
FTE Reduction	-	-	-	-

Description of Savings Proposal (Including interdependencies and risk)					
<p>Proposal to reduce the current level of staff sickness to an average of 10 days per FTE in 2017-18 then 8 days in 2018-19 and 6 days in 2019-20. Differential targets have been applied to each service to take into account the current level of sickness and to recognise that some frontline services will need to provide cover for sickness.</p> <p>This assumes that all of the cost of sickness can be saved, not just the cost of agency cover, as it eliminates the cost associated with retention of staff capacity to cover sickness absence.</p>					
Directorate	Existing Sickness Days per FTE pa	Current Cost of Sickness £000	Saving 2017-18 £000	Saving 2018-19 £000	Saving 2019-20 £000
Childrens	13.67	1,768	312	688	870
Adults & Commissioning	13.37	1,581	306	604	849
CTC	7.46	278	51	98	119
Place	9.7	1,200	239	476	597
Resources inc. Schools FM	11.34	2,237	342	679	969
Total	11.44	7,064	1,250	2,545	3,404
Target Sickness Days (Average)			10	8	6

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Rosemary Gibson
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Kirklees Council Budget Template for 2017/18

Directorate	Central
Service Area	General Contingencies
Headline Proposal	Retention of ex Education Services Grant funding through Dedicated Schools Grant
Reference	NEW CE9

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(986)			
Cumulative Savings	(986)	(986)	(986)	(986)
Budget after Savings (Controllable Budget)				
FTE Reduction	-	-	-	-

Description of Savings Proposal (Including interdependencies and risk)
Existing Education Services Grant (ESG) will cease completely in its current form from 2017-18 onwards. A proportion of existing ESG will be transferred to Dedicated Schools Grant (DSG); Kirklees share is £986k. It is assumed that this will be retained by the Council to help fund the existing statutory and regulatory services the Council still has to provide for the maintained schools sector. Schools forum agreement for the Council to retain funding in this way was achieved in principle on 13 th January 2017.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Debbie Hogg
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Housing Revenue Account Budget Summary

SERVICE ACTIVITY	2016-17 NET	Minuses	Pluses	2017-18	Minuses	Pluses	2018-19	Minuses	Pluses	2019-20	Minuses	Pluses	2020-21	
	CONTROLLABLE			BUDGET			BUDGET			BUDGET			BUDGET	BUDGET
	£000	£000	£000	TOTAL	£000	£000	TOTAL	£000	£000	TOTAL	£000	£000	TOTAL	£000
Repair & Maintenance														
Kirklees Neighbourhood Housing (KNH) Management Fee	22,438			22,438	(1,046)		21,392	(804)		20,588				20,588
Housing Management														
Policy & Management	14,482	(1,044)	250	13,688	(135)		13,553	(140)		13,413	(140)			13,273
Council Services bought in	2,458			2,458			2,458			2,458				2,458
Kirklees Neighbourhood Housing (KNH) Management Fee	16,234		940	17,174	(1,566)		15,608	(869)		14,739				14,739
Special Services (Communal facilities)	1,681	(144)		1,537			1,537			1,537				1,537
sub-total	34,855	(1,188)	1,190	34,857	(1,701)	0	33,156	(1,009)	0	32,147	(140)	0	0	32,007
Other Expenditure														
Depreciation charge on HRA Assets	15,900		600	16,500			16,500			16,500				16,500
Interest payable on capital debt	8,932	(279)		8,653	(200)		8,454	(322)		8,132	(229)			7,903
Bad debt provision	1,806	(173)		1,633		1,019	2,652		100	2,752		100		2,852
HRA share of corporate & democratic core	388			388			388			388				388
Rents, Rates , Taxes & other charges	296			296			296			296				296
High Cost Levy	0			0			0			0		11,341		11,341
Inflation Provision	0			0		853	853		877	1,730		885		2,615
Sub total	27,322	(452)	600	27,471	(200)	1,872	29,143	(322)	977	29,798	(229)	12,326	0	41,895
Total Expenditure	84,615	(1,640)	1,790	84,765	(2,947)	1,872	83,691	(2,135)	977	82,533	(369)	12,326	0	94,490
Dwelling Rent income	(82,639)	(164)	1,265	(81,538)	(80)	1,088	(80,531)	(80)	980	(79,631)	(769)			(80,400)
Non-Dwelling Rent Income	(623)			(623)	(65)		(688)			(688)				(688)
Tenant & Leaseholder charges for services & facilities	(2,974)	(80)		(3,054)	(196)		(3,250)	(400)		(3,650)				(3,650)
HRA Interest income on cashflow	(120)			(120)			(120)			(120)				(120)
Excellent Homes for Life (PFI) Government Grant	(7,912)			(7,912)			(7,912)			(7,912)				(7,912)
Total Income	(94,268)	(244)	1,265	(93,247)	(341)	1,088	(92,501)	(480)	980	(92,001)	(769)	0	0	(92,770)
Net Operating Expenditure	(9,653)	(1,884)	3,055	(8,482)	(3,288)	2,959	(8,810)	(2,615)	1,957	(9,468)	(1,138)	12,326	0	1,720
Revenue contribution to capital expenditure	9,181	(3,787)		5,394		2,469	7,863	(3,793)		4,070		3,213		7,283
Appropriation (from)/to HRA Reserves	472		2,507	3,088	(2,094)		947		4,451	5,399	(14,402)			(9,003)
Net Surplus/deficit	0	(5,671)	5,563	0	(5,382)	5,428	0	(6,408)	6,408	0	(15,539)	15,539	0	0

HOUSING REVENUE ACCOUNT - MINUSES

Service Activity	Proposed Change	Reference	£000					
			2017-18	2018-19	2019-20	2020-21	Total	
Repair & Maintenance								
KNH Management Fee savings	Later years high level efficiency savings targets - detailed proposals to be worked up	HRA 1		(1,046)	(804)			(1,850)
Housing Management								
<i>Policy & Management :</i>								
KNH Additional Fees	Clean up campaigns and furnished tenancies savings identified.	HRA 1	(79)					(79)
Transactional budgets identified for transfer to KNH Fee	A range of transactional activity administered by KNH on the Council's behalf, identified for transfer to KNH Fee; better alignment to day to day operational responsibilities; corresponding adjustment on pluses		(830)					(830)
KNH Management Fee Savings	Later years high level efficiency savings targets - detailed proposals to be worked up	HRA 1		(1,566)	(869)			(2,435)
Grants to Communities Who Can (CWC)	reduced grant contribution	HRA 6	(135)	(135)				(270)
Grounds Maintenance	base budget re-alignment - Grounds Maintenance contract review	HRA 2			(140)	(140)		(280)
<i>Special Services:</i>								
Communal Lighting & Sheltered Heating	Re-alignment to match to current spend and anticipated uplifts	HRA 4	(144)					(144)
Other expenditure								
Bad debt provision	adjustment to reflect current rent income collection performance	HRA 3	(173)					(173)
Income								
Dwelling Rent	Reduction in assumed rent loss on voids (1.5% to 1.1% over 3 years)	HRA 3	(164)	(80)	(80)			(324)
Dwelling Rent	Potential rent increase	HRA 3				(769)		(769)
Non-Dwelling Rent	Review of garage rents	HRA 3		(65)				(65)
Tenant & leaseholder service and other charges	Additional income due to Scheme Co-ordinator charge now HB eligible	HRA 4	(80)					(80)
Tenant & leaseholder service and other charges	Review of Service Charge costs including Assisted Gardens (HRA for 18/19)	HRA 4		(196)	(400)			(596)
Interest payable on capital debt	interest charges in line with current profile of debt repayment across years	HRA 5	(279)	(200)	(322)	(229)		(1,030)
TOTAL MINUSES FOR HRA (net operating expenditure)			(1,884)	(3,288)	(2,615)	(1,138)		(8,925)

HOUSING REVENUE ACCOUNT - PLUSES

Service Activity	Proposed Change	Reference	£000				Total
			2017-18	2018-19	2019-20	2020-21	
<u>Housing Management</u>							
<i>Policy & Management :</i> strategic priorities to support capital initiatives	review of contingency requirement and other minor budget reductions		250				250
KNH Fee	Reinstatement of budget for possessions online (arrears recovery)		110				110
Transactional budgets identified for transfer to KNH Fee	Budgets transferred from Policy & Management (see minuses for detail)		830				830
<u>Other expenditure</u>							
Depreciation charge on HRA assets	annual uplifts in depreciation charge reflect		600				600
Bad Debt Provision	Full year effect of Universal Credit being implemented			1,019	100	100	1,219
High Cost Levy	Anticipated national Government charge for high value voids					11,341	11,341
Inflation provision requirement	annual provision requirement reflects inflation assumption for repair & maintenance, utility uplift and salary increases			853	877	885	2,615
<u>Income</u>							
Dwelling rents	impact of annual 1% rent reduction for each of the next 3 years, plus other adjustments for assumed right to buys	HRA 3	1,265	1,088	980		3,333
TOTAL PLUSES FOR HRA (net operating expenditure)			3,055	2,960	1,957	12,326	20,298

Kirklees Council Budget Template for 2017/18

Directorate	Place
Service Area	Housing Revenue Account
Headline Proposal	KNH Fee - Indicative Savings
Reference	NEW HRA 1

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(79)	(2,612)	(1,673)	
Cumulative Savings	(79)	(2,691)	(4,364)	(4,364)
Budget after Savings (Controllable Budget)	39,612	37,000	35,327	35,327
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>In 2017 work will take place to develop new operating models for the KNH Neighbourhoods and Property Directorates to ensure each directorate is fit for purpose, able to effectively respond to the changing external environment and deliver savings and value for money through efficiencies and new ways of working. The focus will be on finding ways to deliver more with less. In the Property Directorate there is a planned review of current KNH activity following the Building Services merger and savings proposals from year 2 reflects potential for future efficiency savings from the merged operation with the removal of the client / contractor relationship.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>Any new models will need to ensure that core business and services to vulnerable customers continually improves. Robust mitigating actions will be needed for any savings identified that put core performance and services to vulnerable customers at risk. Equality Impact Assessments will be carried out as part of this work.</p> <p>New structures and cultural change will take time to embed and could have a negative impact on performance. Effective consultation and engagement with staff and stakeholders during 17/18 to manage the transition will be crucial in mitigating this potential impact.</p>	
Does this proposal require an Equality Impact Assessment?	No (re 17/18)
Will this proposal require a Specific Service Consultation	No (re 17/18)

Accountable Head of Service	Kim Brear
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Kirklees Council Budget Template for 2017/18

Directorate	Place
Service Area	Housing Revenue Account
Headline Proposal	Grounds maintenance
Reference	NEW HRA 2

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	0	0	(140)	(140)
Cumulative Savings	0	0	(140)	(280)
Budget after Savings (Controllable Budget)	1,318	1,318	1,178	1,038
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>The Council's Parks & Open Spaces service has delivered c. £1,300,000 of programmed general fund savings as of April 2016. This included a reduction in frontline workforce of c. 25 FTEs and the introduction of Gold/Silver/Bronze/Natural standards of maintenance.</p> <p>The resulting frontline grounds maintenance service however is operationally unstable. The climatic changes, combined with a lack of GIS and mapping data, means performance management and operational adaptation is extremely difficult. As a result the Council is undertaking the full GIS mapping of the district and our assets, combined with the development of a public facing online platform for bookings/reporting issues and a digital work schedule / in-cab system. This is entirely reliant on the Council's Digital by Design programme.</p> <p>The Parks and Open Spaces service provides grounds maintenance services on Council Housing estates via a service level agreement which is funded by the HRA. It is proposed that once the GIS mapping of assets and other developments are completed that there is a review of the provision of the grounds maintenance service to align HRA service levels with General Fund service levels for open spaces. The indicative saving represents a 10% reduction on current costs but would be subject to further consideration and full consultation.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>The proposed budget reduction could be negatively received by people living in the communities KNH support unless innovative solutions are found to deliver the changes through efficiencies and designing out future maintenance.</p> <p>If no changes to service levels are delivered and no savings made there is potential for residents in Kirklees to voice concerns about a higher level of service on estates.</p>	
Does this proposal require an Equality Impact Assessment?	Yes (19/20)
Will this proposal require a Specific Service Consultation	Yes (19/20)

Accountable Head of Service	Kim Brear
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Kirklees Council Budget Template for 2017/18

Directorate	Place
Service Area	Housing Revenue Account
Headline Proposal	Dwelling & Garage rents - void loss and new year 4 rent uplift
Reference	NEW HRA 3

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(337)	(145)	(80)	(769)
Cumulative Savings	(337)	(482)	(562)	(1,331)
<i>Cumulative pressures (annual 1% rent reduction)</i>	<i>1,265</i>	<i>2,353</i>	<i>3,333</i>	<i>3,333</i>
Budget after Savings (Controllable Budget)	(81,538)	(80,531)	(79,631)	(80,400)
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)

Incremental savings over 2017-20 period reflects a target void loss of 1.1%; compares with previous target 1.5%, an improvement on current collection rates and a review of garage rents.

Year 4 reflects assumed rent uplift of 2% in 2020-21. National Government has implemented annual 1% rent reductions on social housing rents, each year for a 4 year period over the 2016-20 period. These annual reductions are mandatory and have been enacted in legislation through the Welfare & Reform at Work Act 2016. National government had previously indicated that from 2020-21, it would revert to its pre-existing national policy of allowing for rent uplifts of inflation (Consumer Price Index or CPI) + 1% annual rent uplifts. However, in line with current 30 year business plan modelling, the 2020-21 uplift here assumes a more prudent CPI only uplift only (assumed will be 2%) pending future Government clarification. The budget after savings amounts included above also include (in italics) the impact of the annual 1% rent reduction, because this also impacts on the overall controllable budget for dwellings rents across years.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes

The Council, in conjunction with its arms length partner, KNH, have re-modelled the 30 year HRA business plan taking account of the financial impact of the annual 1% rent reduction. There are a range of HRA budget proposals, including the voids target review, to help mitigate the overall rent loss impact over the medium to longer term, working towards a longer term financially viable business plan, whilst maintaining high quality services to tenants.

Does this proposal require an Equality Impact Assessment?	No (re17/18)
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Will this proposal require a Specific Service Consultation?	Yes
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Accountable Head of Service	Kim Brear
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Kirklees Council Budget Template for 2017/18

Directorate	Place
Service Area	Housing Revenue Account
Headline Proposal	Tenant & leaseholder service & other charges
Reference	NEW HRA 4

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(224)	(196)	(400)	
Cumulative Savings	(224)	(420)	(820)	(820)
Budget after Savings (Controllable Budget)	(1,517)	(1,713)	(2,113)	(2,113)
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>Year 1 savings reflect a re-alignment of budget to costs and to the potential to fund services from external income.</p> <p>A review of service charges is planned starting in 2017 to ensure that service charging is appropriate, covers the cost of service delivery, considers the local housing market, is linked to affordability and has connectivity with welfare systems in place to help people with housing costs.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>There are no anticipated impacts as a result of year 1 savings.</p> <p>There is potential for adverse impact on tenants if service charges are increased or newly applied that are not covered by the housing element of benefits and put at risk the ability of a tenant to successfully sustain a tenancy.</p> <p>There is potential for a negative response from leaseholders to any service charge changes and potential for restrictions on changes to service charges within lease documentation</p>	
Does this proposal require an Equality Impact Assessment?	Yes (18/19)
Will this proposal require a Specific Service Consultation	Yes (18/19)

Accountable Head of Service	Kim Brear
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Kirklees Council Budget Template for 2017/18

Directorate	Place
Service Area	Housing Revenue Account
Headline Proposal	Interest payable on capital debt
Reference	NEW HRA 5

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(279)	(200)	(322)	(229)
Cumulative Savings	(279)	(479)	(801)	(1,030)
Budget after Savings (Controllable Budget)	8,653	8,454	8,132	7,903
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
The longer term HRA business plan continues to reflect prudent annual HRA debt repayment as existing HRA capital financing loans mature, and this has resulted in a corresponding reduction in annual interest charges on remaining debt, over the same period.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
None	
Does this proposal require an Equality Impact Assessment?	No
Will this proposal require a Specific Service Consultation	No

Accountable Head of Service	Eamonn Croston
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Kirklees Council Budget Template for 2017/18

Directorate	Place
Service Area	Housing Revenue Account
Headline Proposal	Grants to Communities Who Can (CWC)
Reference	NEW HRA 6

Forecast Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Incremental Savings	(135)	(135)		
Cumulative Savings	(135)	(270)	(270)	(270)
Budget after Savings (Controllable Budget)	135	0	0	0
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>Traditionally the HRA has provided funding to support CWC (Kirklees Federation of Tenants and Residents Associations), an umbrella organisation to develop and support the network of Tenants and Residents Associations (TRA) operating across Kirklees council housing estates. CWC works with around 80 to 90 groups in Kirklees helping them to achieve more for their communities. They aim to build happy healthy estates by uniting communities and developing volunteers and want to preserve social affordable rented housing. They work with partners to meet community and council priorities.</p> <p>The HRA also supports individual TRA with support grants, insurance cover and expenses for volunteers.</p> <p>In addition Kirklees Neighbourhood Housing (KNH) has been commissioned to provide a community engagement service and has run community engagement initiatives and programmes on council housing estates across Kirklees.</p> <p>It is proposed that funding for CWC be provided for a 6 month period during 2017/18 and that the organisation then uses its reserves and or seeks additional external funding to continue its operations pending the outcome of a comprehensive partnership wide review of tenant and resident involvement and empowerment during 2017/18.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>The Council commissions KNH as the landlords agents to act on its behalf to deliver services in our communities to our tenants. KNH are being commissioned during 2017/18 to undertake a comprehensive partnership wide review of tenant involvement and empowerment and to develop and make recommendations regarding a new modern and innovative model which reflects best practice within a reduced financial envelope and links to the Council's review of community involvement and engagement. The aim being to develop a new and different partnership wide approach to engagement which supports communities to do more for themselves and each other.</p>	
Does this proposal require an Equality Impact Assessment?	Yes
Will this proposal require a Specific Service Consultation	Yes

Accountable Head of Service	Helen Geldart
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**Including estimated precepts from the West Yorkshire Fire & Police Authorities
and Parish Councils**

KIRKLEES METROPOLITAN COUNCIL

COUNCIL MEETING - 15 FEBRUARY 2017

COUNCIL TAX

1. That the Revenue Budget for the year 2017-2018, as submitted, be approved.
2. That it be noted that at its meeting on 17 January 2017 the Council calculated the following amounts for the year 2017-2018 in accordance with regulations made under Section 31B of the Local Government Finance Act 1992, as amended (the "Act") and subject to the calculation of any consequential changes to the Council Tax Base delegated to the Director of Resources:-

(a) 115,371.39 being the amount calculated by the Council, in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as its council tax base for the year

(b) Part of the Council's area

Parish of Denby Dale	5,630.20
Parish of Holme Valley	9,787.38
Parish of Kirkburton	8,761.33
Parish of Meltham	2,707.33
Parish of Mirfield	6,515.37
Kirklees (outside the Parish of Holme Valley) special expense area	105,371.39

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 2017-18 (excluding parish precepts) is £159,551,000
4. That the following amounts be now calculated by the Council for the year 2017-2018 in accordance with Sections 31 to 36 of the Act:-
 - (a) £ 820,101,713 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) £ 659,985,000 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) £ 160,116,713 being the amount by which the aggregate at 4(a) exceeds the aggregate at 4(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act)
- (d) £ 1,387.83.73 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) £ 600,456 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.
- (f) £ 1,382.6327 being the amount at 4(d) above, less the result given by dividing the amount at 4(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its council tax for the year for dwellings in those parts of its area to which no Parish precept relates.

g)

<u>Part of the Council's area</u>	Base Council Tax £	Special Expenses £	Parish Precept £	Resultant Council Tax £
Parish of Denby Dale	1382.63	0.33	36.34	1419.30
Parish of Holme Valley	1382.63	0.00	12.93	1395.57
Parish of Kirkburton	1382.63	0.33	12.64	1395.60
Parish of Meltham	1382.63	0.33	27.34	1410.30
Parish of Mirfield	1382.63	0.33	7.65	1390.61
Kirklees (outside special expense area)	1382.63	0.33	0.00	1382.96

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

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

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.

(h) **Kirklees** Valuation Bands

Part of the Council's area	<u>A</u> £	<u>B</u> £	<u>C</u> £	<u>D</u> £	<u>E</u> £	<u>F</u> £	<u>G</u> £	<u>H</u> £
Denby Dale	946.20	1,103.90	1,261.60	1,419.30	1,734.70	2,050.10	2,365.50	2,838.59
Holme Valley	930.37	1,085.43	1,240.50	1,395.56	1,705.68	2,015.81	2,325.93	2,791.12
Kirkburton	930.40	1,085.47	1,240.53	1,395.60	1,705.73	2,015.87	2,326.00	2,791.20
Meltham	940.20	1,096.90	1,253.60	1,410.30	1,723.70	2,037.10	2,350.50	2,820.59
Mirfield	927.07	1,081.59	1,236.10	1,390.61	1,699.63	2,008.66	2,317.68	2,781.22
All other parts	921.97	1,075.64	1,229.30	1,382.96	1,690.28	1,997.61	2,304.93	2,765.92

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 2017-2018 the major precepting authorities have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings in the Council's area as shown below:-

Precepting Authority	<u>A</u> £	<u>B</u> £	<u>C</u> £	<u>D</u> £	<u>E</u> £	<u>F</u> £	<u>G</u> £	<u>H</u> £
West Yorkshire Fire & Civil Defence Authority	40.59	47.36	54.12	60.89	74.42	87.95	101.48	121.78
West Yorkshire Police Authority	99.25	115.78	132.32	148.85	181.94	215.02	248.10	297.72

**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 2017-2018 for each of the categories of dwelling shown below:-

Part of the Council's area	<u>Valuation Bands</u>							
	<u>A</u> £	<u>B</u> £	<u>C</u> £	<u>D</u> £	<u>E</u> £	<u>F</u> £	<u>G</u> £	<u>H</u> £
Denby Dale	1,086.04	1,267.04	1,448.04	1,629.04	1,991.06	2,353.07	2,715.08	3,258.09
Holme Valley	1,070.21	1,248.57	1,426.94	1,605.30	1,962.04	2,318.78	2,675.51	3,210.62
Kirkburton	1,070.24	1,248.61	1,426.97	1,605.34	1,962.09	2,318.84	2,675.58	3,210.70
Meltham	1,080.04	1,260.04	1,440.04	1,620.04	1,980.06	2,340.07	2,700.08	3,240.09
Mirfield	1,066.91	1,244.73	1,422.54	1,600.35	1,955.99	2,311.63	2,667.26	3,200.72
All other parts	1,061.81	1,238.78	1,415.74	1,592.70	1,946.64	2,300.58	2,654.51	3,185.42

7. The Council has determined that its relevant basic amount of Council Tax for 2017-2018 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 2017-2018 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 David Sheard and Cllr Shabir Pandor

Calculation of Council Tax for 2017-2018

Appendix Ci

	<u>2016-17 Budget</u>		<u>2017-18 Budget</u>		<u>% change</u>
	£	£	£	£	
Total Directorate Budgets		310,836,000		294,544,000	
Adjustment for contribution to (+)/use of (-) balances		-17,500,000		-11,142,000	
Total Expenditure		293,336,000		283,402,000	
Less: Business Rates Local Share	51,441,000		47,644,000		
Less: Top Up	21,430,000		26,676,000		
Less: RSG	47,850,000		32,763,000		
Less: Unringfenced Specific Grants	21,259,000		16,768,000		
Less: Transfer of Collection Fund Deficit	2,000,000		0		
		143,980,000		123,851,000	
Council Tax Requirement		149,356,000		159,551,000	
Less: Special Expenses		34,658		34,658	
Balance to be raised by Council Tax (excludes special expenses)		149,321,342		159,516,342	
<i>Kirklees Taxbase</i>	113,388.90		115,371.39		
Kirklees Council Tax on Band D Properties (Holme Valley)		£1,316.90		£1,382.63	
Special Expenses * Incurred Outside Holme Valley		0.3340		0.3283	
Kirklees Council Tax on Band D Properties (excluding Holme Valley)		1,317.23		1,382.96	4.99%
Precept Figures					
West Yorkshire FCDA	£6,770,114	59.71	£7,025,500	60.89	1.99%
West Yorkshire Police	£16,549,031	145.95	£17,173,458	148.85	1.99%
Kirklees Plus Fire & Police		£1,522.89		£1,592.71	4.58%
Parish Precepts	£557,261	£4.91	£565,713	£4.90	-0.23%
Council Tax at Band D		£1,527.80		£1,597.61	4.57%

Council Tax by Council Tax Band

	<u>2016-17</u>	<u>2017-18</u>	<u>Annual increase</u>	<u>Weekly Increase</u>
Band A	£1,015.25	1,061.81	46.56	0.90
Band B	£1,184.47	1,238.78	54.31	1.04
Band C	£1,353.67	1,415.74	62.07	1.19
Band D	£1,522.89	1,592.70	69.81	1.34
Band E	£1,861.31	1,946.64	85.33	1.64
Band F	£2,199.73	2,300.58	100.85	1.94
Band G	£2,538.14	2,654.51	116.37	2.24
Band H	£3,045.77	3,185.42	139.65	2.69

<u>Referendum Calculation</u>		<u>2016-17</u>		<u>2017-18</u>	
		£		£	
Council Tax Requirement		149,356,000		159,551,000	
<i>Divided by Taxbase</i>	113,388.90		115,371.39		
Average Band D Council Tax		1,317.20		1,382.93	4.99%

* Special expenses relate to expenditure incurred in respect of public seats on or adjoining highways, War Memorials and Public Clocks outside the area of the Holme Valley Parish Council. This Parish Council provides such items within its area.

Kirklees Council –Pay Policy Statement for the period 1 April 2017 to 31 March 2018

Introduction

Sections 38 – 43 of the Localism Act 2011 require that the authority produce a policy statement that covers a number of matters concerning the pay of the authority's staff, principally Chief Officers. This policy statement meets the requirements of the Localism Act in this regard and also meets the requirements of guidance issued by the Secretary of State for Communities and Local Government to which the authority is required to have regard under Section 40 of the Act. The policy was first considered and approved by the full Council at the Council meeting which took place on 18 January 2012. This policy also has some connection with the data on pay and rewards for staff which the Authority publishes under the Code of Recommended Practice for Local Authorities on Data Transparency and the data which is published under The Accounts and Audit (England) Regulations (2015). This policy statement does not cover or include school staff and is not required to do so. Staff transferring from the NHS generally maintain their NHS terms and conditions upon transfer to the Council.

Definition of officers covered by the Policy Statement

This policy statement covers the following posts: (The new Senior Management structure for the organisation is currently being reviewed; it will come into effect from 1 April 2017.)

- a) Head of the Paid Service, which in this authority is the post of
 - Chief Executive

- b) Monitoring Officer, which in this authority is the post of
 - Service Director Governance & Commissioning Support

- c) Statutory Chief Officers, which in this authority are the posts of
 - Strategic Director Children and Families
 - Strategic Director Adults & Health
 - Service Director – Finance, Information and Transactional Services – Section 151 Officer
 - Service Director – Policy, Intelligence & Public Health – Director of Public Health

- d) Non-statutory Chief Officers, which in this authority is the post of
 - Strategic Director Economy, & Infrastructure

- e) Deputy Chief Officers, (those who report directly to a Statutory or Non-Statutory Chief Officer) which in this authority are the posts of:
 - Service Director – Child Protection & Family Support
 - Service Director – Early Help & Learning
 - Service Director – Quality Assurance, Standards & Safeguarding

- Service Director – Service Integration
- Service Director – Adults Social Care Operation
- Service Director – Economy, Regeneration & Culture
- Service Director – Commercial, Regulatory & Operational Services
- Service Director – Customer & Service Solutions
- Deputy Director - IPC
- Head of Human Resources
- Head of IT & Change
- Head of Audit & Risk
- Strategic Council Finance Manager x3
- Shared Service Co-ordinator

Policy on remunerating Chief Officers

The authority's policy on remunerating Chief Officers is set out on the schedule that is attached to this policy statement at Appendix Aii. It is the policy of this authority to establish a remuneration package for each Chief Officer post that is sufficient to attract and retain staff of the appropriate skills, knowledge, experience, abilities and qualities that is consistent with the authority's requirements of the post in question at the relevant time.

Following the implementation of Single status, all Chief Officers are paid in accordance with the Council's pay spine including national pay awards.

Policy on remunerating the lowest paid in the workforce

The authority applies terms and conditions of employment that have been negotiated and agreed through appropriate collective bargaining mechanisms (national or local) or as a consequence of authority decisions, these are then incorporated into contracts of employment. This authority has implemented a Local Living wage from 1 April 2015. Existing Spinal Column Points 6-10 within the Authority's current pay spine, have been deleted as of 1 April 2016, and the new lowest pay point in this Authority, will be Grade 3, Spinal Column Point (SCP) 11; £8.19 hourly rate.

The pay rate is increased in accordance with any pay settlements which are reached through the National Joint Council for Local Government Services (the pay spine shown at Appendix D iii) and the NHS pay spine for staff transferred from NHS at Appendix D iv) are inclusive of the most recent pay award offer).

Policy on the relationship between Chief Officer Remuneration and that of other staff

The highest paid (actual) salary in this authority is £158,911 which is paid to Adrian Lythgo. The median (full time equivalent) salary* in this authority (not including Schools or other external organisations) is £19,939.

***Median**

The median is the value falling in the middle when the data items are arranged in an array of either ascending or descending order. If there is an odd number of

items, the median is the value of the middle item. If there is an even number of items, the median is obtained by taking the mid points of the two middle points (add middle points together and divide by 2).

Excluded : Kirklees active Leisure, Kirklees neighbourhood Housing, Maintained Schools, Academies, Claiming Teachers, Temp Direct, Teachers pensions, casual and Paymaster Only Contracts, any record where the actual salary is zero.

The ratio between the two salaries, the 'pay multiple', is 7.97:1.

This authority does not have a policy on maintaining or reaching a specific 'pay multiple', however the authority is conscious of the need to ensure that the salary of the highest paid employee is not excessive and is consistent with the needs of the authority as expressed in this policy statement and its wider pay policy and approach.

The authority's approach to the payment of other staff is to pay that which the authority needs to pay to recruit and retain staff with the skills, knowledge, experience, abilities and qualities needed for the post in question at the relevant time, and to ensure that the authority meets any contractual requirements for staff including the application of any local or national collective agreements, or authority decisions regarding pay.

Policy on other aspects of Chief Officer Remuneration

Other aspects of Chief Officer remuneration are appropriate to be covered by this policy statement, these other aspects are defined as recruitment, pay increases, additions to pay, performance related pay, earn back, bonuses, termination payments, transparency and re-employment when in receipt of an Local Government Pension Scheme (LGPS) pension or a redundancy/severance payment. These matters are addressed in the schedule that is attached to this policy statement at Appendix Dv.

Approval of Salary Packages in excess of £100k

The authority will ensure that, at the latest before an offer of appointment is made, any salary package for any new post that is not currently included within Appendix Aii (not including schools and any initial transfer to the Council under TUPE), that is in excess of £100k will be considered by full Council. The salary package will be defined as base salary, any bonuses, fees, routinely payable allowances and benefits in kind that are due under the contract.

Flexibility to address recruitment issues for vacant posts

In the vast majority of circumstances the provisions of this policy will enable the authority to ensure that it can recruit effectively to any vacant post. There may be exceptional circumstances when there are recruitment difficulties for a particular post and where there is evidence that an element or elements of the remuneration package are not sufficient to secure an effective appointment. This policy statement

recognises that this situation may arise in exceptional circumstances and therefore a departure from this policy can be implemented without having to seek full Council approval for a change of the policy statement. Such a departure from this policy will be expressly justified in each case and will be approved through an appropriate authority decision making route.

Policy for future years

This policy statement will be reviewed each year and will be presented to full Council each year for consideration in order to ensure that a policy is in place for the authority prior to the start of each financial year.

RENUMERATION OF CHIEF OFFICERS

APPENDIX Dii)

Job Category	Employment Conditions either Chief Execs, Chief Officer or Local Government Scheme (LGS)	Post Title	Salary Band*	Expenses	Performance Related Pay (PRP) Arrangements	Earn Back Arrangements	Bonus	Non Cash Benefits	Election Fees	Any Joint Authority Payments
A Head of Paid Service	LGS	Chief Executive	£145,000 - £174,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	Contract includes duties of returning officer for District, Parliamentary & European elections. The LA receives the income from National Government for the Parliamentary and European elections. For Referenda separate fees are paid to the officer.	No
B Monitoring Officer	LGS	Service Director Governance & Commissioning Support (Monitoring Officer)	£84,000 - £96,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No
C Statutory Chief Officers	LGS	Strategic Director Children & Families	£115,000 - £126,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No
C Statutory Chief Officers	LGS	Strategic Director Adults & Health	£115,000 - £126,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No
C Statutory Chief Officers	LGS	Service Director - Finance, Information and Transactional Services (Section 151 Officer)	£84,000 - £96,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No
C Statutory Chief Officers	LGS	Service Director - Policy, Intelligence & Public Health	£84,000 - £96,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No

Job Category	Employment Conditions either Chief Execs, Chief Officer or Local Government Scheme (LGS)	Post Title	Salary Band*	Expenses	Performance Related Pay (PRP) Arrangements	Earn Back Arrangements	Bonus	Non Cash Benefits	Election Fees	Any Joint Authority Payments
D Non -Statutory Chief Officers	LGS	Strategic Director Economy & Infrastructure	£115,000 - £126,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No
E Deputy Chief Officer (those who report to a Statutory or Non-Statutory Chief Officer)	LGS	Service Director - Child Protection & Family Support	£84,000 - £96,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No
E Deputy Chief Officer (those who report to a Statutory or Non-Statutory Chief Officer)	LGS	Service Director - Early Help & Learning	£84,000 - £96,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No
E Deputy Chief Officer (those who report to a Statutory or Non-Statutory Chief Officer)	LGS	Service Director - Quality Assurance, Standards & Safeguarding	£84,000 - £96,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No
E Deputy Chief Officer (those who report to a Statutory or Non-Statutory Chief Officer)	LGS	Service Director - Service Integration	£84,000 - £96,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No
E Deputy Chief Officer (those who report to a Statutory or Non-Statutory Chief Officer)	LGS	Service Director - Adult Social Care Operation	£84,000 - £96,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No
E Deputy Chief Officer (those who report to a Statutory or Non-Statutory Chief Officer)	LGS	Service Director - Economy, Regeneration & Culture	£84,000 - £96,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No
E Deputy Chief Officer (those who report to a Statutory or Non-Statutory Chief Officer)	LGS	Service Director - Commercial, Regulatory & Operational Services	£84,000 - £96,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No

Job Category	Employment Conditions either Chief Execs, Chief Officer or Local Government Scheme (LGS)	Post Title	Salary Band*	Expenses	Performance Related Pay (PRP) Arrangements	Earn Back Arrangements	Bonus	Non Cash Benefits	Election Fees	Any Joint Authority Payments
E Deputy Chief Officer (those who report to a Statutory or Non-Statutory Chief Officer)	LGS	Service Director - Customer & Service Solutions	£84,000 - £96,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No
E Deputy Chief Officer (those who report to a Statutory or Non-Statutory Chief Officer)	NHS	Deputy Director Infection Prevention & Control	£57,000 - £70,690	NHS agenda for change has common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No
E Deputy Chief Officer (those who report to a Statutory or Non-Statutory Chief Officer)	LGS	Head of HR	£53,000 - £59,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No
E Deputy Chief Officer (those who report to a Statutory or Non-Statutory Chief Officer)	LGS	Head of IT & Change	£53,000 - £59,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No
E Deputy Chief Officer (those who report to a Statutory or Non-Statutory Chief Officer)	LGS	Head of Audit & Risk	£53,000 - £59,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No
E Deputy Chief Officer (those who report to a Statutory or Non-Statutory Chief Officer)	LGS	Strategic Council Finance Manager	£53,000 - £59,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No
E Deputy Chief Officer (those who report to a Statutory or Non-Statutory Chief Officer)	LGS	Strategic Council Finance Manager	£53,000 - £59,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No

Job Category	Employment Conditions either Chief Execs, Chief Officer or Local Government Scheme (LGS)	Post Title	Salary Band*	Expenses	Performance Related Pay (PRP) Arrangements	Earn Back Arrangements	Bonus	Non Cash Benefits	Election Fees	Any Joint Authority Payments
E Deputy Chief Officer (those who report to a Statutory or Non-Statutory Chief Officer)	LGS	Strategic Council Finance Manager	£53,000 - £59,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No
E Deputy Chief Officer (those who report to a Statutory or Non-Statutory Chief Officer)	LGS	Shared Service Co-ordinator	£46301 - £47142	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No

* Salary is Full Time Equivalent - salary bands quoted reflect pay levels as at 1 April each year

KIRKLEES COUNCIL SINGLE STATUS GRADES

Grade	SCP	1.4.17 £	Grade	SCP	1.4.17 £
1*	4	-	14	46	41,025
	5	-		47	41,967
2	6	15,014	15	48	42,899
	7	15,115		49	43,821
	8	15,246		50	44,637
3	9	15,375	16	51	45,496
	10	15,613		52	46,301
**	11	15,807		53	47,142
4	12	16,123	17	54	47,968
	13	16,491		55	48,805
	14	16,781		56	49,645
5	15	17,072	18	57	50,499
	16	17,419		58	51,189
	17	17,772		59	52,238
6	18	18,070	19	60	53,132
	19	18,746		61	54,049
	20	19,430		62	55,304
	21	20,138		63	59,353
7	23	21,268	20	64	66,627
	24	21,962		65	71,483
	25	22,658		66	76,702
8	26	23,398	21	67	76,368
	27	24,174		68	81,947
	28	24,964		69	87,911
9	29	25,951	22	70	84,031
	30	26,822		71	90,359
	31	27,668		72	96,681
	32	28,485		23	73
10	33	29,323	74		118,083
	34	30,153	75		121,047
	35	30,785	76		123,928
	36	31,601	77	126,812	
11	37	32,486	24	78	145,908
	38	33,437		79	150,774
	39	34,538		80	155,635
12	40	35,444		81	160,500
	41	36,379		82	165,363
	42	37,306		83	170,229
13	43	38,237			
	44	39,177			
	45	40,057			

*SCP4 abolished from 1.10.13/SCP5 abolished from 1.10.15

** The Council pays a local Living Wage, meaning that no staff are paid less than SCP 11

Appendix D iv)

2016-17 Pay bands and pay points for NHS staff transferred to the Council; Bands are based on NHS pay spine in England (for 2014-15) ; amended locally for the 2.2% pay award uplift. The pay rate is increased in accordance with any pay settlements which are reached through the National Joint Council for Local Government Services

This is paid to Health Trainers TUPE date 1.11.2010 & Primary Care Trust Staff
TUPE date 1.4.2013.

These staff continued to receive NHS Pay Award until 1.4.14 however after this they stopped receiving NHS and then												
Point	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	Band 7	Band 8				Band 9
								Range A	Range B	Range C	Range D	
1	15662	15662	Now on Living Wage									
2	15662	15662	Now on Living Wage									
3	15662	15662	Now on Living Wage									
4		16088										
5		16526										
6		16963	16963									
7		17526	17526									
8		18166	18166									
9			18550									
10			19063									
11			19639	19639								
12			20088	20088								
13				20796								
14				21516								
15				22170								
16				22297	22297							
17				22952	22952							
18					23878							
19					24838							
20					25854							
21						26880						
22						27963	27963					
23						29088	29088					
24							29979					
25							31025					
26							32073	32073				
27							33120	33120				
28							34298	34298				
29							35999	35999				
30								37048				
31								38226				
32								39534				
33								40908	40908			
34								42283	42283			
35									43985			
36									45686			
37									47652	47652		
38									49091	49091		
39										51577		
40										54457		
41										57338	57338	
42										58908	58908	
43											61526	
44											64407	
45										*	68726	68726
46										*	70690	70690
47												73636
48												77236
49										*	81162	81162
50										*	85091	85091
51												89174
52												93453
53											*	97941
54											*	102642

* Pay spine points 45 and 46 at the top of pay band 8C; pay spine points 49 and 50 at the top of pay band 8D and pay spine points 53 and 54 at

Range of Policies

APPENDIX D v)

Aspect of Chief Officer Remuneration	Authority Policy
Recruitment	The post will be advertised and appointed to at the appropriate approved salary for the post in question level unless there is good evidence that a successful appointment of a person with the required skills, knowledge, experience, abilities and qualities cannot be made without varying the remuneration package. In such circumstances a variation to the remuneration package is appropriate under the authority's policy and any variation will be approved through the appropriate authority decision making process.
Pay Increases	The authority will apply any pay increases that are agreed by relevant national negotiating bodies and/or any pay increases that are agreed through local negotiations. Following the implementation of Single status, all Chief officers are paid in accordance with the Council's pay spine including national pay awards. The authority will also apply any pay increases that are as a result of authority decisions to significantly increase the duties and responsibilities of the post in question beyond the normal flexing of duties and responsibilities that are expected in senior posts.
Additions To Pay	The authority would not make additional payments beyond those specified in the appropriate policies i.e. Market Rate Supplement, Recruitment and Retention, Acting Up or Honoraria payments.
Performance Related Pay (PRP)	The authority does not operate a performance related pay system as it believes that it has sufficiently strong performance management arrangements in place to ensure high performance from its senior officers. Any areas of under-performance are addressed rigorously by utilising the Performance Management system.
Earn-Back (Withholding an element of base pay related to performance)	The authority does not operate an earn-back pay system as it believes that it has sufficiently strong performance management arrangements in place to ensure high performance from its senior officers. Any areas of under-performance are addressed rigorously.
Bonuses	The authority does not pay bonus payments to senior officers.

Termination Payments	The authority applies its normal redundancy payments arrangements to senior officers and does not have separate provisions for senior officers. The authority also applies the appropriate Pensions regulations when they apply. The authority has agreed policies in place on how it will apply any discretionary powers it has under Pensions regulations. Any costs that are incurred by the authority regarding senior officers are published in the authority accounts as required under the Accounts and Audit (England) Regulations 2015.
Transparency	The authority meets its requirements under the Localism Act, the Code of Practice on Data Transparency and the Accounts and Audit Regulations in order to ensure that it is open and transparent regarding senior officer remuneration.
Re-employment of staff in receipt of an Local Government Pension Scheme Pension or a redundancy/severance payment	<p>The authority is under a statutory duty to appoint on merit and has to ensure that it complies with all appropriate employment and equalities legislation. The authority will always seek to appoint the best available candidate to a post who has the skills, knowledge, experience, abilities and qualities needed for the post.</p> <p>The authority will therefore consider all applications for candidates to try to ensure the best available candidate is appointed. If a candidate is a former employee in receipt of an LGPS pension or a redundancy payment this will not rule them out from being re-employed by the authority. Clearly where a former employee left the authority on redundancy terms then the old post has been deleted and the individual cannot return to the post as it will not exist.</p> <p>The authority will apply the provisions of the Redundancy Payments Modification Order regarding the recovery of redundancy payments if this is relevant. Pensions Regulations also have provisions to reduce pension payments in certain circumstances to those who return to work within the local government service.</p>

CAPITAL INVESTMENT PLAN 2017/18 - 2021/22 (PRIOR TO AMENDMENTS)

BASELINE SUMMARY

Portfolio	Funding	2017/18 Budget £'000	2018/19 Budget £'000	2019/20 Budget £'000	2020/21 Budget £'000	2021/22 Budget £'000	Total Budget £'000
Children & Young People							
Basic Need	G	500	500	500	500	500	2,500
Capital Maintenance	G	3,800	3,800	3,800	3,800	3,800	19,000
Devolved Formula Capital	G	1,059	1,059	1,059	1,059	1,059	5,295
One-Off Initiatives	S106	65	0	0	0	0	65
Children & Young People Total		5,424	5,359	5,359	5,359	5,359	26,860
Adults	G	561	0	0	0	0	561
Place							
Housing Private Sector							
Disabled Facilities Grants	G/R	2,600	2,600	2,600	2,600	2,600	13,000
Discretionary Assistance	R	100	100	100	100	100	500
Minor Adaptations	R	290	290	290	290	290	1,450
Other	G/R	766	0	0	428	0	1,194
		3,756	2,990	2,990	3,418	2,990	16,144
Highways							
Maintenance							
Principal Roads	G	2,037	1,805	1,805	1,805	1,497	8,949
Roads Connecting Communities	G	2,393	2,369	2,164	1,959	1,959	10,844
Local Community Roads	G	1,967	1,707	1,912	2,117	2,117	9,820
Structures	G	1,700	1,200	1,200	1,200	1,200	6,500
Street Lighting Replacement Strategy	B/G	2,029	2,029	2,029	2,029	2,029	10,145
Unadopted Roads	B	50	50	50	50	50	250
Integrated Transport							
Integrated Public Transport	G	412	412	412	412	412	2,060
Network Management	B/G	223	323	323	323	323	1,515
Cycling & Walking	B/G	768	118	118	118	118	1,240
Safer Roads	B/G	645	645	545	545	545	2,925
Town Centre Car Parking	B	150	150	150	150	150	750
Flood Management and Drainage Improvements	B	450	450	450	450	450	2,250
		12,824	11,258	11,158	11,158	10,850	57,248
Economic Resilience	B	1,800	1,800	1,800	1,800	1,800	9,000
Investment in Buildings	B	2,000	2,000	2,000	2,000	2,000	10,000
Parks & Open Spaces	B	150	150	150	150	150	750
Bereavement	B	175	175	175	175	175	875
KAL (KC Funded)	B	400	400	400	400	400	2,000
Strategic Asset Utilisation	B	810	300	300	0	0	1,410
Transport	B	2,577	2,577	2,577	2,577	2,577	12,885
Environment & Strategic Waste	B	100	100	100	100	100	500
School Catering	B	200	200	200	200	200	1,000
Place Total		24,792	21,950	21,850	21,978	21,242	111,812
Communities, Transformation & Change							
KAL - Self Funded	B*	1,367	1,059	617	617	617	4,277
District Committees	B	0	0	0	0	0	0
Communities, Transf & Change Total		1,367	1,059	617	617	617	4,277
Resources							
Information Technology	B*	900	900	900	900	900	4,500
Resources Total		900	900	900	900	900	4,500
Leeds City Region Revolving Fund	B	2,000	0	0	0	0	2,000
TOTAL BASELINE		35,044	29,268	28,726	28,854	28,118	150,010

KEY :

B = Borrowing	G = Grant	R = Capital Receipts
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B* = These programmes were previously categorised as service funded. Work is ongoing to remove this category and have one system of prudential borrowing.

CAPITAL INVESTMENT PLAN 2017/18 - 2021/22 (PRIOR TO AMENDMENTS)

STRATEGIC PRIORITIES PLAN (prior to amendments)

	Funding	2017/18 Budget £'000	2018/19 Budget £'000	2019/20 Budget £'000	2020/21 Budget £'000	2021/22 Budget £'000	Total Budget £'000	WYTF Scheme Budget £'000
A62 Leeds Road Corridor (Cooper Bridge)	G	0	0	0	0	0	0	60,000-120,000
A653 Dewsbury to Leeds Corridor (Mirfield to Dewsbury)	G	0	0	0	0	0	0	40,000-80,000
A629 Huddersfield to Halifax Corridor	G	0	0	0	0	0	0	10,000-15,000
M62 Junction 24a	G	0	0	0	0	0	0	18,000-50,000
Dewsbury Learning Quarter	B/G	1,375	0	0	0	0	1,375	
Huddersfield Town Centre Action Plan	B	2,887	7,250	500	0	0	10,637	
Dewsbury Town Centre Action Plan	B	4,000	1,000	0	0	0	5,000	
European Grant Funding Opportunities	B	1,250	1,250	0	0	0	2,500	
Sports Facility (Spenborough area)	B	6,000	7,000	1,000	0	0	14,000	
New Pupil Places in Primary Schools	B/G	11,809	7,476	4,132	4,132	4,132	31,681	
Reprovision of Lydgate Special School	B	214	0	0	0	0	214	
HD-One (KSDL)	B	4,250	4,250	0	0	0	8,500	
Kirklees College Loan	B	0	0	0	0	0	0	
STRATEGIC PRIORITIES TOTAL		31,785	28,226	5,632	4,132	4,132	73,907	

RISKS & PRESSURES TOTAL	B	2,500	2,500	2,500	2,500	2,500	12,500
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HOUSING REVENUE ACCOUNT PLAN (prior to amendments)

	Funding	2017/18 Budget £'000	2018/19 Budget £'000	2019/20 Budget £'000	2020/21 Budget £'000	2021/22 Budget £'000	Total Budget £'000
HRA STRATEGIC PRIORITIES							
Miscellaneous Properties-Conversions/Back into Stock		800	800	800	800	800	4,000
New Build Phase 1 - Ashbrow Extra Care		3,500	3,500	0	0	0	7,000
New Build Phase 2 - Soothill Extra Care		0	3,500	3,500	0	0	7,000
New Build Phase 3		0	0	0	7,000	7,000	14,000
New Build Phase 4 - Environmentally Friendly Housing		2,000	2,000	0	0	0	4,000
		6,300	9,800	4,300	7,800	7,800	36,000
HRA BASELINE							
Heating Programmes(Boilers)		1,861	1,917	1,934	1,958	1,958	9,628
Maintaining Decency		9,712	10,040	10,166	10,332	10,332	50,582
Batched works		284	295	300	307	307	1,493
Fuel poverty		737	765	778	795	795	3,870
Major Adaptations		2,423	2,517	2,561	2,616	2,616	12,733
Minor Adaptations		233	242	246	251	251	1,223
Misc		343	324	329	336	336	1,668
Estate & Environmental Works (Managed through District Committees)		473	492	500	512	512	2,489
		16,066	16,592	16,814	17,107	17,107	83,686
TOTAL		22,366	26,392	21,114	24,907	24,907	119,686

UPDATED CAPITAL INVESTMENT PLAN 2017/18 - 2021/22

BASELINE SUMMARY

Portfolio	Funding	2017/18 Budget £'000	2018/19 Budget £'000	2019/20 Budget £'000	2020/21 Budget £'000	2021/22 Budget £'000	Total Budget £'000
Children & Young People							
Basic Need	G	500	500	500	500	500	2,500
Capital Maintenance	G	3,800	3,600	3,400	3,200	3,000	17,000
Devolved Formula Capital	G	1,000	950	900	850	800	4,500
One-Off Initiatives	S106	65	0	0	0	0	65
Children & Young People Total		5,365	5,050	4,800	4,550	4,300	24,065
Adults	G	561	0	0	0	0	561
Place							
Housing Private Sector							
Disabled Facilities Grants	G/R	2,600	2,600	2,600	2,600	2,600	13,000
Discretionary Assistance	R	100	100	100	100	100	500
Minor Adaptations	R	290	290	290	290	290	1,450
Other	G/R	766	0	0	428	0	1,194
		3,756	2,990	2,990	3,418	2,990	16,144
Highways							
Maintenance							
Principal Roads	G	2,600	2,600	2,600	2,600	2,600	13,000
Roads Connecting Communities	G	1,830	1,574	1,369	1,164	856	6,793
Local Community Roads	B/G	2,247	2,247	2,247	2,247	2,247	11,235
Structures	G	1,700	1,200	1,200	1,200	1,200	6,500
Street Lighting Replacement Strategy	B*	2,500	3,000	3,000	3,000	1,000	12,500
Unadopted Roads	B	50	50	50	50	50	250
Integrated Transport							
Integrated Public Transport	G	450	450	0	0	0	900
Network Management	B/G	400	400	100	100	100	1,100
Cycling & Walking	B/G	1,020	20	20	20	20	1,100
Safer Roads	B/G	650	750	650	650	650	3,350
Town Centre Car Parking	B	100	100	100	100	100	500
Flood Management and Drainage Improvements	B/G	680	680	680	680	680	3,400
		14,227	13,071	12,016	11,811	9,503	60,628
Economic Resilience	B	900	900	900	900	900	4,500
Corporate Landlord Asset Investment	B	1,400	2,000	2,000	1,300	1,300	8,000
Strategic Asset Utilisation	B	1,110	300	0	0	0	1,410
Transport	B	2,000	1,500	1,250	1,250	1,250	7,250
Environment & Strategic Waste	B	100	100	100	100	100	500
School Catering	B	200	200	200	200	200	1,000
Place Total		23,693	21,061	19,456	18,979	16,243	99,432
Communities, Transformation & Change							
KAL - Self Funded	B*	1,367	1,059	617	617	617	4,277
District Committees	B	0	0	0	0	0	0
Communities, Transf & Change Total		1,367	1,059	617	617	617	4,277
Resources							
Information Technology	B*	900	900	900	900	900	4,500
Resources Total		900	900	900	900	900	4,500
Leeds City Region Revolving Fund	B	2,000	0	0	0	0	2,000
TOTAL BASELINE		33,886	28,070	25,773	25,046	22,060	134,835

KEY :	B = Borrowing	G = Grant	R = Capital Receipts
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B* = These programmes were previously categorised as **service funded**. Work is ongoing to remove this category and have one system of prudential borrowing.

UPDATED CAPITAL INVESTMENT PLAN 2017/18 - 2021/22

STRATEGIC PRIORITIES PLAN

	Funding	2017/18 Budget £'000	2018/19 Budget £'000	2019/20 Budget £'000	2020/21 Budget £'000	2021/22 Budget £'000	Total Budget £'000	WYTF Scheme Budget £'000
A62 Leeds Road Corridor (Cooper Bridge)	G	0	0	0	0	0	0	60,000-120,000
A653 Dewsbury to Leeds Corridor (Mirfield to Dewsbury)	G	0	0	0	0	0	0	40,000-80,000
A629 Huddersfield to Halifax Corridor	G	0	0	0	0	0	0	10,000-15,000
M62 Junction 24a	G	0	0	0	0	0	0	18,000-50,000
Dewsbury Learning Quarter	B/G	1,375	0	2,000	0	0	3,375	
Huddersfield Town Centre Action Plan	B	1,500	5,500	3,250	387	0	10,637	
Dewsbury Town Centre Action Plan	B	500	3,500	1,000	0	0	5,000	
European Grant Funding Opportunities	B	1,250	1,250	0	0	0	2,500	
Sports Facility (Spenborough area)	B	1,000	8,500	4,260	240	0	14,000	
New Pupil Places in Primary Schools	B/G	9,110	10,175	4,132	4,132	4,132	31,681	
Reprovision of Lydgate Special School	B	214	0	0	0	0	214	
HD-One (KSDL)	B	4,250	4,250	0	0	0	8,500	
Kirklees College Loan	B	6,000	0	0	0	0	6,000	
STRATEGIC PRIORITIES TOTAL		25,199	33,175	14,642	4,759	4,132	81,907	

RISKS & PRESSURES TOTAL	B	2,500	2,500	2,500	2,500	2,500	12,500
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HOUSING REVENUE ACCOUNT PLAN

	Funding	2017/18 Budget £'000	2018/19 Budget £'000	2019/20 Budget £'000	2020/21 Budget £'000	2021/22 Budget £'000	Total Budget £'000
HRA STRATEGIC PRIORITIES							
Miscellaneous Properties-Conversions/Back into Stock		717	703	680	694	708	3,502
New Build Phase 1 - Ashbrow Extra Care		3,563	3,631	0	0	0	7,194
New Build Phase 2 - Soothill Extra Care		0	3,631	3,703	0	0	7,334
New Build Phase 3		0	0	0	7,555	0	7,555
New Build Phase 4 - Environmentally Friendly Housing		2,036	2,075	0	0	0	4,111
Strategic Priorities		0	0	0	0	5,504	5,504
		6,316	10,040	4,383	8,249	6,212	35,200
HRA BASELINE							
Heating Programmes(Boilers)		1,583	1,555	1,477	1,481	1,480	7,576
Maintaining Decency		8,383	8,248	7,216	7,205	7,204	38,256
Batched works		268	265	255	260	265	1,313
Fuel poverty		670	662	638	650	663	3,283
Major Adaptations		2,443	2,490	2,539	2,590	2,642	12,704
Minor Adaptations		244	249	254	259	264	1,270
Misc		330	306	312	318	325	1,591
Estate & Environmental Works (Managed through District Committees)		458	467	476	486	495	2,382
		14,379	14,242	13,167	13,249	13,338	68,375
TOTAL		20,695	24,282	17,550	21,498	19,550	103,575

UPDATED CAPITAL INVESTMENT PLAN 2017/18 - 2021/22

FUNDING SUMMARY

	2017/18 Budget £'000	2018/19 Budget £'000	2019/20 Budget £'000	2020/21 Budget £'000	2021/22 Budget £'000	Total Budget £'000
TOTAL FUNDING REQUIREMENT	82,280	88,027	60,465	53,803	48,242	332,817
Funded by...						
Direct/Earmarked Contributions to Schemes						
Capital Grants / Contributions						
- In year	25,978	22,825	18,276	17,821	17,263	102,163
- Funding brought forward from previous year	2,217	1,656	1,556	1,556	1,128	8,113
- Funding carried down to following year	-1,656	-1,556	-1,556	-1,128	-1,128	-7,024
Earmarked Capital Receipts	5,167	3,519	3,825	2,984	2,373	17,868
Revenue Contributions (HRA)	5,394	7,863	4,070	7,283	6,781	31,391
Reserves (HRA)	13,162	13,162	11,917	11,493	10,658	60,392
Pooled resources						
Non Earmarked Capital Receipts	6,000	6,000	6,000	6,000	6,000	30,000
Corporate Prudential Borrowing	26,018	34,558	16,377	7,794	5,167	89,914
TOTAL FUNDING REQUIREMENT	82,280	88,027	60,465	53,803	48,242	332,817

FUNDING SUMMARY INCLUDING ASSUMED SLIPPAGE

For revenue budget planning and associated Prudential Indicators it is appropriate to make overall assumptions about slippage. This table shows the corporate assumptions made for that purpose and assumes a level profile of spend over the five years. This is considered a realistic assumption based on historical information on slippage on major capital programmes of this level.

	2017/18 Budget £'000	2018/19 Budget £'000	2019/20 Budget £'000	2020/21 Budget £'000	2021/22 Budget £'000	Total Budget £'000
Assumed Slippage b/f	20,264	14,864	16,703	10,319	7,739	69,889
General Fund Maximum Authorised Spend	61,585	63,745	42,915	32,305	28,692	229,242
Assumed Slippage c/f	-14,864	-16,703	-10,319	-7,739	-6,754	-56,379
	66,985	61,906	49,299	34,885	29,677	242,752
HRA Planning Allocation	20,695	24,282	17,550	21,498	19,550	103,575
TOTAL FUNDING REQUIREMENT	87,680	86,188	66,849	56,383	49,227	346,327
Funded by...						
Direct/Earmarked Contributions to Schemes						
Capital Grants / Contributions						
- In year	25,978	22,825	18,276	17,821	17,263	102,163
- Funding brought forward from previous year	9,441	6,915	6,092	5,162	4,729	32,339
- Funding carried down to following year	-6,915	-6,092	-5,162	-4,729	-4,532	-27,430
Earmarked Capital Receipts	5,167	3,519	3,825	2,984	2,373	17,868
Revenue Contributions (HRA)	5,394	7,863	4,070	7,283	6,781	31,391
Reserves (HRA)	13,162	13,162	11,917	11,493	10,658	60,392
Pooled resources						
Non Earmarked Capital Receipts	6,000	6,000	6,000	6,000	6,000	30,000
Corporate Prudential Borrowing	29,453	31,996	21,831	10,369	5,955	99,604
TOTAL	87,680	86,188	66,849	56,383	49,227	346,327

Key Risks & Pressures where existing or emerging risks may warrant inclusion in a future Capital Plan (subject to completion of detailed business case)

Service / topic	Issue	Timing	Capital Value
Children's Services - Adaptations	Provision of grant funding to Kirklees foster parents to expand their homes so that they can foster more children, thereby facilitating a reduction in the number of children sent to external foster agencies, who charge significantly more than internal foster carers. This is badged as an Invest to Save proposal.	2017-18 onwards	£0.25m
Children's Services – EIP Review	36 existing delivery buildings to be reduced to 17 buildings, with the remaining 19 offered for alternative uses. Funds required to re-model/refurbish remaining buildings so that they are fit for purpose for the new EIP service, whilst remodelling / refurbishment works may be required to 19 buildings no longer required to encourage schools and other users to take responsibility for these liabilities.	2017-18	£1-2m
Children's Services – Specialist School places - ASD.	The LA has a statutory duty to ensure the provision of sufficient high quality special school places. The DfE does not provide capital funding for this – the cost of the new places falls to the LA. Cabinet approved the creation of an 80 place special school for pupils on the Autistic Spectrum in 2014. Since then the demand for ASD places has increased significantly leading to pupils being placed in expensive out of district provision. Capacity at Woodley School needs to be increased to 110 places as a consequence to meet the need, which requires a capital intervention. Investment may be on a 'spend to mitigate' basis when the rules surrounding High Needs funding are changed by the Government.	2017-18	£3.0m
Children's Services – Specialist School places - SEMH.	Provision for Social, Emotional and Mental Health provision is insufficient in Kirklees to meet the demand leading to expensive out of district provision being used. An option could be to purchase more provision within Kirklees via the Joseph Norton Academy though this will require a capital intervention to create the additional space required. Investment may be on a 'spend to mitigate' basis when the rules surrounding High Needs funding are changed by the Government.	2017-18	£2.0m
Children Services – primary and secondary School places.	The LA has a statutory duty to ensure that there are sufficient high quality school places. The DfE may provide basic need grant towards this cost but typically it only covers around 75-80% of the capital cost of the provision with the balanced expected to come from S106 or Council funds. Currently there is a shortfall in the availability of funding for primary school places, which means that the new 3FE primary school for North Kirklees is only part funded. In addition, the primary growth in pupil places will start to move into the secondary sector over the next three years, which will require capital funding. This may or may not be partially	2018/10	£10m

APPENDIX E vi)

	covered by future DfE basic need funding, though it is probable that any allocated funding will be insufficient.		
Corporate Landlord – Strategic Asset Utilisation	The Strategic Asset Capital Programme is allocated on the basis and understanding that schemes undertaken, assist and enable the Council and its partners to meet the service objectives, outcomes and delivery in moving towards “New Council”. This programme line has £1.4m allocated over the period 2017/18 to 2019/20 but the anticipated need for capital is likely to be at least twice that amount. Services across the Council are making revenue savings assumptions predicated on there being help to re-organise/release buildings and land.	2018/19 And 2019/20 for new capital	£1-£2m per annum for 2 years.
Highways Land Acquisition – Major Transport schemes	There may be instances when it is necessary to secure the advance purchase of land required for a major scheme e.g. West Yorkshire Transport Fund priority. The approach is currently for the Authority promoting the project to bear the risks of purchasing the land from their own funds, and then reclaiming that expenditure from the WY Transport Fund at the appropriate Gateway. This would be expected to be at Gateway 3 (Implementation Approval).	2017/18 onwards	£1m p.a.
Adult Social Care – Day care facilities	Creation of a “Highfields in the North” to plug a shortfall in the provision of day care facilities for adults for profound difficulties. Current provision is inadequate and cannot cope with the expected significant growth in demand.	Over the next 1-5 years	Circa £5m

PRUDENTIAL INDICATORS

1. **Prudential indicators for affordability** (mandatory indicators highlighted)

Estimates of ratio of financing costs to net revenue stream

This prudential indicator measures the impact of borrowing costs on the General Fund and the HRA. It expresses financing costs as a percentage of the “net revenue stream” (taxation and non-specific grant income for General Fund and gross income for HRA).

	Actual		Estimates		
	2015/16	2016/17	2017/18	2018/19	2019/20
General Fund	12.65%	9.93%	10.36%	10.22%	10.32%
General Fund (excl PFI)	10.61%	7.86%	8.05%	8.09%	8.03%
HRA	30.89%	30.28%	31.50%	31.38%	31.03%
HRA (excl PFI)	28.51%	27.99%	29.48%	29.50%	29.29%

The reduction in the General Fund indicators from 2015/16 is the result of the change in policy for calculating the Minimum Revenue Provision.

Estimates of the incremental impact of capital investment decisions on the Council tax

This prudential indicator compares the borrowing costs expected to be incurred under the existing Capital Plan with those of the new Capital Plan, expressed in terms of the impact on the level of Council Tax. The figures identify only the additional borrowing costs – any changes in running costs and income will be factored into service budgets.

	2017/18	2018/19	2019/20
	£	£	£
Decrease in Council Tax at Band D	0.04	1.77	1.53

Estimates of the incremental impact of capital investment decisions on housing rents

This prudential indicator sets out the marginal cost of decisions to invest in housing assets and fund them from borrowing, expressed in terms of the impact on average weekly housing rents. There are no plans to use borrowing in the proposed capital plan.

Capital Expenditure and External Debt

The table below draws together the main elements of Capital Plan expenditure, highlighting the supported and unsupported elements of borrowing and other financing arrangements. It contains the following prudential indicators:

- 1) Capital expenditure – sets out the latest actual spend and the estimated spend in the plan period, split between General Fund and HRA.
- 2) Capital Financing Requirement (CFR) – this is the Council’s underlying need to borrow to fund capital investment. The indicators required show the latest actual CFR, as well as those based on estimates of new/ repayments of borrowing during the plan period, split between General Fund and HRA.

- 3) External debt – sets out the latest actual debt for the Council. The difference between external borrowing and the CFR in each year reflects the amount of internal balances that are being “borrowed” to finance capital indebtedness (see Treasury Management Strategy Report).

	Actual		Estimates		
	2015/16 £000s	2016/17 £000s	2017/18 £000s	2018/19 £000s	2019/20 £000s
<u>Capital Expenditure</u>					
General Fund	50,796	58,729	66,985	61,906	49,299
General Fund PFI	1,539	1,392	1,849	1,554	2,010
HRA	22,655	17,015	20,695	24,282	17,550
HRA - PFI	151	173	266	300	220
Total	75,141	77,309	89,795	88,042	69,079
<u>Financed by -</u>					
Borrowing	11,264	24,928	29,453	31,996	21,831
PFI Liabilities/RCCOs	1,690	1,565	2,115	1,854	2,230
Other Resources	62,187	50,816	58,227	54,192	45,018
Total	75,141	77,309	89,795	88,042	69,079
<u>CFR as at 31 March</u>					
General Fund excl PFI	411,332	424,751	437,878	456,364	464,794
General Fund PFI	58,058	55,474	52,269	49,332	45,824
HRA excl PFI	192,440	186,181	182,843	175,332	170,749
HRA PFI	58,910	56,824	54,896	52,936	50,549
Total	720,740	723,230	727,886	733,964	731,916
<u>External debt as at 31 March</u>					
Borrowing	424,418	460,237	508,190	532,880	540,661
Other LT Liabilities	121,360	116,560	111,307	106,300	100,305
Total	545,778	576,797	619,497	639,180	640,966

A further two Prudential Indicators control overall level of borrowing. These are the Authorised Limit and the Operational Boundary. The Authorised Limit represents the limit beyond which borrowing is prohibited. It reflects the level of borrowing which, while not desired, could be afforded in the short-term, but is not sustainable. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3(1) of the Local Government Act 2003.

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.

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
<u>Authorised limit for external debt</u>				
Borrowing	554.6	558.4	585.7	594.7
Other Long Term Liabilities	121.4	116.6	111.3	106.3
Total	676.0	675.0	697.0	701.0

<u>Operational boundary for external debt</u>				
Borrowing	505.2	508.2	532.9	540.7
Other Long Term Liabilities	121.4	116.6	111.3	106.3
Total	626.6	624.8	644.2	647.0

As part of HRA self-financing reform, the authority is now required to report the limit on HRA indebtedness. The limit was set by Department for Communities and Local Government (DCLG) at £247.6 million. It is the HRA CFR excluding PFI liabilities which is compared to this limit and the HRA is over £60 million below the limit with no current plans to increase its borrowing.

2. Prudential indicators for prudence

Net Borrowing and the Capital Financing Requirement (CFR)

In order to ensure that over the medium term, net borrowing will only be for a capital purpose, the authority should ensure that net external borrowing does not, except in the short term, exceed the total CFR. The Council comfortably complied with this requirement in 2015/16 and no difficulties are envisaged for current or future years.

3. Prudential indicators for treasury management

Treasury Management Code

A prudential indicator in respect of treasury management is that the local authority has adopted the CIPFA *Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes*. The aim is to ensure that treasury management is led by a clear integrated forward treasury management strategy, and a recognition of the pre-existing structure of the authority's borrowing and investment portfolios. The Council adopted the Code in February 2002.

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.

Interest Rate Exposures

While fixed rate borrowing can contribute significantly to reducing the uncertainty surrounding future interest rate scenarios, the pursuit of optimum performance justifies retaining a degree of flexibility through the use of variable interest rates on at least part of the treasury management portfolio. The Code requires the setting of upper limits for both variable rate and fixed interest rate exposure.

It is recommended that the Council sets an upper limit on its fixed interest rate exposures for 2017/18, 2018/19 and 2019/20 of 100% of its net interest payments. It is further recommended that the Council sets an upper limit on its variable interest rate exposures for 2017/18, 2018/19 and 2019/20 of 40% of its net interest payments.

This means that fixed interest rate exposures will be managed within the range 60% to 100%, and variable interest rate exposures within the range 0% to 40%.

Maturity Structure of Borrowing

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

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

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

Total principal sums invested for periods longer than 364 days

The Council is not intending to invest sums for periods longer than 364 days.

Appendix G

Investment Policy for 2017/18

Specified investments:

- 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 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 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 million and up to two months with individual local authorities.
- The Council is able to invest up to £10 million in individual MMFs (instant access or up to 2 day notice). There will be an overall limit of £40 million for MMFs (non-government funds), plus up to £10 million invested in a fund backed by government securities.

Non-specified investments:

- The Council is able to invest up to £3 million and up to two months with individual UK banks and building societies with a mid “medium grade” credit rating.
- The Council is able to invest up to £1 million and up to two months with certain unrated building societies as approved by the Council’s treasury advisors.
- The Council adopts an overall limit of £10 million for non-specified investments.

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

The Council will not place direct investments in companies as defined by the Carbon Underground 200 on 1 February each year.

Specified

	Short-term Credit Ratings / Long-Term Credit Ratings			Investment Limits per Counterparty		Counterparties falling into category as at Jan 2017
	Fitch	Moody's	S & P	£m	Period (3)	
UK Banks / Building Societies (Deposit accounts, fixed term deposits and REPOs)	F1	P-1	A-1	10	<3mth	HSBC Lloyds Group Santander UK Nationwide BS Coventry BS Close Bros
	AAA,AA+,AA,AA-,A+,A	Aaa,Aa1,Aa2,Aa3,A1,A2	AAA,AA+,AA,AA-,A+,A			
Foreign Banks (Deposit accounts, fixed term deposits and REPOs)	F1	P-1	A-1	10	<2mth	Svenska Handelsbanken
	AAA,AA+,AA,AA-,A+,A	Aaa,Aa1,Aa2,Aa3,A1,A2	AAA,AA+,AA,AA-,A+,A			
MMF (2)	-	-	-	10	Instant access/ up to 2 day notice	
UK Government (Fixed term deposits)	-	-	-	Unlimited	<6mth	
UK local authorities (Fixed term deposits)	-	-	-	10	<2mth	

Non-Specified (1)

	Short-term Credit Ratings / Long-Term Credit Ratings			Investment Limits per Counterparty		Counterparties falling into category as at Jan 2017
	Fitch	Moody's	S & P	£m	Period (3)	
UK Banks / Building Societies (Fixed term deposits)	F1,F2	P-1,P-2	A-1,A-2	3	<2mth	Barclays Leeds BS Nottingham BS RBS Yorkshire BS
	Higher than BBB	Higher than Baa2	Higher than BBB			
Unrated Building Societies (Fixed term deposits)	-	-	-	1	<2mth	Darlington, Scottish, Furness, Hinckley & Rugby, Leek, Marsden, Loughborough, Mansfield, Nat Counties, Mkt Harborough, Newbury, Melton Mowbray, Tipton & Coseley, Stafford Railway.

(1) Overall limit of £10 million.

(2) Overall limit for investments in MMFs of £50 million – up to 40 million in non-government funds, plus up to £10 million in a fund backed by government securities.

(3) 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	P-2	A+	A-1	A+	F1	Upper medium grade
A2		A		A		
A3		A-		A-		
Baa1	P-3	BBB+	A-2	BBB+	F2	Lower medium grade
Baa2		BBB		BBB		
Baa3		BBB-		BBB-		
Ba1	Not prime	BB+	B	BB+	B	Non-investment grade speculative
Ba2		BB		BB		
Ba3		BB-		BB-		
B1		B+		B+		Highly speculative
B2		B		B		
B3		B-		B-		
Caa1	Not prime	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			

**STATEMENT OF POLICY ON THE MINIMUM REVENUE PROVISION
(REPAYMENT OF DEBT)**

1. Background

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

2 Proposed policy for 2016/17 and 2017/18

- 2.1 The Council's Section 151 officer (Assistant Director, Financial Management, Risk, Performance & IT) recommends the following policy for making prudent provision for MRP:
- (i) General Fund Supported Borrowing (pre 2011/12) - Provision to be made over the estimated average life of the asset (as at 1 April 2016) for which borrowing was taken - deemed to be 50 years (annuity calculation);
 - (ii) General Fund Prudential Borrowing – Provision to be made over the estimated life of the asset for which borrowing is undertaken. Provision to commence in the year following purchase (annuity calculation). Where large loans are made to other bodies for their capital expenditure, no MRP will be charged. However, the capital receipts generated by the annual repayments on those loans will be put aside to repay debt instead;
 - (iii) HRA Borrowing - Provision to be made for debt repayments equal to its share of any scheduled external debt repayments;
 - (iv) 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.

CORPORATE RISK REGISTER – RISK MANAGEMENT ACTION PLAN AT JANUARY 2017

Appendix J

Risk No	Risk – Description of the risk	Management actions already in place to mitigate the risk
1	The current work on New Council and further work to find Directorate savings does not deliver a balanced MTFP e.g. Increase in demand for social care. Increased volume of waste.	<ul style="list-style-type: none"> • Governance structure for New Council established and reporting to Executive Team. • There is a planned approach during the MTFP for general fund activities and Housing Revenue Account functions • Tracker developed which allows all change plans to be in view and monitored on a monthly basis • Programme management office established and resourced • Monthly financial reporting to Executive Team, Portfolio Holders Briefing, and quarterly reports to Cabinet and Council.
2	Overspending on particular budget heads due to increase in volumes, rising prices, or a failure to properly control projects. Concerns about growth in volumes of children and adult care beyond those provided in financial plans and budgets.	<ul style="list-style-type: none"> • Control expenditure where possible. • Amend policy if possible to mitigate growth. • Examine alternative strategies to mitigate costs e.g. increase extra care provision, adaptations, recruitment of additional foster parents • Utilise supplementary resources to cushion impact of cuts and invest to save.
3	<p>The new living wage creates a substantial risk for the Council if it is not fully funded in the context of:</p> <ul style="list-style-type: none"> • Direct employees, earning less than the “new living wage” (such as cleaning, catering and other activities) • Contracts for services, particularly in the care sector where many employees are currently paid at or close to the current statutory living wage and will thus increase by up to 40%;(labour constitutes almost 100% of home care and about 75% of residential care costs) • Inflation in costs of goods (eg foods) as a consequence of increased operating costs 	<ul style="list-style-type: none"> • Liaison with service providers and suppliers about likely impact on prices • Ensure that budgets anticipate likely cost impacts • Seek additional funding as a consequence of government imposed costs.

4	Council supplier and market failure leads to loss of service, poor quality service or inability to attract new suppliers - to create competition in existing supply chains, or to create new supply routes as an alternative to existing arrangements	<ul style="list-style-type: none"> • Avoid, where possible, over dependence on single suppliers; more thorough financial assessment when a potential supplier failure could have a wide impact on the council's operations but take a more open approach where risks are few or have only limited impact. • Recognise that supplier failure is always a potential risk; those firms that derive large proportions of their business from the public sector are a particular risk. • Need to balance between only using suppliers who are financially sound but may be expensive and enabling lower cost or new entrants to the supplier market. • Be realistic about expectation about what the market can deliver, taking into account matter such as national living wage, recruitment and retention issues etc. • Develop and publish in place market position statement and undertake regular dialogue with market.
5	The Safeguarding risks associated with the care of children and vulnerable adults. Includes direct care provision, care at public access activity, and in community care of the vulnerable (eg through antisocial behaviour).Impacts on the client directly, and also those consequent to Serious Case Reviews investigation and implementation of specific recommendations. Risks include costs of reviews, media and reputational damage from the event, even if the subsequent findings suggest that practices were satisfactory.	<ul style="list-style-type: none"> • CRB checking, staff training, supervision, protection policies kept up to date and communicated. • Effective management of social work (and related services); rapid response to any issues identified and from any serious case review work. • Active management of cases reaching serious case review stage, and any media interest • Review of current practices following the child sexual exploitation in Rotherham and the emerging requirements. • Ensure that workloads are balanced to resources. • Staff and skill development to minimise dependence on key individuals. • Use of agency staff and or contractors when necessary • Ideal manager training • Considered as part of New Council changes and Transformation agenda.
6	Welfare Reforms impacts adversely on clients and the councils service provision .This may impact particularly on vulnerable people with a further impact on costs and demands for existing and	<ul style="list-style-type: none"> • Monitor government intentions; early steer on policy and impacts to be obtained. • Develop strategies to control/minimise losses.

	alternative services. Includes the costs of council tax benefit, income collection difficulties for rents with further potential risks in relation to homelessness if individuals fail to balance their incomes to rents, and prioritise tenancy payments.	
7	<p>Workforce management issues including loss of experienced staff, need for different skill sets and inability to identify and / or reach all staff to deliver appropriate staff training and skills development, industrial tribunals and settlements and industrial action. Difficulties in recruiting and/or retaining staff in specific areas and our overall ability to appoint staff with the appropriate skills and behaviours. Particular risks associated with changes to senior managers in activity areas with current challenging agenda.</p> <p>The Governments proposed trade union legislation may create some future difficulties in relation to organisational restructure and change.</p>	<ul style="list-style-type: none"> • Workforce Planning is incorporated into change plans and the New Council Programme and Transformation Boards oversee and support services to deliver these. Modernising and increasing accessibility of policies and processes to equip managers with the tools to manage robustly and increased accessibility to online training tools for managers and employees. • Continue to embed the behaviours within our culture and practice, including within recruitment processes. Progress plans re recruitment and retention issues • Selective use of interim managers and others to ensure continuity of progress regarding complex issues • Ensure robust change processes including Equality Impact Assessments (EIA's) and consultation. • Recognition that actions in the past still drive some costs elements like equal pay. • Monitor position with regard to legislation.
8	Funding shortfall in partner agencies e.g. NHS which leads to increased pressure on community services and unforeseen costs	<ul style="list-style-type: none"> • Engagement in winter resilience discussions • Secure funding as appropriate • Consider extension of pooled funds • Accept that this will lead to delay in waiting times
9	Failure to address matters of violent extremism and related safer stronger community factors that could create significant community tension.	<ul style="list-style-type: none"> • Prevent partnership action plan. • Local intelligence sharing and networks. • New status as a Prevent Priority Area provides funding for a Prevent Coordinator Post and enables the development of bids for additional funding. • Counter terrorism local profile.
10	Unforeseen legislative changes e.g. Housing and Planning Bill	<ul style="list-style-type: none"> • Reprioritise activities • Deploy additional resources

		<ul style="list-style-type: none"> • Use of agency staff or contractors where necessary
11	Unforeseen significant environmental events such as severe weather impact on the Council's ability to continue to deliver business as usual services.	<ul style="list-style-type: none"> • Effective business continuity and emergency planning (including mutual aid) investment in flood management, gritting deployment plans. • Winter maintenance budgets are supported by a bad weather contingency • The government continues to offer a revised Bellwin scheme in the event of major incidents. • Identify supplementary funding
12	Management of information from loss or inappropriate destruction or retention and the risk of failure to comply with the Council's obligations in relation to Data Protection, and Freedom of Information legislation.	<ul style="list-style-type: none"> • Thorough, understandable information security policies and practices that are clearly communicated to workforce. • Effective management of data, retention and recording. • Raised awareness and staff training • Compliance with IT security policy. • Compliance with retention schedules. • Compliance with information governance policy. • Business continuity procedures. • Comply with new legislation around staff access to sensitive data. • KMC has a Senior Information Risk Owner ("SIRO") officer who is supported by dedicated Information Governance Board
13	Communities doing more for themselves and each other and increased reliance on contributions from the third sector are fundamental to our MTFP assumptions of reduced demand for statutory services and to the successful operation of new service models. If these changes do not occur at the scale needed then our assumptions are not sustainable.	<ul style="list-style-type: none"> • Reduced demand for statutory services • If the reduction is not realised at the pace set out, (in change plans) then those services that are directly impacted will need to identify this early, and to help in doing so, ensure that appropriate demand management and monitoring is put in place to record the levels of service take up. Remedial action should also be identified by those services. • Successful operation of new service models • Impact assessments for those services directly affected should be carried out to reflect the impact on citizens of losing a service as a consequence of the pace and scale of new service models not meeting demand.
14	Heightened national attention to Child Sexual Exploitation and historical abuse cases leading to increased demand, higher professional	<ul style="list-style-type: none"> • Council position in relation to historical institutional abuse to be established and preparations for any requests from the Lowell Goddard Review to be made.

	expectations and greater public scrutiny, with the consequent need for additional resource and reputational risk for the Council.	<ul style="list-style-type: none"> • Additional resources and expertise allocated to new and historical CSE work. • Risk matrix and risk management approach implemented with the police and partners. • Oversight of Council risks through the CSE Member Panel.
15	Health & Safety measures are inadequate leading to harm to employees or customers and possible litigious action from them personally and/or the Health and Safety Executive	<ul style="list-style-type: none"> • Risk assessments • Work practices to address H&S risks • Safety equipment • Staff training
16	Exposure to increased liabilities arising from property ownership and management.	<ul style="list-style-type: none"> • Routine servicing and cleansing regimes • Work practices to address risks from noxious substances • Disposal strategy linked to service and budget strategy • Prioritisation of funding to support reduction of backlog maintenance

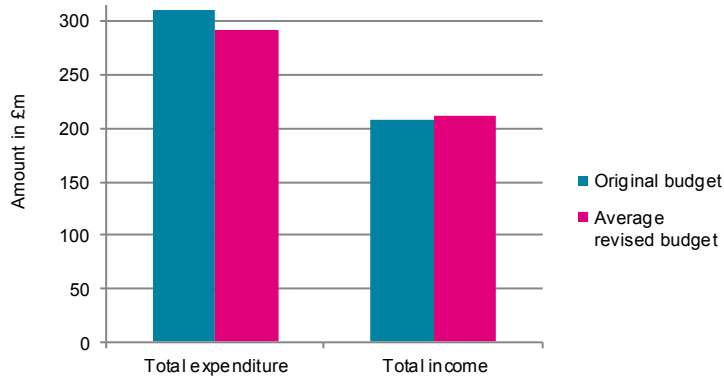


Let's talk...council budget - The results

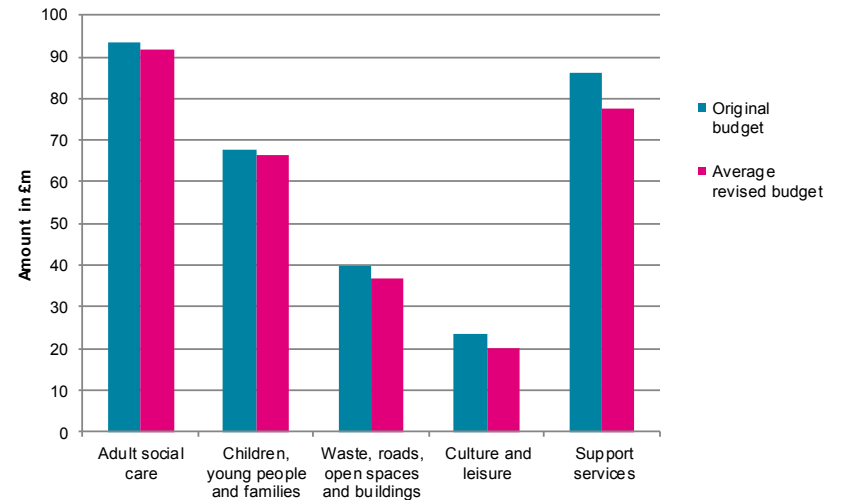
During November and December 2016, the council ran an budget consultation which asked the public to try and balance the council's finances. It utilised an online budget simulator and people had to achieve the required savings of £25.4m.

We had 328 budgets submitted and of these, 87% provided their age and postcode which helps us understand the way the current financial challenges are viewed across the whole of Kirklees.

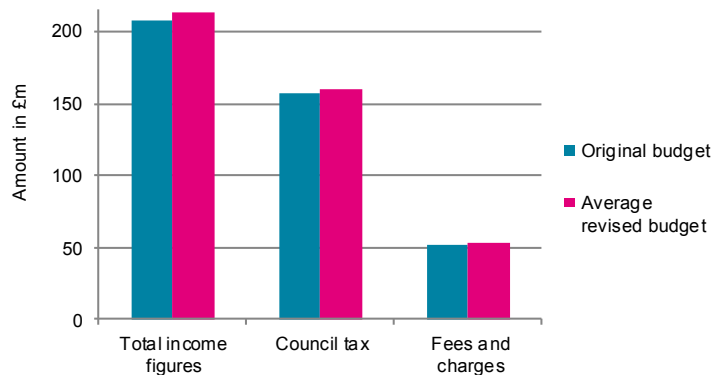
Total budget figures



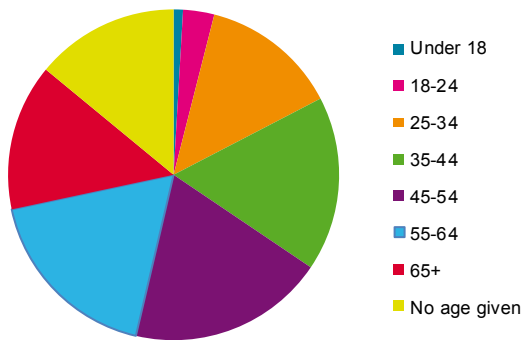
Service budget breakdowns



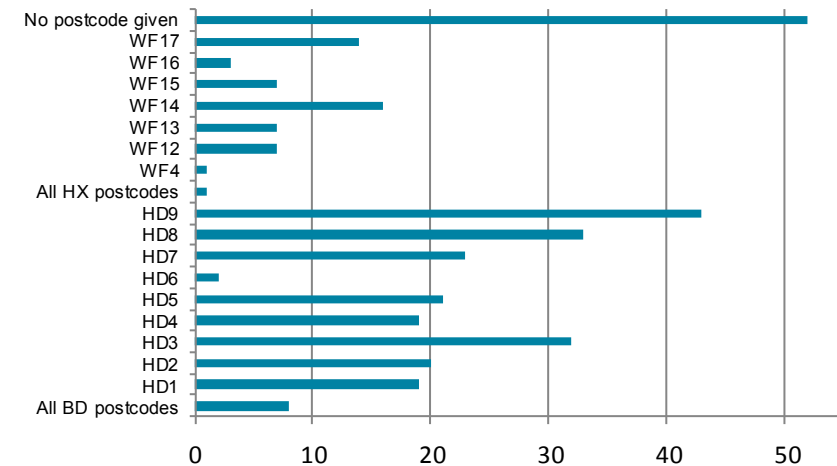
Options to bring money in



Age of respondents



Location of respondents



APPENDIX L

Kirklees Council - Response to consultation on the provisional 2017-18 local government finance settlement

Kirklees Council welcomes the opportunity to comment on the provisional settlement. This response is consistent with the issues we have already raised in person through the cross party delegation from Kirklees Council to the Minister on 10th January 2017. Given the urgent and serious nature of the issues raised, we ask that you specifically consider the general comments below which address more fundamental issues than those posed in the specific questions raised in the consultation.

General Comments

Summary of critical concerns

There is an urgent need for injection of genuinely new additional Government funding to protect care services.

No new money from central government has been included in the settlement. In fact, the overall impact on Kirklees is a further reduction of our funding base.

This exacerbates an already unsustainable position for Kirklees as our existing funding base does not adequately reflect local circumstances, levels of need and demand.

The national distribution of available funds is unfair. Per head of population, Kirklees Council is the 2nd lowest funded of all 36 metropolitan Councils, and 8th lowest of all Councils nationally – in spite of relatively high levels of underlying need.

The 2017-18 provisional settlement figures and latest population statistics show Kirklees spending £639 per head of population – whereas the average for metropolitan boroughs is £747.

Demand pressures – in particular, for adult social care services - but also in relation to other services including waste are increasing for Kirklees.

The combined impact of a fundamentally unfair distribution, an existing low funding base, demand pressures, and the additional negative impact of the changes announced in the 2017-18 settlement means there is an unprecedented shortfall, which we have limited opportunity to address through further savings to achieve a balanced budget.

We therefore require transitional funding in order to achieve a balanced budget.

We have particular pressures in 2017/18 and request transitional funding for Kirklees to accelerate current transformation work to mitigate demand led pressures and to further accelerate our health and social care integration work.

Overall impact

Overall, as illustrated in the table below, Kirklees is c £9m - £11m worse off over the next 3 years.

Headline funding changes	Provisional Financial Settlement 2017-18; Kirklees Council Funding (Gain)/loss			
	17-18 £000	18-19 £000	19-20 £000	Total across years £000
Un-ring-fenced New Homes Bonus Grant	1,940	226	248	2,414*
Adult Social Care grant	(1,870)	nil	Nil	(1,870)
Un-ring-fenced Education Support Grant (net funding loss)	2,193	3,314	3,314	8,821
Net funding loss	2,263	3,540	3,562	9,365*

*NB these figures represent the maximum NHB claim, which is higher than the realistic estimates of what is achievable and therefore included in the Councils MTFP. Calculating on what spending power will realistically be available to Kirklees sees a net funding loss of c£11m over the 3 year period.

Demand pressures

Volume pressures are continuing and increasing, for both children's and adults social care.

Even with an improved Better Care Fund, and 3% adult social care precept, the unfunded cost pressures on Adult Social Care for Kirklees range from £10.4m to £13.1m by 2020-21.

Over the past few years we have seen a c. 2% increase in overall waste volumes to manage per year, this has been increasing waste disposal costs by c. £120k per year with the cumulative impact of c£1m p.a. Kirklees' current PFI contract for waste is due to expire in only 6 years, which presents a significant risk to the Council as it will result in a significant increase in our waste disposal costs. The market rate for disposal of waste is currently estimated at around £100/t, if the Council returned to this rate today it would increase the Council's budget by over £7m per year.

New Homes Bonus

The changes to New Homes Bonus (NHB) contained in the settlement include an unanticipated further reduction to legacy payments in 2017-18 and the introduction of a performance regime. The proposed national baseline for housing growth of 0.4% is considerably higher than the 0.25% indicative measure originally proposed. Our funding will be reduced as a consequence of these changes, as indicated in the table below:

(In reality the reduction on our spending power will be greater than that indicated, as we are unlikely to achieve the maximum level of NHB)

Revised NHB grant allocations 2017-20

	2017-18 £000	2018-19 £000	2019-20 £000
16-17 Settlement	(£9,100)	(£5,700)	(£5,500)
17-18 Gov't NHB Figs	(£7,160)	(£5,474)	(£5,252)
Impact of provisional settlement	£1,940	£226	£248

We are opposed to the unexpected nature of the NHB changes, the timing of their introduction and the introduction of the performance regime.

In respect of the performance regime, the introduction of a threshold for 'deadweight' will particularly affect authorities in lower growth areas.

As the threshold will apply to NHB awarded from 2017-18 onwards, this means NHB receipts earned during 2016-17 are going to be reduced at very short notice. As the threshold applies to Band D equivalents, not numbers of dwellings, areas with lower value dwellings are hit harder than their wealthier counterparts.

This is counter-intuitive, as it rewards authorities where growth is easy and penalises those where it is most difficult. As we have limited control over developers, this regime is grossly unfair. Government must allow local authorities to penalise developers who land bank sites with granted planning permissions and do much more at the national level to solve the structural, underlying issues causing the unprecedented crisis in housing in this country.

One-off Adult Social Care Grant

The one-off social care grant is an insufficient, short-term response, which does not address the fundamental and urgent need for additional long term funding for care services.

This is not new money as it has been funded through the reductions in NHB.

Education Services Grant

We are concerned at the phasing out of Education Services Grant (ESG) at the same time that authorities undergo cuts in general funding and call for the ESG to be reinstated.

The financial impact for the Council from the ESG funding changes is summarised below:

Education Services Grant (ESG) – funding impact

	17-18 £000	18-19 £000	19-20 £000
Net reduction in funding	2,193	3,340	3,340

**part-year effect (academic year from Sept)*

ESG funding was previously meant to contribute towards a range of statutory and regulatory services that Councils are required to provide, both in relation to maintained schools, and academies. Government had previously indicated that it would review the existing statutory role of Councils in conjunction with its intended review of ESG funding in its current form.

As part of the overall settlement announcement on 15 December 2016, Government has re-affirmed that there will be no reduction in the number of statutory or regulatory Council functions with regard to schools, but there has been an overall reduction in Council funding for these functions, as noted in the table above.

We are deeply concerned by the ESG reductions and the 11th hour nature of the announcement; and feel that these changes are not in keeping with the usual expectations of the burdens regime, as Government have not reduced statutory functions in line with the reductions in funding.

Consultation Questions

Question 1

Do you agree with the methodology of [calculating] Revenue Support Grant in 2017-18?

No, the allocation is unfair and perpetuates our low funding base

Question 2

Do you think the Government should consider transition measures to limit the impact of reforms to the New Homes Bonus?

Yes - see above

Question 3

Do you agree with the Governments proposal to fund the New Homes Bonus in 2017-18 with the £1.16 billion of funding held back from the settlement, on the basis of the methodology described in paragraph 2.5.8?

No – see above

Question 4

Do you agree with the proposal to provide £240 million in 2017-18 from additional savings resulting from new Homes Bonus reforms to authorities with adult social care responsibilities allocated using the Relative Needs formula?

No, in so far as this is only recirculating money already in the system and is an insufficient, short-term response, which does not address the fundamental and urgent need for additional long term funding for care services.

Question 5

Do you agree with the Governments proposal to hold back £25 million to fund the business rates safety net in 2017-18?

No. Revaluation of business rates should be managed at national, not local level

Question 6

Do you agree with the methodology for allocating transition grant in 2017-18?

No. Transition funding should be directed to those areas most impacted by reductions in core spending power.

Question 7

Do you agree with the Governments proposed approach of paying £65 million in 2017-18 to the upper quartile of local authorities based on the super sparsity indicator?

No.