

**Name of meeting:** Cabinet  
**Date:** 26 January 2021

**Title of report:** Council Budget Report 2021/22 and future years; incorporating Capital, Treasury Management, General Fund Revenue and Housing Revenue Account

**Purpose of the report**

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

|   |                                  |
|---|----------------------------------|
| <b>Key decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?</b> | Yes                              |
| <b>Key decision - Is it in the <a href="#">Council's Forward Plan (key decisions and forward reports)</a> ?</b>                                   | Yes                              |
| <b>Is it eligible for "call in" by <a href="#">Scrutiny</a>?</b>  | No                               |
| <b>Date signed off by Strategic Director and name</b>   | Jacqui Gedman – 18 January 2021  |
| <b>Is it also signed off by the Service Director for Finance?</b>   | Eamonn Croston – 18 January 2021 |
| <b>Is it also signed off by the Service Director – Legal, Governance &amp; Commissioning?</b>   | Julie Muscroft – 18 January 2021 |
| <b>Cabinet member <a href="#">portfolio - Corporate</a></b>   | Cllr Graham Turner               |

**Electoral [wards](#) affected:** All

**Ward Councillors consulted:** All

**Public or private:** Public

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

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## RESTRICTIONS ON VOTING

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

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

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

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

### **1. Summary**

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

The Appendices are as follows:

|   |  |
|---|--|
| A | General Fund & HRA Medium Term Financial Plan 2021/22 and future years - Revenue and Capital Budget Book |
| B | Revenue Tables   |
| C | General Fund Revenue Sensitivity Analysis  |
| D | Corporate Risk Register Summary  |
| E | Capital Strategy   |
| F | Flexible Capital Receipts Strategy   |
| G | Motion to Council  |
| H | Budget Consultation exercise – summary   |
| I | Treasury Management Strategy 2021/22 (appended report)   |

### **Integrated Impact Assessments**

- 1.2 Members' attention is drawn to the information and advice in paragraph 3.3.25 of this report which makes reference to the Council's Public Sector Equality Duty.
- 1.3 The report will:-
  - (i) review the general fund revenue budget strategies over the medium term financial plan (MTFP), and budget proposals to achieve a balanced general fund revenue budget in 2021/22, and indicative revenue budget forecasts for the following four years;

- (ii) incorporate the Government's announcement on the Local Government Finance Settlement for 2021/22, and consider the level of general fund revenue budget needed for Treasury Management and Central Contingencies;
- (iii) review the current levels of general fund revenue reserves and balances and make recommendations on the level of reserves;
- (iv) incorporate Housing Revenue Account (HRA) budget proposals to achieve a balanced HRA in 2021/22, and indicative revenue budget plan for the following four years, informed by the HRA 30 year business plan;
- (v) review the current levels of Housing Revenue Account reserves, and make recommendations on the level of reserves;
- (vi) review the multi-year plan for Capital Investment. The Cabinet is required under Financial Procedure Rules to recommend to the Council a multi-year Plan for Capital Investment;
- (vii) review and approve the 2021/22 Treasury Management Strategy, Investment Strategy and Capital Strategy, which the Council must consider before the start of the financial year to comply both with the Chartered Institute of Public Finance & Accountancy (CIPFA) Prudential Code and Treasury Management Code, and with the Ministry of Housing & Local Government (MHCLG) statutory guidance;
- (viii) make recommendations on the Council tax requirement for 2021/22; and
- (ix) incorporate a statement of assurance from the Council's statutory s151 officer in relation to the robustness of budget estimates and adequacy of General fund and HRA reserves.

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

### **2.1 SUMMARY GENERAL FUND BUDGET PLANS**

#### ***Financial Planning context – October 2020 Budget strategy Update report***

2.1.1 The approved Budget Strategy Update report presented to Council on 23 October 2020 provides the overarching financial planning framework for the subsequent budget proposals set out in this annual budget report to effectively give the Council more time, and ensure some degree of short term stability and resilience over the next 12 months, pending more clarity through the other side of the current COVID-19 crisis.

The relevant link to the October report is set out below for reference:

[Council Budget Strategy Update report ; 2021/22 and future years ; 21st October 2020, \(ITEM 6\)](#)

#### ***Our Council Plan***

2.1.2 The October report also made reference to 'Our Council Plan' which was on the same Council agenda, and updated the existing 2018-20 Council Plan. The Plan provides the Council's policy framework for the annual planning cycle. It rolls forward the Administration's 3 key priorities from last year's budget round, and also makes reference to COVID-19 impacts and the Council's response (see also section 2.10 of this report)

#### [Our Council Plan ; 21st October 2020 \(ITEM 7\)](#)

2.1.3 On the basis of the financial planning framework principles set out in the October report, baseline funding and spending multi-year plans were updated at the time; in particular factoring in COVID-19 impacts on the economy and consequential impact on forecast local tax and discretionary service income over the medium term.

2.1.4 Overall, the October 2020 report indicated an updated general fund revenue budget gap of £1.9m in 2021/22, increasing to £13.1m in 2022/23. These budget gaps were also based on presumed additional Government funding of £11m per annum over each of the next 2 years and beyond, to meet rising Adults growth and cost pressures over the period.

2.1.5 The above budget gaps were also acknowledged to be particularly volatile, and the inclusion of high level sensitivity analysis in the report reflected the potential extent of this volatility and challenges for effective and meaningful financial planning over a multi-year context.

#### ***Spending Review 2020***

2.1.6 The Chancellor announced on 23 September 2020 that the planned Autumn Budget 2020 had been put on hold until 2021, given the current economic uncertainty, to enable Government to deal with the 'here and now' COVID-19 crisis. Alongside this challenge, Government was also continuing to make preparations for UK's withdrawal from the EU Customs Union and Single Market on 1 January 2021.

2.1.7 Subsequent to the above announcement, the Spending Review 2020 (SR20) was announced on 25 November 2020. This was largely a one-year Review announcement. For reference, the key Government link to the SR20 announcement is included below:

#### [Spending Review 2020 - GOV.UK](#)

#### ***Office of Budget Responsibility (OBR) economic outlook***

2.1.8 SR20 announcement on 25 November 2020 was also accompanied by an updated economic forecast for the UK from the Office of Budget Responsibility (OBR). The OBR forecasts reinforce the unprecedented scale of the economic challenge over the medium term from the impact of COVID-19. This included ranged forecasts on Gross Domestic Product (GDP) output falls in 2020 between 10.6% and 12%, and subsequent recovery of GDP output to pre-pandemic levels between the end of 2021 and quarter 3 2024. The latter range depending on vaccines becoming widely available and being sufficiently effective, set against periodic re-imposition of health restrictions.

- 2.1.9 OBR updated forecasts also expected unemployment rates to be 4.4% across 2020, rising to 7.5% at its peak in quarter 2 2021, then projected to fall to 4.4% by 2025; compared to the pre-pandemic peak of 3.8% in 2019.
- 2.1.10 In conjunction with the above, the OBR fiscal outlook acknowledges the unprecedented fiscal support by Government to mitigate the economic impacts, which have led to significant increases in borrowing and debt. In terms of the outlook for public finances, OBR predicts peak Government borrowing at £394 billion for 2020; equivalent to 19% of GDP; the highest peacetime level on record.

### ***Provisional financial settlement 2021/22***

- 2.1.11 Government subsequently released the detail of the 2021/22 provisional local government financial settlement on 17 December 2020, with a consultation period that runs to 16 January 2021. At the time of writing this report, we are still awaiting confirmation of the finalised settlement, but in broad terms the headline provisional settlement figures mirror those the headlines for local government set out in SR20. The final settlement is expected late January 2021. The link to the Government 2021/22 financial settlement website is shown below:

[Provisional local government finance settlement 2021 to 2022 - GOV.UK](#)

- 2.1.12 The Government provisional financial settlement release includes the following following introduction setting out the rationale for a largely one-year settlement only:

*“...On 25 November 2020, the Government announced the outcome of Spending Review 2020. The Spending Review and settlement have been drawn up in unique circumstances. The Government’s primary aim, in this challenging period, has been to continue to support councils in dealing with the immediate impacts of the pandemic, to promote recovery and renewal at local level, and support and maintain critical mainstream services....*

*Once the pandemic is over, we will continue to work with local government to understand the lasting impact it has had on both service demands and revenue raising. We will then revisit the priorities for reform of the local government finance system, taking account of wider work on the future of the business rates tax and on the Adult Social Care system. Final decisions will be taken in the context of next year’s Spending Review. In the meantime, there will be no reset of accumulated business rates growth in 2021/22. “*

- 2.1.13 The Council’s detailed funding allocations included in the provisional financial settlement 2021/22 are incorporated as appropriate into this report, including more detailed explanations in relevant subsequent sections of this report.

### ***UK Exit from EU***

- 2.1.14 The UK ceased its EU member status from 1 February 2020, and there was a subsequent transition period to allow time for a new agreement to be set with the EU, effective from 1 January 2021. The UK Government has now reached a ‘Trade and Co-operation Agreement’ with the EU. The relevant web link is included below for reference:

[Agreements reached between the United Kingdom of Great Britain and Northern Ireland and the European Union - GOV.UK](#)

2.1.15 The impact of this will continue to be monitored. Alongside the COVID-19 impact on vulnerable households, residents, communities, businesses and national and local public finances, the nature of UK's relationship with the EU from 1 January 2021 has equally been a significant factor in the continuous development of the Council's Corporate Risk Register. Both agendas remain a work in progress and the updated Corporate Risk Register included at Appendix D reflects this.

***Updated budget plans 2021/22 and future years***

2.1.16 The Council's updated revenue budget plans for 2021/22 and future years, and updated capital plans 2020-26 roll forward existing approved investment in the Administration's political priorities; namely the delivery of outstanding children's services, tackling climate change and investing in our Places, as well as effective and efficient corporate capacity and capability to support the overall approach and Council ambition for the borough's residents. In addition, they also reflect opportunities for prioritisation of existing budgets to support the Administration's inclusive investment ambition through the COVID-19 recovery plan.

2.1.17 At the same time, this continues to be balanced against medium term budget risks and ensuring the Council can continue to deliver within its means for the foreseeable future. The financial planning framework for 2021/22 in particular gives the Council continued financial stability over the next 12 months, in light of continuing COVID-19 impact and volatility on the Council's overall financial position.

2.1.18 In the above context, Table 1 below sets out the updated summary general fund revenue budget plans for 2021-26, which incorporate key funding and spending changes and existing savings proposals rolled forward:

***Table 1 – Summary General Fund budget plans 2021-26:***

|  | 21/22       | 22/23       | 23/24       | 24/25       | 25/26       |
|--|-------------|-------------|-------------|-------------|-------------|
|  | £m          | £m          | £m          | £m          | £m          |
| <b>Budget Gap (MTFP 20-23)</b>                   | <b>12.1</b> | <b>22.0</b> | <b>24.0</b> | <b>24.0</b> | <b>24.0</b> |
| Funding and Reserves Changes                     | (9.7)       | 2.2         | (6.2)       | (16.9)      | (24.4)      |
| Spending Changes (excluding MRP)                 | 11.3        | 4.1         | 12.9        | 17.2        | 21.4        |
| <b>Updated Budget Gap before MRP flexibility</b> | <b>13.7</b> | <b>28.3</b> | <b>30.7</b> | <b>24.3</b> | <b>21.0</b> |
| Apply MRP Flexibility to Offset Budget Gap       | (13.7)      | (13.7)      | (13.6)      | -           | -           |
| <b>Updated Budget Gap (MTFP 21-26)</b>           | <b>-</b>    | <b>14.6</b> | <b>17.1</b> | <b>24.3</b> | <b>21.0</b> |

2.1.19 Appendix A sets out overall proposed revenue resource allocations in 2021/22 to deliver a balanced general fund revenue budget, and indicative resource allocations over the following 4 years across Strategic Director Portfolios and Central Budgets.

A detailed reconciliation of funding and spend adjustments, as summarised in Table 1 above, is also included at Appendix B for information.

- 2.1.20 Updated budget forecasts for the following 4 years reflect an updated budget gap of **£14.6m in 2022/23** increasing to **£17.1m in 2023/24, £24.3m in 2024/25 and £21.0m in 2025/26**. This position would need addressing in order to deliver a balanced budget in these years.
- 2.1.21 The budget sensitivity analysis included in Section 2.14 later in this report highlights the range of potential budget forecast variations and risks relative to Council baseline forecast assumptions underpinning 2021-26 budget plans; in particular over the 2022-26 period to illustrate the current level of budget risk post 2021/22.
- 2.1.22 Key baseline funding and spend assumptions underpinning Council 2021/22 budget proposals to deliver a balanced budget, and indicative budget forecasts for the following 4 years, are described in more detail in the following sections in this report.

## **FUNDING ASSUMPTIONS**

### **2.2 Business Rates**

- 2.2.1 It is anticipated also that the ongoing economic impact on local tax revenues will continue for a number of years while global, national and local economies recover. Updated budget plans assume a reduction in local share of Business Rates income of 5% in 2021/22, equating to a £3m loss in income, gradually recovering to pre-COVID-19 levels by 2024/25.
- 2.2.2 Government has expanded Business Rate reliefs in 2020/21, due to the specific economic and national and local lockdown impacts of COVID-19 on specific business sectors. This includes the expansion of 100% Business Rate reliefs for all businesses with a rateable value of up to £51k, and for specific businesses in retail, hospitality and leisure above £51k rateable value.
- 2.2.3 For Kirklees, this equates to approximately £50m of eligible reliefs compared to only £2.5m under the original retail relief scheme. The Council's 50% share of these reliefs will be funded via s31 grant payments. At this stage, Government has not committed to extending these expanded reliefs beyond 2020/21, and updated budget plans assume that they will be in place for 2020/21 only.
- 2.2.4 Updated budget plans also include an assumed reduction in the Business Rates collection rate. At this stage it is assumed that the collection rate for 2021/22 will be 95.6%; recovering to pre-COVID-19 levels of 98.6% by 2024/25. The budgetary impact of this is £1.5m in 2021/22, reducing to £1.0m in 2022/23 and £0.5m in 2023/24.
- 2.2.5 The SR20 announcement included confirmation of 0.55% uplift in Settlement Funding Assessment (SFA) for 2021/22. This releases £0.6m of additional revenue funding compared to existing plans, where a cash flat settlement had been assumed. Updated budget plans also include estimated SFA uplifts of 1.0% per annum over the future years, equating to a further £1.0m each year from 2022/23.

### **2.3 Business Rates Pool**

- 2.3.1 The existing pool will cease at current year end. Government invited new Pool applications for 2021/22 with a Government deadline of 23 October 2020. Subsequent to the Budget Strategy Update report in October 2020, the Chief Executive and Service Director – Finance, in consultation with the Leader and Corporate Portfolio

holder endorsed the Council's preferred option, which was to be part of a Leeds City Region (LCR) Pool bid for 2021/22 ; includes all West Yorkshire Councils plus Harrogate and York. If approved, the 2021/22 Pool would have the same benefits and risks as the 2020/21 Pool and would similarly be a 50% Pool as the current one.

- 2.3.2 Following the provisional 2021/22 financial settlement release on 17 December 2020, no LCR Pool member has indicated that they want to withdraw from the Pool. Had any individual Council member withdrawn, the Pool application itself would have been revoked.
- 2.3.3 Despite the underlying difficult economic circumstances it is anticipated that none of the Pool Members are likely to fall below their Business Rates safety net thresholds for 2021/22. The significance of this is that it is the responsibility of the Pool to underwrite safety net thresholds, should a member go below theirs, rather than Government.
- 2.3.4 This is the risk element of being a Pool member; the reward element being the additional levy contributions that can be retained by the Pool that would otherwise be paid over to Government (the 50% share of additional levies). Specific proposals for the allocation of retained levies will be considered through the Business Rates Joint Committee for the start of the new financial year. A further report on the governance arrangements for the 2021/22 LCR Pool will be brought to Cabinet in March for member consideration.

## **2.4 Council Tax**

- 2.4.1 Council budget plans incorporate the 2021/22 Council Tax Base (CTB) which is a separate item on this Cabinet agenda.
- 2.4.2 Existing multi-year budget plans assumed Council Tax Base (CTB) growth of 1,100 Band D equivalents per annum. This was largely in line with the local plan (2013 to 2031) which proposes an additional 31,000 properties over the 18 years of the plan, equating to an average of 1,730 properties each year. Based on historical trends, 1,730 properties converts to a Band D equivalent of about 1,100 for tax base purposes, due to adjustments such as Single Person Discounts, Student Exemptions and the Council Tax Reduction Scheme, noting that 81% of Kirklees domestic properties (hereditaments) are actually banded at below Band D.
- 2.4.3 Given the wider economic uncertainty at present, housing growth projections have been reviewed in the updated budget plans. Growth of 500 Band D equivalents is now assumed in 2021/22; in part a re-base to reflect some growth slowdown in 2020/21 as well. This is then forecast to be followed by a growth of 1,000 Band D equivalents from 2022/23 onwards.
- 2.4.4 The local Council Tax Reduction (CTR) scheme supports some of the borough's households on low incomes, is means tested and eligible claimants receive up to 80% discount from their full council tax liability. The local scheme only applies to those of working age. The national pension age scheme means there is no such minimum payment and eligible pensioners can receive up to 100% discount.
- 2.4.5 COVID-19 has resulted in more residents experiencing a reduction in disposable income. Existing budget plans assumed approximately 23,000 working age CTR claimants in the baseline calculations, however in-year monitoring indicates a



significant increase in claimants to 26,000; equivalent to a 13% rise. These numbers are anticipated to rise further over time as Government support for businesses tapers and prevailing economic conditions, at least over the short to medium term, it is likely to mean increased unemployment rates and further growth in households eligible for CTR.

- 2.4.6 Reflecting the above, updated budget plans assume a further increase in CTR claimants to 27,000, equating to an estimated £2m impact on Council Tax income. This is anticipated to reduce by £0.5m per annum over the remainder of the MTFP.
- 2.4.7 Future year CTB figures will be subject to regular review given the relative high level of volatility and sensitivity linked to the short to medium term impact of both COVID-19 and other longer-term structural impacts on the UK and local economy. The assumed CTB bad debt requirement for 2021/22 is 2.76%, compared to 1.43% in 2020/21; influenced also by the above factors.

#### Council Tax Referendum Principles

- 2.4.8 Government Council tax referendum principles are set out in the 2021/22 provisional finance settlement, and allow Councils to apply up to a 2% council tax uplift without requiring a local referendum. Council updated budget plans reflect a proposed 1.99% Council Tax uplift in 2021/22 (excluding precepts); equivalent to £3.7m additional funding. It is assumed at this stage that Government Council tax referendum principles will remain at 2% from 2022/23 onwards, and that the Council tax uplift will be 1.99% in these years.

#### Adult Social Care precept

- 2.4.9 In addition to allowable Council Tax uplifts within referendum principles, Government also granted Councils with Social Care responsibilities local discretion to uplift Council tax in 2021/22 up to a maximum of a further 3%. This can be taken in its entirety in 2021/22, or the 3% can be split over 2021/22 and 2022/23. Council updated budget plans reflect the maximum allowable uplift of 3% for Adult Social Care (ASC) precept in 2021/22, equivalent to £5.6m and this will be entirely ring-fenced to support adult social care base budget spend requirements in 2021/22.
- 2.4.10 Taking into account both the basic council tax uplift and the ASC precept, the total council tax increase for 2021/22 will be 4.99%. To put the proposed 2021/22 4.99% overall Council tax uplift into context, this equates to an equivalent £1.00 per week band A uplift, and £1.50 per week band D uplift.
- 2.4.11 Updated budget plans beyond 2021/22 assume that future annual adult social care funding will come from increased grant allocations. However, it is acknowledged Government could choose to fund adult social care beyond 2021/22 from local taxation and/or national revenue sources.

#### Collection Fund deficits/surpluses

- 2.4.12 Charges to the general fund each year from the Council (the billing authority) for council tax and Business Rates, and to the major precepting authorities (Fire & Rescue Authority, Office of Police & Crime Commissioner) are based on estimates of CTB. Actual income collected year on year will vary. These timing differences result in actual surpluses or deficits which are rolled forward year on year through the collection fund,

and 'settled' over following years, through relevant payment adjustments to the general fund/major precepting authorities.

- 2.4.13 In response to the impacts of COVID-19 on local tax income in 2020/21, Government announced in July 2020 that Local Authorities would be able to spread exceptional Collection Fund deficits as at 31 March 2021 over the following three years, to 2023/24. The estimated deficit for Kirklees as at 31 March 2021 is £7.5m; net of additional Government grant compensation for the additional retail reliefs awarded in 2020/21. Updated budget plans reflect the repayment of this over the three-year period from 2021/22 to 2023/24.
- 2.4.14 SR20 confirmed that the Government will compensate Local Authorities for 75% of irrecoverable losses in Council Tax and Business Rates income in respect of 2020/21. Based on the forecast 2020/21 performance of the collection fund, it is estimated that in the region of £5.7m will be received as compensation for these tax losses. This income is split equally across the first three years of the MTFP to mirror the spreading of the collection fund deficit. Final tax loss compensation payments will only be known once the final collection fund position is agreed at the current year end.

## **2.5 Un-ringfenced grants**

- 2.5.1 While these grants are separately identifiable, the Council can apply this funding flexibly to meet overall Council spend priorities. Budgets for 2021/22 include annual allocations set out in the provisional local government finance settlement, with those not yet announced reflecting existing budget plans. These are set out in more detail at Appendix B.
- 2.5.2 Additional "one-off" grant streams were announced as part of SR20, and subsequently confirmed in the Provisional Financial Settlement, to fund ongoing impacts of COVID-19 into 2021/22. Government is providing a further £1.55bn nationally for COVID-19 financial pressures. This is being distributed using the COVID-19 relative needs formula, with Kirklees' share of this funding at £12.2m.
- 2.5.3 Government are also distributing "one-off" £670m funding to local authorities in recognition of the increased costs of providing local council tax support in 2021/22 following the pandemic. The funding is unringfenced and can also be used to provide other support to vulnerable households, including through local welfare provision schemes.
- 2.5.4 The Council's allocation for this grant is £5.4m based on the proposed distribution methodology of working age local council tax support caseloads, adjusted to reflect the average bill per dwelling in the area. Major precepting authorities will also receive an allocation relative to their share of the council tax requirement in the area.
- 2.5.5 It is intended that £1.5m of this be earmarked to provide additional targeted support to the borough's lowest income households eligible for the Council's Council Tax Reduction (CTR) scheme. This will reduce individual CTR bills by up to £150 for 2021/22 only. A further £2.2m will be transferred to COVID-19 risk reserves, earmarked for drawdown to support a range of existing Local Welfare Provision measures to support some of the borough's families and individuals in extreme financial hardship.

- 2.5.6 The New Homes Bonus (NHB) Grant allocation for 2021/22 has been confirmed, based on updated national net housing growth data used by Government to calculate individual Council grant allocations. The £2.8m 2021/22 NHB grant allocation is approximately £0.6m lower than anticipated; largely due to the fact that the surplus funding, within the overall national scheme allocation of £900m, has been used to fund other grants to local authorities instead of being redistributed; a precedent that had been set in previous years.
- 2.5.7 A new Lower Tier Services Grant (LTSG) was also announced as part of the Financial settlement. This funding stream, of £111m nationally, is one of the grants that has been funded out of the surplus NHB monies. The Council's allocation of LTSG of £0.5m is included in the updated budget plans for 2021/22 only, as it is anticipated that this funding stream is unlikely to continue if reform of the funding system is implemented in 2022/23.
- 2.5.8 Elsewhere, Housing and Council Tax Administration Grant allocations are forecast to reduce year on year by about £150k. This reflects the assumed pace of Universal Credit rollout in the District over the next three years, and consequential impact on reduced grant required due to decreasing volumes of Housing Benefit directly administered by the Council over the period.

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

- 2.6.1 The national 2021/22 DSG Schools Block funding settlement for schools includes a minimum increase of 2% per pupil in comparison to 2020/21 individual school funding levels per pupil. The National Funding Formula (NFF) factors for 2021/22 show an average rise of 3%. In addition, the Education & Skills Funding Agency has ceased the grants to schools which have been supporting recent above inflation pay awards for teachers and a significant rise in the Teachers' employer pension contribution rate. The former grant funds have been transferred into the DSG from funding year 2021/22.
- 2.6.2 Over time, the number of local schools already fully funded by the NFF will see the full 3% average increase. Many local schools are still in receipt of cash protection via the Government's Minimum Funding Guarantee mechanism. They will see their share of the NFF increase by the average 3% but their cash protection will reduce as a consequence such that the intended worst overall outcome for them would be the 2% minimum increase per pupil.
- 2.6.3 The 2021/22 funding allocation also includes a specific "one-off" adjustment in relation to £2m Schools PFI affordability gap 'double counted' funding to schools. This adjustment is set out in more detail in the accompanying 2021/22 schools funding report also included on this Cabinet agenda. The impact of this adjustment revises the minimum floor increase to schools for 2021/22 only, in the range 1.1% to 1.2%.
- 2.6.4 Kirklees' Schools Block funding allocation for 2021/22 is £326.1m (was £303.8m in 2020/21), the High Needs Block is £48.8m (was £43.1m in 2020/21), the indicative Early Years Block figure is £29.3m (was £28.6m in 2020/21) and the Central Schools Services Block £2.27m (was £2.25m in 2020/21).
- 2.6.5 The Schools Block increase of £22.4m, includes £13.6m of former Teachers' Pay Grant and Teachers Employers Contributions Grant being moved into the DSG from

2021/22. The High Needs Block allocation uplift includes £0.74m in relation to the transfer in of Pay and Pension grant responsibilities to the DSG from 2021/22 onwards. The Central Schools Services Block is similar to the 2020/21 level.

- 2.6.6 The prospects for schools funding beyond 2021/22 have yet to be announced other than the Government signalling its intention to have every school in every local authority funded by the National Funding Formula from 2022/23. Kirklees already funds schools in accordance with the NFF.

### **High Needs Funding Pressures**

- 2.6.7 The 2020/21 Dedicated Schools Grant (DSG) High Needs funding allocation for Kirklees is £43.2m. As reported in the Corporate Financial Monitoring Report, quarter 2 report to Cabinet on 18 November 2020, the forecast in-year pressure on High Needs spend in excess of the DSG funding allocation is £7m+ (equivalent to 17%). As per Government statutory guidance, this spending pressure will transfer to the Council's balance sheet at year end as a 'negative reserve', thereby increasing the DSG Deficit to £19m+ by 31 March 2021.
- 2.6.8 The DSG High Needs Block funding allocation for 2021/22 is £48.8m; an increase of £5.6m on the 2020/21 figure, and includes relevant adjustments for pupil numbers. An eventual uncapped High Needs Block funding allocation of £55.2m has been illustrated for the Council under the High Needs NFF but, as yet, there is no firm indication when that level of funds will be made available.
- 2.6.9 High Needs remains an area of significant and growing pressure on Council budgets nationally and locally. It is anticipated that medium term, growth pressures may be mitigated at least in part through other measures, with the Council currently working on the implementation of a 10 point transformational action plan with key educational partners across the borough. Budget proposals set out elsewhere in this report reflect the Council's commitment to SEND investment (both revenue and capital) over the medium term.
- 2.6.10 The Council will also be engaging with DfE, Schools Forum and other key stakeholders, using the framework of the updated operational guidance on schools funding 2020/21, to consider options to manage down the accumulated DSG deficit over time.

## **2.7 Adult Social Care Funding**

- 2.7.1 Existing budget plans assumed that a number of current specific adult social care grants would roll into the 2021/22 baseline. These include the existing Social Care grant at £11m and the Improved Better Care Fund (iBCF) totalling £15.4m. There is also funding allocated through the Better Care Fund (BCF) pooled with Health, with the Council share about £19.5m. This (along with the iBCF) has national reporting conditions and joint health sign off agreements.
- 2.7.2 The Provisional Local Government Finance Settlement has confirmed that all existing Social Care specific grants, including BCF, will roll into 2021/22 baselines at their current levels. In addition there has been a further national increase in the Social Care grant by £300m; albeit only £150m of this is 'new money', with half of the grant being recycled surplus New Homes Bonus funding (see also paragraph 2.5.7). This, alongside an adult social care precept increase of up to 3%, compares with 2020/21

which saw an equivalent national £1 billion additional social care grant funding alongside an adult social care precept increase of up to 2%.

- 2.7.3 The Council's share of the additional Social Care grant funding for 2021/22 is £2.5m. Updated budget plans assume that this funding will remain in place in future years and that annual funding increases from 2022/23 onwards will revert to 2020/21 levels (£11m overall), reflecting the minimum requirement for Councils with social care responsibilities that continue to face significant upward pressures over the medium to longer term.
- 2.7.4 As noted earlier in this report at paragraph 2.4.9, SR20 also includes provision for Councils with Social Care responsibilities to raise a proportion of their Adult Social Care funding requirement through an Adult Social Care precept up to 3%. Government further stated this could be flexibly applied over a 2 year period. The additional 3% has been applied in full in updated baseline funding forecasts for 2021/22 to meet forecast adult social care spending needs over the coming financial year.

## **2.8 Key General Fund revenue spending assumptions 2021-26**

### **Current year financial performance - 2020/21**

- 2.8.1 Organisational intelligence informing 2021/22 budget plans includes consideration of current year financial performance. The most recent quarter 2 financial monitoring report was presented to Cabinet on 18 November 2020. The link to this report is shown below.

[Corporate Financial Monitoring Report Quarter 2, 2020-2021 to Cabinet November 2020 \(Item 11\)](#)

- 2.8.2 Quarter 2 monitoring indicated a forecast general fund revenue overspend for 2020/21 of £5.5m, or 1.8% against the revised budget. This comprised £37.6m unbudgeted additional spend/service income loss due to COVID-19, and an equivalent £33.9m Government COVID-19 funding offset to date; net COVID-19 related overspend position of £3.7m, and a further £1.8m net pressures elsewhere.
- 2.8.3 Within the overall forecast position, there were some underlying current pressures and risks subsequently considered in formulating updated budget plans for 2021-26; in particular in relation to the unbudgeted additional 0.75% pay award for 2020/21 at £1.4m, and a total pressure of £1.6m across both Learning and Environment with respect to Schools Transport.
- 2.8.4 Since quarter 2 monitoring, Government has announced a further Tranche 4 in-year COVID-19 funding which for the Council equates to an additional £7.6m, which will support continued management actions to bring overall spend back in line with budgets by current year end, as far as possible.
- 2.8.5 Updated Council Collection Fund forecasts since quarter 2 monitoring indicate a forecast year end net deficit of £7.5m (net of the £23.5m of additional section 31 grants due to the Council to fund expanded reliefs given to businesses in response to the COVID-19 pandemic). Updated budget plans reflect a planned re-payment of this forecast deficit to the collection fund over the 2021-24 period. The updated Collection Fund forecast for 2021/22 and future years is summarised at Appendix B.

- 2.8.6 It is acknowledged that the 2020/21 financial forecasts and underlying assumptions are subject to some degree of volatility. National and local measures to manage the spread of COVID-19 infection in parallel to the national and local recovery plan are under constant review, and emerging intelligence will be factored into subsequent monitoring projections.
- 2.8.7 The following sections set out in more detail, updated spend assumptions across Strategic Director Portfolios which have informed updated budget plans.

## **2.9 Strategic Director Portfolios**

### **Children's Services**

- 2.9.1 Base budget adjustments include £550k per annum for continued social care inflationary pressures in years 3 to 5. This reflects a continuation of the levels of uplift built into existing budgets as part of the 2020-23 MTFP.
- 2.9.2 A further £300k base adjustment is included for Post 16 Home to School Transport in light of continuing pressures highlighted in the current year financial monitoring.
- 2.9.3 Learning Services existing base budget, from 2013/14 onwards included £2m annual transfer to DSG to support Schools PFI affordability gap requirements, as directed at the time by the Department for Education (DfE). Government DSG funding regulation changes in February 2020 meant that Councils could no longer continue to allocate general fund revenue resources in this way without permission from the Secretary of State for Education. In subsequent discussion between the Council and DfE to understand the regulation change implications, the DfE confirmed retrospectively that from April 2019, the Council's overall DSG funding allocation had included additional grant resources to mitigate the PFI affordability gap, although this had not been made clear to the Council at the time in any of the detailed DfE funding guidance for 2019/20 or 2020/21.
- 2.9.4 This effectively meant that there was a funding double-count to schools over the 2019-21 period by both the Council and DfE, and Council proposals to deal with the double count over this period will be brought back to Cabinet later this financial year. The schools funding allocations 2021/22 report (also on this Cabinet agenda) sets out proposals to correct the double count for 2021/22 through a one-off DSG schools block funding allocation re-base. This will release £2m back into Learning Services base budget. However, £657k will still be required to manage ongoing Council Schools PFI cost commitments.
- 2.9.5 A further £500k is needed to offset increased pressures on the SEND Inclusion Fund, which provides essential early SEND funding support in early years settings. The balance of released base budget resources will support a range of enhanced early intervention and prevention activity within Children & Families that will also save in the longer term, including family hub capacity, demand management capacity and early priority actions, including immediate priority actions tackling education related inequalities in young people; following on from the Tackling Inequalities report to Council on 23 October 2020.

## **Adults & Health**

- 2.9.6 Existing budget plans include additional base budget resources of about £11m per annum over the 2021 to 2023 period for volume/complexity of need pressures, and provider cost pressures; the latter relating to social care external provider costs impacted on by an assumed continuation of annual national living wage uplifts in the region of 4.6% over the period.
- 2.9.7 A review of these resources has been undertaken using updated NLW rates for 2021/22, incorporating a reduced uplift from £8.72 to £8.91 (2.2%). Base budgets have been adjusted downwards accordingly to reflect this change, releasing £2.7m in 2021/22. Updated budget plans assume that NLW increases will return to previously anticipated levels from 2022/23 onwards and, as such, base budget increases in years two to five remain at £11m per annum.
- 2.9.8 In addition to the above, updated budget plans also include an increase in social care funding of £2.5m in 2021/22, as confirmed as part of the Provisional Finance Settlement. Updated budget plans assume that this funding will remain in place in future years and that increases from 2022/23 onwards will revert to £11m per annum. This is equivalent to the level seen prior to 2021/22 and is more reflective of the NLW increase assumptions outlined above for years two to five of the updated MTFP.
- 2.9.9 Existing budget plans assumed future year inflationary uplifts on Better Care Fund (BCF) of £600k per annum, consistent with 2020/21 actual funding allocations. This assumption has been reversed for 2021/22 following the release of cash flat BCF allocations rolled forward into 2021/22 in the 2021/22 Provisional Finance Settlement.

## **Environment and Climate Change**

- 2.9.10 Current year monitoring includes a continuing pressure within Environment on School Transport; in the main linked to special educational needs demand. An additional £550k had previously been built into existing budgets in the 2020-23 MTFP to address the ongoing pressure in this area. However, as these pressures continue to rise in 2020/21, updated plans include a further £1.45m base budget adjustment for 2021/22. This includes £250k to establish a permanent team to support families of children with special needs and disabilities; to create travel solutions which will help families, not just in relation to travel but also providing families with other benefits such as life skills and to have more control over their own lives, and save in the longer term.
- 2.9.11 Updated budget plans include additional base budget of £600k from 2021/22 for winter maintenance, recognising the ongoing impact of climate change on this activity, where previously 'extreme weather' events were considered to be much less regular. As set out in the Budget Strategy Update report in October, the remaining Seasonal Weather reserve at £2.4m was re-directed to the COVID-19 Risk Reserve to support specific local measures above Government funded national measures, and which could be rolled into 2021/22.
- 2.9.12 Public protection capacity has also been enhanced by £250k through the utilisation of existing infrastructure growth base budget; in part due to Food Standards Agency requiring the restart of food hygiene inspections and the need to build up an ongoing support for businesses and the community.

2.9.13 The Council's current Private Finance Initiative (PFI) Waste Contract ends in 2022/23, and work is ongoing to review options for 2023/24 onwards as part of the broader Council Waste Strategy transformation activity. The associated fall out of the Waste PFI credit is included in updated budget plans with an additional revenue budget requirement of £3.2m from 2023/24 onwards.

### **Growth & Regeneration**

2.9.14 Increasing the capacity of the Business team through the utilisation of existing infrastructure growth base budget will enable the Council to deliver proactive and targeted support for both large employers and Small and Medium Enterprises (SME's) to meet the challenges associated with living with COVID-19 and the exacerbation of pre-existing inequalities; the threats and opportunities linked to the end of the EU Transition Period; and to optimise opportunities for inward investment and indigenous business growth going forward.

2.9.15 Creation of a business facing Employment & Skills Service will allow people in Kirklees to benefit from employment support as well as ensure employers receive talented recruits for job vacancies they create. Increasing in-house resources will also strengthen the Council's ability to develop effective partnership working with key stakeholders including West Yorkshire Combined Authority, Leeds City Region, LEP, Mid Yorkshire Chamber, the University of Huddersfield & Kirklees College.

2.9.16 Consideration of development activity has identified the need to increase staffing resource in key areas to ensure priority programmes are delivered to stakeholder expectations. This includes town centre programmes in Huddersfield & Dewsbury as well as our smaller centres. All available funding routes will be maximised to ensure adequate project delivery resource is in place. The latter also includes feasibility funding for major projects that meet Council priorities and can take advantage of upcoming Government funding such as levelling up and infrastructure funding.

2.9.17 The above is complemented by the Council's existing Inclusive Investment reserve (formerly business rates reserve) to support a range of development activity to progress the Council's Inclusive Investment ambition; including potential for feasibility funding for future major projects and national funding opportunities e.g. levelling up and infrastructure funding. Alongside this resource, the Council will also continue to explore all emerging regional and national resourcing opportunities as appropriate.

### **Corporate Strategy, Commissioning and Public Health**

2.9.18 Approved budget plans for 2020-23 included investment in corporate capacity; also a key recommendation of the 2019 Local Government Association (LGA) peer challenge report, to redress the impact of insufficient organisational capacity to enable the organisation to deliver its ambition. The Budget Strategy Update report in October 2020 included a further £1m base budget organisational capacity uplift and it is intended that this will address key capacity requirements including employee healthcare support for staff health and wellbeing, corporate health and safety and the further strengthening of the Council's executive governance and support functions.

2.9.19 There is also an additional £115k provision, utilising existing infrastructure growth base budget, to enhance Local Welfare Provision budget provision for additional foodbank provision, in house advice and fuel vouchers, to meet growing demand



from our most vulnerable households and families, again reflecting the immediate and inequitable COVID-19 impacts on the borough's more vulnerable residents and communities.

## **2.10 Administration Priorities**

- 2.10.1 The administration is very keen to ensure the understanding developed through tackling the pandemic, and of the implications of not addressing structural inequalities, shapes Council policy and action moving forward.
- 2.10.2 In order to gain insight and understanding, bring together buy in and support, and drive action around tackling inequalities, the Council is committed to forming a councillor led Inequalities Commission in 2021 which will hear the voices of those with lived experience of inequalities and those in positions of power locally, hold the system to account, and make recommendations for action including influencing at a local, regional and national level to address issues outside of the Local Authority's direct control.
- 2.10.3 The roll forward of existing revenue & capital investment in updated multi-year revenue and capital plans also re-affirm the Administration's commitment to climate change emergency, Place Based Working (developing services and approaches which differ according to the things that matter to people in their individual Kirklees communities) and improving outcomes for children.
- 2.10.4 The impact of COVID -19 has also sharpened the need for the Council to look at early opportunities within existing plans to promote recovery, in a way that gives everyone an opportunity to benefit from Council investment, and will save in the long term.
- 2.10.5 These include enhanced business skills capacity to support large and SME businesses, including key account management support to 75 large and fast-growing employers. External funding secured through European Social Funding, with matched apprentice levy funding, will increase the number of inclusive apprenticeships over the next 3 years across the borough.
- 2.10.6 The Council's capital plans which will help recovery, include significant strategic investment to deliver a more inclusive and vibrant town centre offer, and investment in smaller towns and village centres, while the Council's start up and retention policy will target strategic growth opportunities.
- 2.10.7 Engagement with councillors as community leaders and the insight they bring is critical to informing Council actions – ward based conversations around recovery from the pandemic have offered insight into local priorities and the Ward Project Budgets fund was boosted by an extra £690,000 (£30,000 for each ward) in 2020/21. It has been used by many organisations to provide vital support to citizens to help tackle the impacts of the pandemic. This is alongside locally based mental health piloted initiatives and forthcoming active travel locally based initiatives.

## **2.11 Central budgets**

- 2.11.1 The 2020/21 pay award was 2.75% compared to a budgetary assumption of 2%. The unfunded element of the 2020/21 pay award at £1.4m has been built into base budgets from 2021/22 onwards. The assumed pay award for 2021/22 in existing budget plans is 2%. As part of SR20, Government announced a pay freeze for about

1.3m public sector workers in 2021/22. All public sector workers with a salary of under £24k would be awarded a minimum £250 pay uplift.

- 2.11.2 At this stage it is not clear what the outcome of national employer pay negotiations will be for the local government sector. It is proposed that current budget assumptions remain as is, given that it will likely be well into 2021/22 before national pay negotiations for 2021/22 are concluded.
- 2.11.3 Pay awards from 2022/23 onwards also remain at the current 2% assumption. Annual National Living Wage uplifts across social care provider contracted services are assumed to be in the region of 4.6% per annum to 2026, notwithstanding the exceptional 2.2% National Living Wage (NLW) increase in 2021/22.
- 2.11.4 There is a further £1.4m base budget adjustment from 2022/23 onwards, reflecting the estimated impact of an assumed 4.6% NLW increase on maintaining pay differentials across Council pay scales.
- 2.11.5 Additional base budget provision has been made for IT software application inflation at £230k. Elsewhere, cash limited budgets remain for non-pay inflation, with the expectation that services manage efficiently and effectively within these inflationary constraints; in particular with regard to procurement activity.
- 2.11.6 Updated budget plans assume income inflation across fees and charges at 1.5% in 2021/22, other than car parking and markets income, which assume zero uplift.
- 2.11.7 A further base budget of £5m has been included for 2021/22 to reflect the likelihood of continued income loss from sales, fees and charges and commercial rents as a result of COVID-19, over the medium term. This budget reduces by £1m per annum over the duration of the MTFP, in anticipation of the medium term recovery of the local economy.
- 2.11.8 Government confirmed as part of SR20 that Sales, Fees and Charges (SFC) income compensation scheme will continue into the first 3 months of 2021/22; April to June. The principles for this scheme are that Councils absorb losses up to 5% of planned sales, fees and charges against baseline, with Government providing compensation of 75p in every pound thereafter. The £5m base budget adjustment noted above reflects the estimated net position for 2021/22 after the application of any SFC income compensation due to the Council for the first three months of the new financial year.
- 2.11.9 Updated budget plans also include an estimated 1% increase in employer contributions, equivalent to £1.6m, to the West Yorkshire Pension Fund for the next tri-ennial review period 2023-2026, and overall increases for Joint Committee uplifts of £150k in 21/22 rising to £400k per annum thereafter.

## **2.12 Treasury Management**

- 2.12.1 Updated Treasury management budgets assume that the Bank of England base rate will remain at 0.1% until at least the end of 2022/23.
- 2.12.2 Treasury management budgets also take account of updated capital plan borrowing requirements and associated annual revenue resources to be set aside to service Council debt. A 30% slippage factor has also been applied to borrowing across all

schemes over the updated multi-year capital plan. This is considered a reasonable assumption, given the nature and scale of strategic priority investment, and potential range of factors that can cause such programmes/schemes to slip over such a protracted timeline.

- 2.12.3 A key prudential indicator set out in the Capital Strategy attached at Appendix E shows the Council's forecast annual debt costs as a proportion of annual net revenue funding over the 2021-26 period. The forecast indicator is anticipated to be 10.3% by 2026 (including PFI).
- 2.12.4 To put this into context, the equivalent Council indicator in 2014 was 12.9% and by 2028, the forecast indicator would be 10.6%. The 2021-25 Treasury Management budget set out in this report indicates a net increase in revenue resource requirement of £1.5m to support the additional borrowing over the next 4 years. Longer term, this is expected to increase further by about £1m per year, to 2027.

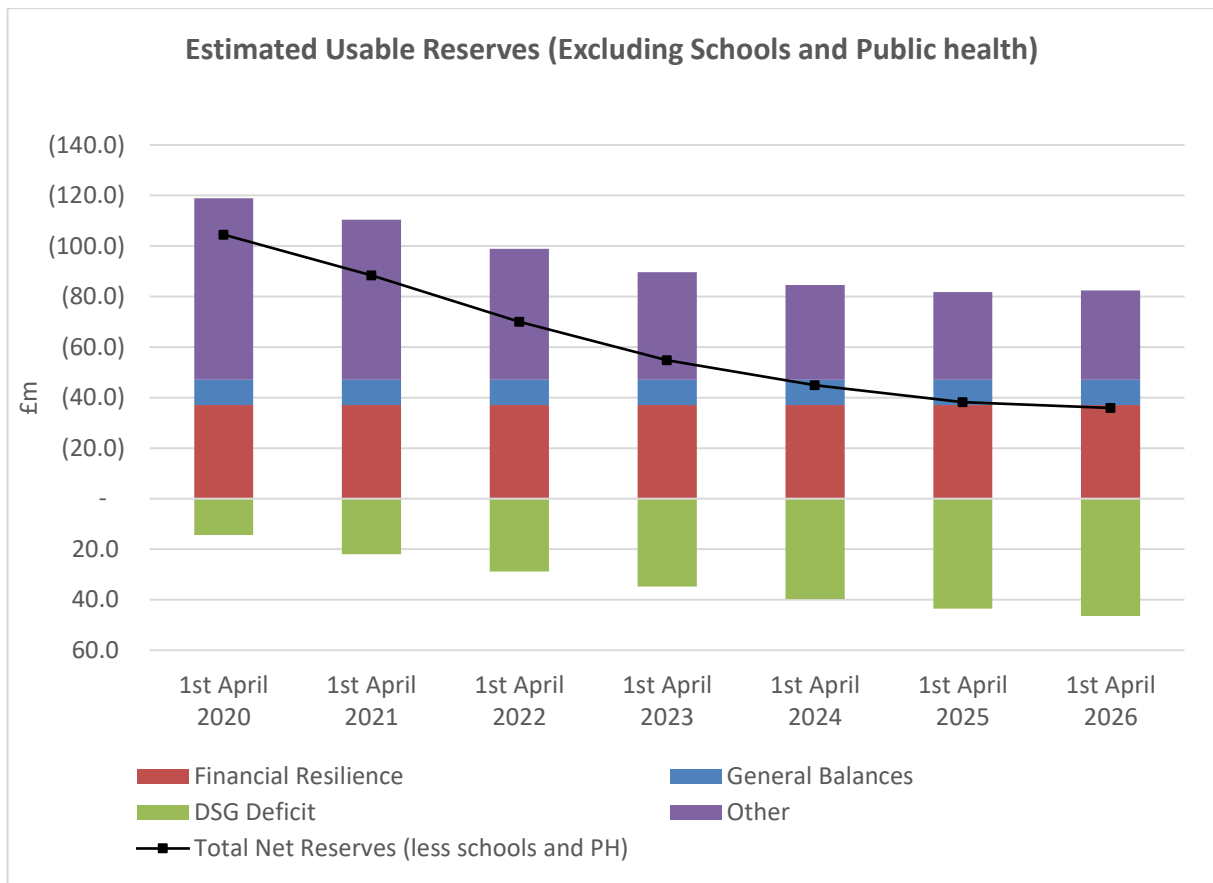
#### Minimum Revenue Provision (MRP)

- 2.12.5 Council treasury management policy relating to minimum revenue provision (annual revenue resources set aside for repayment of debt, also known as MRP), was revised from 2017/18 onwards. This resulted in a reduced ongoing MRP requirement over the 2017 to 2027 period, effectively 'releasing' £9.1m annual base budget, intended to support organisational flexibility and financial resilience over the medium to longer term.
- 2.12.6 A revision to this re-profiling was approved at Budget Council on 13 February 2019 that increased the unwinding for 2018/19 and 2019/20 to the maximum allowable level of £13.5m. The revenue resources released from the additional unwind was prudently transferred to financial resilience reserves in both years.
- 2.12.7 Existing budget plans assumed the release of £9.1m MRP flexibility base budget per annum from 2020/21, with the majority being earmarked for transfer to a range of reserves. Given the scale of the short term and largely unprecedented financial pressures impacting on the Council for all the reasons set out in this report, updated budget plans propose that the current profile of MRP unwinding in later years is brought forward and increased to the maximum allowable level of £13.7m in 2020/21, 2021/22 and 2022/23, and £13.6m in 2023/24.
- 2.12.8 Together with the reversal of previously assumed transfers to earmarked reserves, this will release a total of £13.7m that can be applied to reduce the overall budget gap in 2021/22. Likewise, updated budget plans also assume the maximum available unwind will be used in 2022/23 and 2023/24 to support the budget position.

### **2.13 General Fund Reserves**

- 2.13.1 A high level forecast of general fund revenue reserves over the 2020-26 period is shown in Graph 1 below. These reserves are set out in more detail at Appendix B ii) together with a summary explanation of each reserve held:

Graph 1 - Forecast usable reserves (including general balances) over the 2020-26 period



- 2.13.2 The reserves summarised above, and in more detail at Appendix Bii), reflect changes made as part of this report to support the Council’s bottom line, including the re-direct of MRP reprofiling across years and the transfer of £4.3m to the COVID Risk Reserve to offset unbudgeted COVID-19 pressures impacting in 2021/22.
- 2.13.3 The updated reserves position also includes the drawdown of previously set aside Waste Reserves to fund the transition to a modernised Waste service offer for Kirklees residents and illustrates the effect of the forecast carry forward of the DSG deficit in full on the balance sheet.
- 2.13.4 Usable reserves (excluding Schools and Public Health) on 1 April 2020 at £104.6m, equates to 35% of the 2020/21 net annual revenue budget of £302.3m; equivalent to just over 18 weeks in-year spend. For comparator purposes, the median percentage across the 36 metropolitan authorities on this particular indicator was 35% as at 31 March 2019.
- 2.13.5 The significance of this indicator is that it features as part of CIPFA’s suite of ‘financial resilience’ performance indicators developed to support officers, members and other stakeholders as an independent and objective suite of indicators that measure the relative financial sustainability and resilience of Councils, given extensive and ongoing national coverage and concern about financial sustainability across the local government sector.
- 2.13.6 Useable Reserves are forecast to reduce to £34.9m by year end 2025/26, which equates to 12% or 7 weeks spend, based on current budgets. This is largely due to planned drawn down over the period of set aside earmarked reserves to support key

strategic Council developments, including capital plan and broader regeneration delivery and Waste Management Strategy.

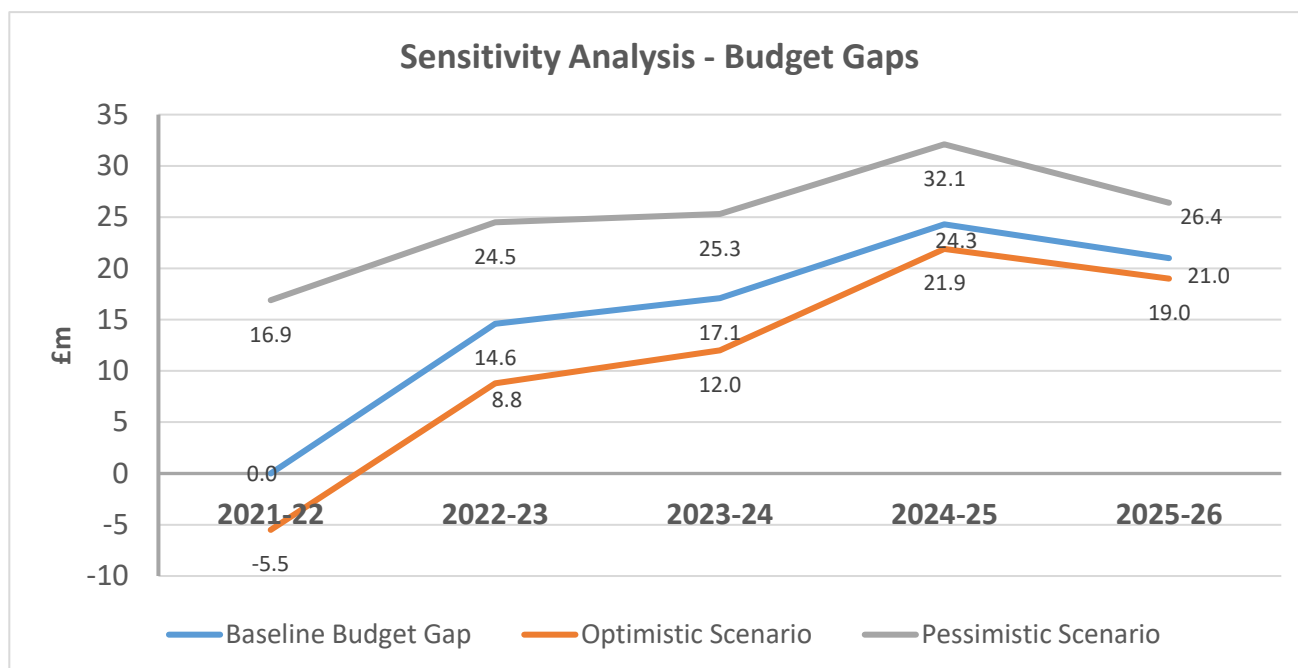
- 2.13.7 The reserves level is also impacted on by the accumulated DSG deficit which is now accounted for as a negative reserve on the Council balance sheet; illustratively forecast to be £46.5m by 1 April 2026, based on current trends forward projected. Measures set out earlier in sections 2.6.9 and 2.6.10 relating to the broader SEND agenda and DSG deficit recovery plan are intended to reduce the deficit over time as well.
- 2.13.8 Under Section 25 of the Local Government Act (2003), in setting annual budgets the statutory s151 officer is required to give positive assurance statements in relation to the robustness of budget estimates and the adequacy of reserves and balances. There is no prescriptive guidance on the latter. Most recent sectoral guidance comes from a joint CIPFA/Local Authority Accounting Panel paper in 2014, which states:
- i) when reviewing their medium term financial plans and preparing their annual budgets, local authorities should consider the establishment and maintenance of reserves;*
  - ii) authorities should make their own judgements on such matters taking into account all the relevant local circumstances; and*
  - iii) in assessing the appropriate level of reserves, a well-managed authority will ensure that the reserves are not only adequate but are also necessary. There is a broad range within which authorities might reasonably operate depending on their particular circumstances.*
- 2.13.9 The updated reserves position set out in this section of the report considers the above guidance but also acknowledges the heightened volatility and unpredictability in the budget risk environment within which the Council is operating both currently and over the medium term. A further assessment of reserves requirements will be undertaken as part of the 2020/21 final accounts process and will be reported as part of the financial outturn and rollover report later in 2021.
- 2.13.10 The Council has also set out its ambition to invest, transform and change. Financial resilience reserves are a key element of the Council's budget strategy in terms of Council financial resilience to manage unbudgeted risks and pressures over the 2021 to 2026 period.
- 2.13.11 The s151 officer recommends that the existing £37m financial resilience reserves are maintained as a minimum at their current level, at least for the next financial year, pending further analysis and clarification of the broader national and local funding, policy and economic landscape.

## **2.14 BUDGET FORECASTS – SENSITIVITY ANALYSIS**

- 2.14.1 Included at Appendix C are a range of potential sensitivities on baseline budget assumptions as set out in this report. The range of sensitivities reflect marginal changes to a number of key assumptions but show the extent of volatility of budget forecasts due to the potential short, medium and longer term economic implications of the COVID-19 pandemic.

2.14.2 The impact of these budget forecast sensitivities are summarised in Graph 2 below.

Graph 2 – Budget Forecast Sensitivities



2.14.3 Illustratively here, the forecast budget gap in 2021/22 could span a range of £22.4m; from a £5.5m surplus up to a £16.9m deficit. This reflects the uncertainty surrounding the short term effects of COVID-19 on the Council's bottom line, both in terms of Council Tax and Business Rates income and also the potential ongoing cost and income pressures within the general fund, relative to baseline assumptions.

2.14.4 The chart illustrates that the potential range of COVID-19 impacts is expected to lessen over the course of the MTFP, with the more optimistic and pessimistic scenarios returning closer to baseline over time. It should be noted however that there remains a significant number of other variables that could impact the Council's bottom line over the medium to longer term, in addition to the ones reflected above.

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

2.15.1 The overarching context for the existing multi-year HRA budget plans rolled forward into 2021 to 2026 MTFP update is a sustainable, self-financed 30 year HRA business plan, which delivers the following key objectives:

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

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

- 2.15.2 The Government social housing White Paper; 'The Charter for social housing residents' published in November 2020 sets out proposals that are intended to deliver transformational change for social housing residents, with clear expectations what every social housing resident should be able to expect, from safety to engagement, and which, once enshrined in future legislation will underpin the key objectives set out in section 2.15.1 above.
- 2.15.3 Updated HRA budget proposals are summarised at Appendix A. They reflect a Cabinet approved uplift to social housing rents by CPI+1%; effectively 1.5% as per Government guidelines, from 5 April 2021, and similar indicative uplifts have been assumed in the MTFP for the following 4 years. The link to the annual HRA rent and service setting report for 2021/22 is shown below for reference:

[Agenda for Cabinet on Tuesday 19th January 2021 \(Item 9\)](#)

- 2.15.4 Other assumptions include Right to Buys over the 2021 to 2026 period continuing at about 200 per annum based on current trends, void level targets of 1.2%, and the continuation of the transfer into a bad debt provision to provide for bad and doubtful debts.
- 2.15.5 The gradual uplift takes account of predicted rollout of universal credit, which includes housing benefit, and the adverse impact of direct payments to an increasing number of tenants in terms of timing of payments, consequential impact on household income and ability to pay backdated rents, and HRA bad debt provision requirement.
- 2.15.6 HRA revenue reserves 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 the planned build up (sinking fund) of reserves to support longer term HRA business plan capital investment requirements.
- 2.15.7 The Council's arms length management organisation, Kirklees Neighbourhood Housing (KNH), will formally transfer to the Council from April 2021 onwards, following Cabinet approval on 20th October 2020. As KNH's annual fee was anyway paid from the HRA, the process of transferring KNH to the Council has no significant impact on the way the HRA budget is set out as at Appendix A, compared to previous years.
- 2.15.8 The Council regularly reviews and updates the HRA business plan with the aim to produce a self-financed and balanced budget position over the 30 year plan that delivers the key objectives set out in paragraph 2.15.1 above.

## **2.16 CAPITAL STRATEGY**

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

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

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

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

### **UPDATED MULIT-YEAR CAPITAL PLAN PROPOSALS**

2.16.5 For capital purposes, longer term planning horizons are required to undertake feasibility work, design, plan and build. The Council's multi-year capital investment plan has been reviewed extensively to reflect the scale of the Council's ambition. The updated multi-year plan will deliver capital investment of £970.4m (£770.8m General Fund, £199.6m Housing Revenue Account). The plan is summarised in the table below, and shown in more detail at Appendix A.

**Table 2 – Overall Multi-Year Capital Expenditure Summary**

| <b>Corporate Plan – Primary Outcomes</b> | <b>20/21<br/>£m</b> | <b>21/22<br/>£m</b> | <b>22/23<br/>£m</b> | <b>23/24<br/>£m</b> | <b>24/25<br/>£m</b> | <b>25/26<br/>£m</b> | <b>Total<br/>£m</b> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Aspire & Achieve                         | 14.2                | 23.0                | 17.8                | 14.9                | 11.3                | 3.5                 | <b>84.7</b>         |
| Best Start                               | 1.0                 | 2.5                 | 6.1                 | 0.4                 | 0.0                 | 0.0                 | <b>10.0</b>         |
| Independent                              | 2.4                 | 6.4                 | 6.8                 | 10.2                | 0.2                 | 0.0                 | <b>26.0</b>         |
| Sustainable Economy                      | 75.7                | 128.0               | 152.3               | 47.3                | 67.3                | 80.9                | <b>551.5</b>        |
| Well                                     | 11.1                | 8.3                 | 4.3                 | 3.7                 | 2.3                 | 1.6                 | <b>31.3</b>         |
| Safe & Cohesive                          | 0.0                 | 0.2                 | 0.0                 | 0.0                 | 0.0                 | 0.0                 | <b>0.2</b>          |
| Clean & Green                            | 7.5                 | 7.9                 | 8.3                 | 26.1                | 4.6                 | 0.9                 | <b>55.3</b>         |
| Efficient & Effective                    | 2.4                 | 2.0                 | 2.2                 | 1.6                 | 1.6                 | 2.0                 | <b>11.8</b>         |
| <b>General Fund</b>                      | <b>114.3</b>        | <b>178.3</b>        | <b>197.8</b>        | <b>104.2</b>        | <b>87.3</b>         | <b>88.9</b>         | <b>770.8</b>        |
| <b>HRA - Independent</b>                 | <b>19.9</b>         | <b>33.6</b>         | <b>35.3</b>         | <b>35.1</b>         | <b>36.2</b>         | <b>39.5</b>         | <b>199.6</b>        |
| <b>Council Total</b>                     | <b>134.2</b>        | <b>211.9</b>        | <b>233.1</b>        | <b>139.3</b>        | <b>123.5</b>        | <b>128.4</b>        | <b>970.4</b>        |

2.16.6 The overall capital plan is presented by primary outcome headings, reflecting how the Council's investment proposals align with the Council's ambitions for its residents. Each primary outcome is further structured between strategic priorities, baseline programmes and one-off projects. The term primary outcome reflects the fact that a number of schemes will in reality contribute to a number of Council outcomes, not just the primary outcomes.



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

**Table 3 – Overall Multi-Year Capital Funding Summary**

|   | 20/21<br>£m  | 21/22<br>£m  | 22/23<br>£m  | 23/24<br>£m  | 24/25<br>£m  | 25/26<br>£m  | Total<br>£m  |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Capital Grants / Contributions          | 50.9         | 82.2         | 76.1         | 35.2         | 51.0         | 67.2         | <b>362.6</b> |
| Earmarked Capital Receipts              | 3.5          | 5.7          | 14.6         | 10.7         | 8.0          | 6.7          | <b>49.2</b>  |
| Housing Revenue Contributions/ Reserves | 5.5          | 11.3         | 9.2          | 11.5         | 7.6          | 8.3          | <b>53.4</b>  |
| Reserves (HRA MRR)                      | 11.5         | 13.6         | 16.5         | 12.5         | 17.0         | 22.5         | <b>93.6</b>  |
| Revenue Contributions (General Fund)    | 0.2          | 0.2          | 0.2          | 0.2          | 0.2          | 0.0          | <b>1.0</b>   |
| Non-Earmarked Capital Receipts          | 3.0          | 3.4          | 3.5          | 3.5          | 3.5          | 3.5          | <b>20.4</b>  |
| Corporate Prudential Borrowing          | 59.6         | 95.5         | 113.0        | 65.7         | 36.2         | 20.2         | <b>390.2</b> |
| <b>TOTAL</b>                            | <b>134.2</b> | <b>211.9</b> | <b>233.1</b> | <b>139.3</b> | <b>123.5</b> | <b>128.4</b> | <b>970.4</b> |

2.16.8 Corporate prudential borrowing requirements set out in Table 3 above have been assessed to be 'affordable' over the medium term. The Section 151 officer's positive assurance statement further sets out the broad assumptions underpinning current borrowing affordability, at paragraph 3.3.15 later in this report.

### **Multi-Year Capital Plan Update**

2.16.9 The updated multi-year capital plan is included at Appendix A. Updated multi-year capital plans will continue to be reviewed and revised in line with emerging Council priorities, costed proposals, delivery timescales, ongoing funding opportunities and reported back to Cabinet/Council as appropriate through the year. This will include a major review of costed proposals and options for the Huddersfield Town centre to deliver the ambition set out in the Blueprint.

2.16.10 A number of 'pipeline' key strategic priority schemes that sit behind current headline capital allocations within the updated multi-year capital plans are currently under more detailed business case consideration, and these will be brought forward for future Cabinet consideration as appropriate. This will include forthcoming SEND district sufficiency proposals and Waste Strategy proposals.

2.16.11 The updated Achieve and Aspire primary outcome Capital plan includes £6m additional investment for Secondary Schools Basic Need (21/22 £2m, 22/23 £3m, 23/24 £1m) within Strategic Priorities. The Council is required to ensure there is sufficient secondary school places to meet demand. A population bulge moving from the primary phase has been identified over the next few years, geographically focussed on North Kirklees and North Huddersfield. In order to address this challenge and alleviate forthcoming school pressures, a programme of modestly sized schemes are proposed across multiple secondary school sites to expand capacity in terms of classrooms and associated facilities.

- 2.16.12 The updated Capital budget plan includes significant investment in the Sustainable Economy (£552m) primary outcome, representing 72% of the overall general fund capital plan. The plan strongly links to the Corporate Plan setting out a vision for “*a district which combines a strong, sustainable economy with a great quality of life*”.
- 2.16.13 The Sustainable Economy capital budget proposals (detail at Appendix A) incorporate schemes totalling £131m which are to be funded via the West Yorkshire plus Transport Fund (WY+TF) and the Transforming Cities Fund of which £66m funded via the West Yorkshire Combined Authority, alongside earmarked £6m Council match funds.
- 2.16.14 Updated Town Centre Action plans include £4m external funding secured for Estate Buildings, George Hotel and Dewsbury Arcade, and £750k Towns Fund Accelerated Grant towards programmes in Dewsbury. It is also proposed to earmark funding from the existing strategic investment reserve to support initial master planning and project development for a station to stadium enterprise corridor, of up to £500k. A report to Cabinet on 19 January 2021 sets out proposals for a further £25m Towns Fund bid was submitted to Government for a range of schemes in Dewsbury, including schemes already in view through the Town centre Action Plan. This includes funding to support Dewsbury Market. The intention is that any balance of matched funding requirement if the bid is successful, will be re-directed as appropriate from existing capital resources.
- 2.16.15 As part of the Council’s vision to Build Back Greener, tackle the climate emergency and support a ‘green’ economic recovery, £3.7m grant funding has been secured from Cheshire West & Chester Council (in its role as accountable body to DEFRA) as part of the ‘Trees for Climate’ programme. The funding is towards the White Rose Forest project to pay for the conversion of suitable land into woodland and increase tree cover.
- 2.16.16 In August 2020, tranche 1 of the Department for Transport Emergency Active travel fund (£202k) was made by the West Yorkshire Combined Authority to Kirklees to help deliver pop-up and temporary interventions to create an environment that is safe for both walking and cycling as a result of the COVID-19 pandemic and social distancing. More recently, funding for Tranche 2 has now been confirmed for a further £1.98m allocation.
- 2.16.17 Tranche 2 has less of an emphasis on social distancing and providing relief to public transport capacity and more of an emphasis on increasing cycling and walking in the longer term in line with Government objectives set out in Gear Change. Although the allocation is currently presented in the current financial year there is flexibility in delivery dates. As far as possible, schemes will be expected to be delivered by 31<sup>st</sup> March 2022.
- 2.16.18 The Council has also received additional school condition funding allocations in the current financial year for repairs and upgrades to school buildings/grounds, which is on top of the £3.3m funding already allocated this year from the Department for Education. The extra £1.53m is included within the Capital Maintenance baseline allocations, profiled £500k (20/21), £1.03m (21/22). Future capital maintenance assumptions reflect a stepped reduction in grant allocations due to future academisation.

- 2.16.19 Essential Special Educational Needs (SEN) places are also required at Woodley School. It is proposed to relocate a modular building at Spenborough Pool to Woodley School at a cost of £296k to be funded from resources identified within the current capital plan.
- 2.16.20 An additional £430k for the Disabled Facilities Grant (DFG) was recently announced, increasing the current year baseline for Kirklees. The funding enables more disabled people to access grants to improve their homes so that can live independently, reducing health inequalities and supporting people to live healthy independent lives.
- 2.16.21 Baseline general fund capital provision supports continuing capital investment requirements across the Council's existing asset base, including Schools, Highways, and transport infrastructure. All baseline capital plans include a new financial year 5 allocation, assuming a constant level of funds.
- 2.16.22 Council approved the proposal to extend the Flexible Capital Receipts Strategy over the 2020-22 period, within the October 2020 Budget Strategy Update Report. This allows for the annual capitalisation of transformation related revenue costs, funded from in-year capital receipts. Officers are exploring opportunities to release revenue resources over the 2020-22 period to be re-invested through reserves for strategic transformation developments over the next 12 to 24 months.
- 2.16.23 The Housing Revenue Account (HRA) multi-year capital plan stands at £199.6m, split £86m strategic priorities and £113.6m baseline allocations. To help address growing demand for affordable housing needs in Kirklees, the capital plan supports a Council House Building programme (£42.5m). The baseline capital programmes includes Compliance investment at £19.7m, reflecting the Councils commitment to safe and compliant housing stock delivered in accordance to regulatory requirements within HRA.
- 2.16.24 It also includes Adaptations at £17.6m; to give disabled people better freedom of movement into and around their homes and to give access to essential facilities within the home. It enables people to live safely and independently and prevents or delays the need for residential care. The balance of baseline funding supports a range of life cycle investment in existing housing stock in line with longer term HRA business plan requirements.

## **2.17 Corporate Risk Assessment**

- 2.17.1 The corporate risk register at Appendix E summarises the key strategic risks or barriers to achieving the corporate objectives, including potential impacts from COVID-19 and UK's withdrawal from EU. It also provides visibility about the management actions which are either in place or brought into action to mitigate the impact of these risks. Many of these are of a financial nature and provide contextual information when setting the Council's budget. There isn't a direct link but they do help to inform the level of reserve held by the Council.
- 2.17.2 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.

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

#### **3.1 Formal Resolution**

- 3.1.1 It is necessary for the motion to Council on 10 February 2021, set out at Appendix G, 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.
- 3.1.2 It may be necessary therefore for an amended motion to be moved, as in previous years, to correct the motion where there is any change between the estimated and actual precepts. This assumes that the precepting bodies will have determined their precepts before 10 February 2021.
- 3.1.3 It is requested that the Council's statutory s151 Officer (Service Director – Finance) be given delegated authority to amend how the finally approved precepts are recorded in the Council's revenue budget in line with the final notifications received following decisions by the Office of Police and Crime Commissioner, the Fire & Rescue Authority and Parish Councils, should these be received after 10 February 2021.
- 3.1.4 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.

#### **3.2 Special Expenses**

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

#### **3.3 Positive Assurance Statement**

- 3.3.1 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 (Service Director - Finance)**

- 3.3.2 This report sets out proposals for the delivery of an overall Council balanced budget for 2021/22, and indicative budget spending plans and funding forecasts over the

following 4 years. This is against a backdrop of COVID-19 which has brought an unprecedented level of challenge and uncertainty to this budget round.

- 3.3.3 The financial planning framework underpinning the 2021/22 budget proposals are pragmatic in nature in light of the current situation, enabled by the relatively strong financial resilience of the Council which existed pre-COVID; in particular by earmarking some of the pre-COVID financial resilience (MRP flexibility) to underwrite the Council's financial stability over the next financial year as far as possible given the extent of current global, national and local volatility.
- 3.3.4 The impact of COVID-19 on the Council's financial position has been reported extensively through 2020/21 to Cabinet, Council, Corporate Scrutiny Panel and Corporate Governance & Audit Committee. This report also makes extensive reference to the continuing impact of COVID-19 over the course of the medium-term financial plan which is forecast to impact on a range of funding assumptions going forward, including service income and local tax income and Business Rates losses over the medium term.
- 3.3.5 The COVID-19 response is ongoing, and at the time of writing this report, the UK had commenced a further national lockdown, in parallel to the nationwide scaling up of a COVID-19 vaccination programme. The impact of COVID-19 continues to be a significant draw on existing Council, Partner and community capacity and is likely to continue to do so at least through the first half of 2021/22.
- 3.3.6 Government has also allocated significant additional COVID-19 funding to Councils through 2020/21. The local government sector continues to engage with Government to ensure Councils receive appropriate funding compensation, and at this stage it is anticipated that in spite of continuing COVID-19 challenges, the year-end general fund revenue position will broadly be brought in line with budget.
- 3.3.7 The accompanying OBR report to the Government Spending Review 2020 announcement set out the national economic and fiscal outlook over the medium term. The OBR outlook reflects the unprecedented peace time scale of the Government's financial response to COVID-19, and the significant challenges for future national fiscal and public finance policy over the longer term in light of the £2 trillion current national deficit and rising.
- 3.3.8 The provisional financial settlement 2021/22, while largely being a one-year settlement only, includes further "one-off" COVID-19 funding support to Councils in 2021/22. This will give the local government sector some additional breathing space at least over the next 12 months, and Government more time to consider its longer term plans for public finance in response to the unprecedented current economic uncertainty.
- 3.3.9 The Council's general fund reserves strategy set out in this report includes the roll forward into 2021/22 of existing financial resilience risk reserves at £37m, unallocated reserves at £10m (minimum working capital balances requirement), and demand reserves at over £19m.
- 3.3.10 The latter reserve is a ring-fenced matching offset to the High Needs element of the forecast accumulated Dedicated Schools Grant funding deficit at current year end; a prudent measure pending further discussions with relevant Government departments

regarding options to claw back the accumulated High Needs funding deficit, which is effectively held on the Council balance sheet as a 'negative reserve'.

- 3.3.11 Elsewhere, there are specific earmarked reserves set aside to support a range of strategic Council developments, including capital and broader regeneration developments, and key transformation activity across Adults Workforce, SEND and Waste.
- 3.3.12 The COVID-19 risk reserve will provide additional short-term resilience for unfunded COVID-19 financial pressures, as well as targeted support to some of the borough's most financially vulnerable individuals and households.
- 3.3.13 The updated corporate risk register set out at Appendix D factors in emerging impacts from COVID-19 and the UK's withdrawal from the EU, acknowledging that at this stage it is too early to fully assess the impact of the recent Co-operation and Trade agreement announcement with the EU.
- 3.3.14 COVID-19 has also impacted on the HRA in-year but overall, the HRA business plan remains relatively financially robust, and will continue to provide opportunities for key service investment in targeted sustainable tenancy measures for vulnerable tenants, and compliance investment to meet more stringent social housing regulator requirements, alongside proposals for new build social housing over the longer term.
- 3.3.15 The Capital Strategy set out at Appendix E sets out forecast prudential indicators 'proportion of financing costs to net revenue stream' over the 2020-26 period, and for the general fund are set to increase overall from 9.1% to 10.3% over the 6 year period. The borrowing requirements to support Council capital investment over the 2020-26 period are considered 'affordable', to the extent that interest rates remain low over the period, and the Council can continue to meet its annual debt servicing commitments through sustainable budget plans going forward.
- 3.3.16 There is unprecedented economic uncertainty currently and the emerging longer term COVID-19 impacts on individuals, communities, and the most vulnerable are only likely to add to already increasing demand management pressures on essential Council services.
- 3.3.17 Notwithstanding, Councils cannot solely rely on a Government funding solution to accommodate any forecast future year budget gaps, which in themselves are highly sensitive in the current environment.
- 3.3.18 Over-reliance on "one-off" revenue reserves to support annual balanced budgets over the medium term is not a financially sustainable strategy either and any significant depletion in reserves over time leaves the Council very exposed to financial risks.
- 3.3.19 In light of the above, the Council should also use the time bought over the next 12 months to start planning early for 2022/23.

Consequently, in light of these factors;

I can give you positive assurance on the reliability and robustness of the forecasts and estimates in the budget proposals as far as I can in the context of the current

unprecedented and challenging environment based on current local and national intelligence.

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

### 3.3.20 Working with people

### 3.3.21 Working with partners

### 3.3.22 Place based working

### 3.3.23 Climate Change & Air Quality

### 3.3.24 Improving outcomes for children

The budget proposals contained within this report have been developed to ensure that funding is made available in the areas that will allow the Council to further improve the outcomes for individuals and communities as a whole. To facilitate this, resources have been allocated in areas that will allow the Council to maximise contributions to the Councils strategic priorities of working with people, working with partners and deliver Administration priorities with regard to outstanding children's services, tackling climate change and investing in our Places.

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

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

Under section 149 of the Act:

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

The relevant protected characteristics are:

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

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

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

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

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

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

#### **4. Consultees and their opinions**

There was a public budget engagement exercise which ran from November 2020 to 31 December 2020. The overall aim of the consultation was to provide a resident perspective on the impact of COVID -19, which has sharpened the need for the Council to invest in the economy to promote recovery, in a way that gives everyone an opportunity to benefit from our investment. This focus is called inclusive investment.

The website link to the public engagement exercise is below:

[Budget Consultation 2021](#)

There were 216 responses in total (compared to 63 in 2020/21). In very broad terms, the areas of focus rated as highest priority overall by respondents were jobs for local people at 80%, employment packages to support jobs for young people at 62%, increased opportunities for local businesses at 61% and bringing regeneration to the community at 58%. Summary feedback from the above public budget engagement exercise is included at Appendix H to this report, and will be considered by members in coming to their decision at Cabinet and then their final decisions made on the revenue budget proposals at Budget Council on 10 February 2021.

There was also engagement with key Partner representatives. High level feedback from Partners focused on the Recovery and from a business perspective, to ensure that future focus was strategically focused on growth rather than just survival. Also, Council procurement focused on social benefit and the Kirklees pound was seen as a positive development.



The need to support the voluntary and community sector was seen as equally important to recovery. Cross cutting regional agendas were also seen as important, and the potential to capitalise on regional mayoral opportunities, and the educational strengths of the University, such as the Southgate investment, as critical to the recovery and future growth. Feedback from the Young Employee Network focused on leisure and entertainment opportunities, the importance of good transport routes, including bus routes and cycle lanes, and investment in the character of the borough's diverse places.

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

The 2021/22 Treasury Management Strategy Report included at Appendix I, has been prepared by the Council's s151 Officer (Service Director - Finance), and in consultation with the Council's external treasury management advisors, Arlingclose Limited Treasury Management Consultants. The Treasury Management report has also been considered at the Council's Corporate Governance and Audit Committee (CGAC), on 20 January 2021.

## **5. Next Steps**

- 5.1 This report and the draft Budget form the background and the proposed formal motion. The Cabinet will need to decide if they are to accept this or propose amendments to the draft budget which will be proposed to Council on 10 February 2021 (Cabinet draft budget). Members will need to decide if they are to accept this or propose amendments to the draft Budget which will be proposed to Council. Any such amendments will be published on 3 February 2021.
- 5.2 Proposed amendments shall be submitted to the Chief Executive on or before 10.00am on Monday 1 February 2021 to ensure that, in conjunction with the Service Director-Finance, they can be reviewed to ensure they are financially sound and sustainable prior to the final submission deadline of 3 February 2021.
- 5.3 Members should note that once a budget is agreed by Council there may be a number of further steps and/or actions which would need to be taken in order to implement budget decisions for example – consultation, further detail of the steps needed or final proposals for making the planned changes. This is to ensure that the Council complies with legal and other requirements.
- 5.4 Following Council approval of the Capital Investment Plan, schemes will be released subject to Financial Procedure Rules.
- 5.5 Any material Government changes to the provisional 2021/22 finance settlement figures will be reported to the meeting of full Council, depending on the timing of Government confirmation of the final settlement, which is expected late January/ early February 2021.

## **6. Cabinet recommendations and reasons**

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

### General Fund Revenue

- 6.1 That the draft Revenue Budget for 2021/22 to deliver a balanced budget, be approved (Appendix A);
- 6.2 That the forecast spending and funding plans for the 2022-26 period be noted (Appendix A);
- 6.3 That the forecast levels of statutory and other Council reserves as set out at Appendix Bii), be noted;
- 6.4 That the strategy for the use of balances and reserves, is approved; (section 2.13);
- 6.5 To note the Council's participation in the Leeds City Region Business Rates Pool for 2021/22, and to note that a further report will be brought to Cabinet in March 2021 to formally agree the new arrangements.
- 6.6 That members approve the Council Tax requirement for 2021/22 (Appendix G, budget motion);
- 6.7 That members note the Council's Statutory s151 Officer's positive assurance statement; (paragraphs 3.3.1 – 3.3.19)
- 6.8 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 10 February 2021 (paragraph 3.1.3);

### Treasury Management

- 6.9 That members approve the following recommendations set out in the 2021/22 Treasury Management report at Appendix I:
- 6.10 The borrowing strategy outlined in paragraphs 2.15-2.23 of the appended report;
- 6.11 The investment strategy outlined in paragraphs 2.24 - 2.33 of the appended report, including Appendices A and B;
- 6.12 The policy for provision of repayment of debt (minimum revenue provision or MRP) outlined in the appended report outlined in paragraphs 2.34 - 2.38 of the appended report including Appendix C;
- 6.13 The treasury management indicators in the appended report, Appendix D;
- 6.14 The Investment Strategy (Non-Treasury Investments) in the appended report, at Appendix E;

### Capital

- 6.15 That the updated Capital Plan for 2020-26, be approved; (Appendix A)
- 6.16 That the Capital Strategy (including Prudential Indicators), set out at Appendix E, be approved;

Housing Revenue Account (HRA)

- 6.17 That the draft HRA Budget for 2021/22 be approved; (Appendix A)
- 6.18 That the strategy for the use of HRA reserves, as set out at paragraph 2.15.5, be approved;

Other

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

**7. Cabinet Portfolio Holder Recommendation**

The Leader recommends that the attached general fund revenue budget, Treasury Management Strategy, Investment Strategy, Capital Strategy, Capital Investment Plan, and HRA budget, should be presented to the Council meeting on 10 February 2021.

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.

Comments from the Leader:

**Leader foreword**

This is a budget for recovery in Kirklees. It will invest in the people, places and partnerships that have done so much to protect families and communities over the past year. More importantly, it is a budget that leaves no one behind.

Twelve months ago, the council agreed a budget for inclusive investment. We laid out plans to transform the infrastructure of towns and neighbourhoods across Kirklees. The pandemic has derailed so much economic progress across the world. In Kirklees, the crisis has increased the urgency of the task and we commit, once again, to one of the most ambitious capital investment plans this borough has ever seen.

The budget goes even further to support our local economy and promote an inclusive economy. We know that investment in the physical transformation of the borough is long overdue, but businesses need the council's help immediately. We will invest in business support services that can help our local economy navigate the difficult waters caused by COVID-19 and Brexit.

At heart, this budget is about people even more than it is about places. Now is not the time to gamble with the health and wellbeing of the most vulnerable in our communities. That is why the budget takes the opportunity to invest in adult services

through the social care precept. The country has had a salutary lesson in what happens when governments and public authorities fail to take tough decisions on social care. We will not make that mistake for residents in Kirklees who need our help.

It is easy to characterise the pandemic as a public health crisis that impacts most on older people. Our journey towards excellence in services for children's and family services takes on an added importance this year as we see the impact on younger members of our community. Of all the commitments in this budget, none is more vital than our support to them through education and family services, especially those with the most complex lives.

This is a budget that is proud of its sweeping ambitions for places and services across Kirklees. But we know that it is local action, based around the needs of the diverse communities that can change lives just as profoundly and power our recovery. That is why we commit to helping elected members use their local insight to invest in services to support residents' mental health needs and promote active travel. It is the diversity of our communities that is one of Kirklees' greatest strengths. This is a budget that recognises that local approaches can achieve more for people.

Budgets have finance at their core. But this is a budget of conviction and values. It will support our ambition to address the inequalities that have been so harshly exposed by the crisis at the same time as promoting growth and recovery. Our Inequalities Commission will ask every member of this council tough questions about how we can build a society that works for everyone. The budget also addresses the harsh reality of climate change and ensures that the council will not leave it to others to tackle global issues.

Few councils were hit harder than Kirklees by austerity. We have seen a decade of government shifting the responsibility of funding on to local authorities and this year is no different. But years of sound local financial management have put this council in a position to be optimistic about our recovery. While many councils talk of cuts and bankruptcy, Kirklees can look to the new financial year with the confidence to tackle some of society's most pressing issues.

If you believe that Kirklees can come back stronger from this crisis. If you believe that levelling up needs investment more than rhetoric. And if you believe everyone in Kirklees deserves a fair chance in life, this is a budget you can support.

## **8. Contact Officer and Relevant Papers**

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

### Background Papers

- Council approved annual budget report 2020-2023, 12 February 2020
- Council financial outturn report 2019/20 to full Council, 1 September 2020
- Government 2020 Spending Review, 25 September 2020

- Council Budget Strategy Update report 2021/22 and future years to full Council, 21 October 2020
- Quarter 2 financial monitoring report 2020/21, Cabinet 18 November 2020
- Provisional Local Government Finance Settlement 2021/22, released 17 December 2020
- Council Tax Base Report to Cabinet/Council 26 January 2021
- Housing Revenue Account annual rent setting and service charge report 2020/21, to Cabinet on 14 January 2020
- Annual Schools funding settlement 2021/22, report to Cabinet on 26 January 2021
- Integrated Impact Assessments on key budget proposals and impacts
- Budget Consultation exercise 2021/22

**KIRKLEES COUNCIL**

**General Fund and HRA Medium Term  
Financial Plan 2021-26**

**Revenue & Capital Budget Book**

## **INTRODUCTION**

### **How did we develop this documentation?**

- The budget plans take account of existing year 2 and 3 Directorate budget plans, which have rolled forward into years 1 and 2 of the updated 2021-26 MTFP, and also incorporate new investment and savings proposals as appropriate.
- While revenue budgets are set annually before the start of each financial year, there is some limited flexibility for revenue budgets to be transferred between service activities in-year.
- The document refers to “controllable budgets”: These are budgets that the budget holder can directly influence. Controllable expenditure includes direct operational costs including overheads which are specific to that department.
- Examples of controllable expenditure are staff costs, premises, supplies & services, and payments to contractors. Controllable income includes schools income, other traded income, fees & charges, and specific government grants.
- For a small number of services all the controllable expenditure is entirely funded by income. These services have £0 in the net controllable expenditure column.
- The column labelled “2020-21 net controllable budget” provides the baseline or starting point for savings or increases proposed in the following five years to the financial year 2025-26.
- Inflation provision for all years is held within Central Budgets. Inflation for 2021/22 will subsequently be allocated out to relevant services at the start of the financial year.
- The columns labelled “Changes” contains both proposed reductions in net expenditure “Minuses” and proposed increases in net expenditure “Pluses”.
- Proposed reductions in net expenditure “Minuses” can be because of:
  - planned savings
  - reduced demand for that service, or
  - a planned increase in associated income.
- Proposed increases in net expenditure “Pluses” can be because of:
  - proposed increased spending, or
  - a planned reduction in associated income.
- The reductions in net expenditure “Minuses” that relate specifically to planned savings cross-reference to specific budget savings templates outlining the specific proposal. The budget savings template sets out:
  - the savings 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 inter-dependencies and risk)
  - potential impact of the proposal on service outcomes and any mitigating actions proposed
  - does the proposal require an integrated impact assessment
  - will the proposal require a specific service consultation
  - accountable head of service
- To support the budget process, we have published integrated impact assessments.
  - Current Full Time Equivalent (FTE) numbers for the Council are approximately 5,700, excluding schools.

## GLOSSARY

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

**2020-21 net controllable budgets** provide the baseline or starting point for savings or increases proposed in subsequent years.

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

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



## **BUDGET DOCUMENTATION 2021-26**

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**Overall General Fund Summary By Strategic Director Portfolio**

| STRATEGIC DIRECTOR PORTFOLIOS                                | 20-21<br>CONTROLLABLE<br>GROSS<br>EXPENDITURE<br>£000 | 20-21<br>CONTROLLABLE<br>INCOME<br>£000 | 20-21 NET<br>CONTROLLABLE<br>BUDGET<br>£000 | CHANGES<br>£000 | 21-22<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 22-23<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 23-24<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 24-25<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 25-26<br>BUDGET<br>PROPOSAL<br>£000 |
|--|---|---|---|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|
| <b>Children &amp; Families</b>                               |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| Child Protection & Family Support                            | 40,672  | (1,612)                                 | 39,060                                      | (673)           | 38,387                              | 1,345           | 39,732                              | 369             | 40,101                              | 415             | 40,516                              | 415             | 40,931                              |
| Learning & Early Support                                     | 302,800   | (284,973)                               | 17,827                                      | 1,300           | 19,127                              |                 | 19,127                              |                 | 19,127                              |                 | 19,127                              |                 | 19,127                              |
| Resources, Improvements & Partnerships                       | 21,654  | (776)                                   | 20,878                                      | 135             | 21,013                              | (35)            | 20,978                              | 135             | 21,113                              | 135             | 21,248                              | 135             | 21,383                              |
| <b>Total Children &amp; Families</b>                         | <b>365,126</b>  | <b>(287,361)</b>                        | <b>77,765</b>                               | <b>762</b>      | <b>78,527</b>                       | <b>1,310</b>    | <b>79,837</b>                       | <b>504</b>      | <b>80,341</b>                       | <b>550</b>      | <b>80,891</b>                       | <b>550</b>      | <b>81,441</b>                       |
| <b>Adults &amp; Health</b>                                   |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| Customers & Communities                                      | 16,884  | (5,173)                                 | 11,711                                      |                 | 11,711                              |                 | 11,711                              |                 | 11,711                              |                 | 11,711                              |                 | 11,711                              |
| Adult Social Care - Older People & Physical Disabilities     | 70,081  | (54,743)                                | 15,338                                      | 4,881           | 20,219                              | (5,419)         | 14,800                              | (4,568)         | 10,232                              | (250)           | 9,982                               | (250)           | 9,732                               |
| Adult Social Care - Learning Disabilities & Mental Health    | 96,746  | (28,666)                                | 68,080                                      | 1,551           | 69,631                              | 4,500           | 74,131                              | 4,164           | 78,295                              |                 | 78,295                              |                 | 78,295                              |
| Adults Sufficiency   | 21,910  | (8,238)                                 | 13,672                                      |                 | 13,672                              |                 | 13,672                              |                 | 13,672                              |                 | 13,672                              |                 | 13,672                              |
| <b>Total Adults &amp; Health</b>                             | <b>205,621</b>  | <b>(96,820)</b>                         | <b>108,801</b>                              | <b>6,432</b>    | <b>115,233</b>                      | <b>(919)</b>    | <b>114,314</b>                      | <b>(404)</b>    | <b>113,910</b>                      | <b>(250)</b>    | <b>113,660</b>                      | <b>(250)</b>    | <b>113,410</b>                      |
| <b>Growth &amp; Regeneration</b>                             |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| Growth & Housing   | 15,223  | (9,446)                                 | 5,777                                       |                 | 5,777                               |                 | 5,777                               |                 | 5,777                               |                 | 5,777                               |                 | 5,777                               |
| Economy & Skills   | 20,998  | (12,004)                                | 8,994                                       | 200             | 9,194                               |                 | 9,194                               |                 | 9,194                               |                 | 9,194                               |                 | 9,194                               |
| <b>Total Growth &amp; Regeneration</b>                       | <b>36,221</b>   | <b>(21,450)</b>                         | <b>14,771</b>                               | <b>200</b>      | <b>14,971</b>                       | <b>0</b>        | <b>14,971</b>                       | <b>0</b>        | <b>14,971</b>                       | <b>0</b>        | <b>14,971</b>                       | <b>0</b>        | <b>14,971</b>                       |
| <b>Environment &amp; Climate Change</b>                      |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| Environment  | 105,225   | (75,784)                                | 29,441                                      | 3,700           | 33,141                              | 1,250           | 34,391                              | 3,200           | 37,591                              |                 | 37,591                              |                 | 37,591                              |
| <b>Total Environment &amp; Climate Change</b>                | <b>105,225</b>  | <b>(75,784)</b>                         | <b>29,441</b>                               | <b>3,700</b>    | <b>33,141</b>                       | <b>1,250</b>    | <b>34,391</b>                       | <b>3,200</b>    | <b>37,591</b>                       | <b>0</b>        | <b>37,591</b>                       | <b>0</b>        | <b>37,591</b>                       |
| <b>Corporate Strategy, Commissioning &amp; Public Health</b> |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
|  | 136,720   | (104,247)                               | 32,473                                      | 1,230           | 33,703                              | 100             | 33,803                              | 0               | 33,803                              | 0               | 33,803                              | 0               | 33,803                              |
| <b>Sub Total Strategic Director Portfolio</b>                | <b>848,913</b>  | <b>(585,662)</b>                        | <b>263,251</b>                              | <b>12,324</b>   | <b>275,575</b>                      | <b>1,741</b>    | <b>277,316</b>                      | <b>3,300</b>    | <b>280,616</b>                      | <b>300</b>      | <b>280,916</b>                      | <b>300</b>      | <b>281,216</b>                      |
| Central Budgets  | 50,579  | (3,164)                                 | 47,415                                      | (3,065)         | 44,350                              | 6,417           | 50,767                              | 5,650           | 56,417                              | 17,550          | 73,967                              | 3,950           | 77,917                              |
| <b>Total Budgets</b>   | <b>899,492</b>  | <b>(588,826)</b>                        | <b>310,666</b>                              | <b>9,259</b>    | <b>319,925</b>                      | <b>8,158</b>    | <b>328,083</b>                      | <b>8,950</b>    | <b>337,033</b>                      | <b>17,850</b>   | <b>354,883</b>                      | <b>4,250</b>    | <b>359,133</b>                      |

|                                |  |  |  |  |                  |  |                  |  |                  |  |                  |  |                  |
|--------------------------------|--|--|--|--|------------------|--|------------------|--|------------------|--|------------------|--|------------------|
| <b>Funding Available:</b>      |  |  |  |  |                  |  |                  |  |                  |  |                  |  |                  |
| Business Rates Retention       |  |  |  |  | (101,765)        |  | (104,627)        |  | (106,109)        |  | (109,065)        |  | (110,055)        |
| Unringfenced Grants            |  |  |  |  | (25,187)         |  | (6,910)          |  | (6,759)          |  | (4,709)          |  | (4,559)          |
| Council Tax                    |  |  |  |  | (174,653)        |  | (180,571)        |  | (187,428)        |  | (194,497)        |  | (200,957)        |
| Adult Social Care Precept      |  |  |  |  | (21,767)         |  | (21,941)         |  | (22,144)         |  | (22,351)         |  | (22,542)         |
| Collection fund balance        |  |  |  |  | 26,730           |  | 2,530            |  | 2,530            |  | 0                |  | 0                |
| <b>Total Funding Available</b> |  |  |  |  | <b>(296,642)</b> |  | <b>(311,519)</b> |  | <b>(319,910)</b> |  | <b>(330,622)</b> |  | <b>(338,113)</b> |
| <b>Transfer from Reserves</b>  |  |  |  |  | <b>(23,283)</b>  |  | <b>(2,000)</b>   |  |                  |  |                  |  |                  |
| <b>Balanced 2021-22 Budget</b> |  |  |  |  | <b>0</b>         |  | <b>14,564</b>    |  | <b>17,123</b>    |  | <b>24,261</b>    |  | <b>21,020</b>    |

**CHILD PROTECTION & FAMILY SUPPORT**

| SERVICE ACTIVITY  | 20-21<br>CONTROLLABLE<br>GROSS<br>EXPENDITURE<br>£000 | 20-21<br>CONTROLLABLE<br>INCOME<br>£000 | 20-21 NET<br>CONTROLLABLE<br>BUDGET<br>£000 | CHANGES<br>£000 | 21-22<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 22-23<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 23-24<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES    | 24-25<br>BUDGET<br>PROPOSAL | CHANGES<br>£000 | 25-26<br>BUDGET<br>PROPOSAL<br>£000 |
|---|---|---|---|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|------------|-----------------------------|-----------------|-------------------------------------|
| <b><u>Front of Door &amp; Youth Offending Team</u></b>                  |   |   |   |                 |                                     |                 |                                     |                 |                                     |            |                             |                 |                                     |
| Front of Door   | 2,097   | (28)                                    | 2,069                                       |                 | 2,069                               |                 | 2,069                               |                 | 2,069                               |            | 2,069                       |                 | 2,069                               |
| Youth Offending Team  | 1,592   | (791)                                   | 801   |                 | 801                                 |                 | 801                                 |                 | 801                                 |            | 801                         |                 | 801                                 |
| <b>Total</b>  | <b>3,689</b>  | <b>(819)</b>                            | <b>2,870</b>                                | <b>0</b>        | <b>2,870</b>                        | <b>0</b>        | <b>2,870</b>                        | <b>0</b>        | <b>2,870</b>                        | <b>0</b>   | <b>2,870</b>                | <b>0</b>        | <b>2,870</b>                        |
| <b><u>Assessment &amp; Intervention/Disabled Childrens Services</u></b> |   |   |   |                 |                                     |                 |                                     |                 |                                     |            |                             |                 |                                     |
| Assessment & Intervention   | 6,474   | 0                                       | 6,474                                       |                 | 6,474                               |                 | 6,474                               |                 | 6,474                               |            | 6,474                       |                 | 6,474                               |
| Disabled Children's Services  | 3,455   | 0                                       | 3,455                                       | 35              | 3,490                               | 35              | 3,525                               | 35              | 3,560                               | 35         | 3,595                       | 35              | 3,630                               |
| Family Team   | 796   | 0                                       | 796   |                 | 796                                 |                 | 796                                 |                 | 796                                 |            | 796                         |                 | 796                                 |
| Persons from Abroad   | 415   | 0                                       | 415   |                 | 415                                 |                 | 415                                 |                 | 415                                 |            | 415                         |                 | 415                                 |
| <b>Total</b>  | <b>11,140</b>   | <b>0</b>                                | <b>11,140</b>                               | <b>35</b>       | <b>11,175</b>                       | <b>35</b>       | <b>11,210</b>                       | <b>35</b>       | <b>11,245</b>                       | <b>35</b>  | <b>11,280</b>               | <b>35</b>       | <b>11,315</b>                       |
| <b><u>Corporate Parenting Service</u></b>                               |   |   |   |                 |                                     |                 |                                     |                 |                                     |            |                             |                 |                                     |
| Looked After Children 0-18  | 3,276   | (42)                                    | 3,234                                       |                 | 3,234                               |                 | 3,234                               |                 | 3,234                               |            | 3,234                       |                 | 3,234                               |
| Leaving Care 18-21  | 1,336   | 0                                       | 1,336                                       | 84              | 1,420                               |                 | 1,420                               |                 | 1,420                               |            | 1,420                       |                 | 1,420                               |
| External Residential Placements   | 3,117   | (202)                                   | 2,915                                       | (1,042)         | 1,873                               | 1,083           | 2,956                               | 84              | 3,040                               | 130        | 3,170                       | 130             | 3,300                               |
| External Fostering Placements   | 6,573   | 0                                       | 6,573                                       | 141             | 6,714                               | 141             | 6,855                               | 141             | 6,996                               | 141        | 7,137                       | 141             | 7,278                               |
| Guardianship and Child Arrangement                                      | 4,433   | 0                                       | 4,433                                       | 74              | 4,507                               | 74              | 4,581                               | 74              | 4,655                               | 74         | 4,729                       | 74              | 4,803                               |
| Leaving Care Supported Accommodation /Supported Lodgings                | 2,708   | 0                                       | 2,708                                       | 35              | 2,743                               | 35              | 2,778                               | 35              | 2,813                               | 35         | 2,848                       | 35              | 2,883                               |
| Unaccompanied Asylum Seeker Children                                    | 155   | (149)                                   | 6   |                 | 6                                   |                 | 6                                   |                 | 6                                   |            | 6                           |                 | 6                                   |
| <b>Total</b>  | <b>21,598</b>   | <b>(393)</b>                            | <b>21,205</b>                               | <b>(708)</b>    | <b>20,497</b>                       | <b>1,333</b>    | <b>21,830</b>                       | <b>334</b>      | <b>22,164</b>                       | <b>380</b> | <b>22,544</b>               | <b>380</b>      | <b>22,924</b>                       |
| <b>Multi Systemic Therapy</b>   | 1,183   | (400)                                   | 783   |                 | 783                                 | (23)            | 760                                 |                 | 760                                 |            | 760                         |                 | 760                                 |
| <b>Management &amp; Regulatory</b>                                      | 3,062   | 0                                       | 3,062                                       |                 | 3,062                               |                 | 3,062                               |                 | 3,062                               |            | 3,062                       |                 | 3,062                               |
| <b>TOTAL CHILD PROTECTION &amp; FAMILY SUPPORT</b>                      | <b>40,672</b>   | <b>(1,612)</b>                          | <b>39,060</b>                               | <b>(673)</b>    | <b>38,387</b>                       | <b>1,345</b>    | <b>39,732</b>                       | <b>369</b>      | <b>40,101</b>                       | <b>415</b> | <b>40,516</b>               | <b>415</b>      | <b>40,931</b>                       |

**CHILD PROTECTION & FAMILY SUPPORT - CHANGES**

| Service Activity   | Proposed Change  | Savings Template Reference |               |               |               |               |               |    |
|--|--|----------------------------|---------------|---------------|---------------|---------------|---------------|----|
|  |  |                            | 2021-22<br>£k | 2022-23<br>£k | 2023-24<br>£k | 2024-25<br>£k | 2025-26<br>£k |    |
| <b>Assessment &amp; Intervention/Disabled Childrens Services</b> |  |                            |               |               |               |               |               |    |
| Disabled Children's Service                                      | Childrens social care - inflationary pressures/Re-alignment of additional Government social care funding |                            | 35            | 35            | 35            | 35            | 35            | 35 |
| <b>Corporate Parenting Service</b>                               |  |                            |               |               |               |               |               |    |
| Leaving Care post 18-21  | Strengthening Service Offer - New Posts  |                            | 84            |               |               |               |               |    |
| External Residential Placements                                  | Planned reduction of percentage of children placed outside Kirklees district.                            | EX CP1                     | (1,188)       |               |               |               |               |    |
|  | Planned reduction of percentage of children placed outside Kirklees district - reinvestment projects     | EX CP2                     | (84)          |               |               |               |               |    |
|  | Childrens social care - inflationary pressures/Re-alignment of additional Government social care funding |                            | 230           | 490           | 84            | 130           | 130           |    |
|  | Planned reduction in percentage of children placed outside Kirklees district - reinvestment projects     |                            |               | 593           |               |               |               |    |
| External Fostering Placements                                    | Childrens social care - inflationary pressures/Re-alignment of additional Government social care funding |                            | 141           | 141           | 141           | 141           | 141           |    |
| Guardianship and Child Arrangement                               | Childrens social care - inflationary pressures/Re-alignment of additional Government social care funding |                            | 74            | 74            | 74            | 74            | 74            |    |
| Leaving Care Supported Accommodation/Supported Lodgings          | Childrens social care - inflationary pressures/Re-alignment of additional Government social care funding |                            | 35            | 35            | 35            | 35            | 35            |    |
| <b>Multi Systemic Therapy</b>                                    |  |                            |               |               |               |               |               |    |
|  | Multi Systemic Therapy - grant funding   |                            |               | (423)         |               |               |               |    |
|  | Multi Systemic Therapy base budget   |                            |               | 400           |               |               |               |    |
| <b>TOTAL FOR CHILD PROTECTION &amp; FAMILY SUPPORT CHANGES</b>   |  |                            | <b>(673)</b>  | <b>1,345</b>  | <b>369</b>    | <b>415</b>    | <b>415</b>    |    |

**LEARNING & EARLY SUPPORT**

| SERVICE ACTIVITY   | 20-21<br>CONTROLLABLE<br>GROSS<br>EXPENDITURE<br>£000 | 20-21<br>CONTROLLABLE<br>INCOME<br>£000 | 20-21 NET<br>CONTROLLABLE<br>BUDGET<br>£000 | CHANGES<br>£000 | 21-22<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 22-23<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 23-24<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 24-25<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 25-26<br>BUDGET<br>PROPOSAL<br>£000 |
|--|---|---|---|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|
| <b>Strategic Leadership</b>  |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| Statutory Responsibility for the Education System  | 1,048   | (528)                                   | 520   |                 | 520                                 |                 | 520                                 |                 | 520                                 |                 | 520                                 |                 | 520                                 |
| Music Service  | 24  | 0                                       | 24  |                 | 24                                  |                 | 24                                  |                 | 24                                  |                 | 24                                  |                 | 24                                  |
| School Forum allocations   | 222   | (223)                                   | (1)   |                 | (1)                                 |                 | (1)                                 |                 | (1)                                 |                 | (1)                                 |                 | (1)                                 |
| <b>Total</b>   | <b>1,294</b>  | <b>(751)</b>                            | <b>543</b>                                  | <b>0</b>        | <b>543</b>                          | <b>0</b>        | <b>543</b>                          | <b>0</b>        | <b>543</b>                          | <b>0</b>        | <b>543</b>                          | <b>0</b>        | <b>543</b>                          |
| <b>Schools Organisation, Planning and Admissions</b>   |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| Schools Organisation & Planning  | 207   | (131)                                   | 76  |                 | 76                                  |                 | 76                                  |                 | 76                                  |                 | 76                                  |                 | 76                                  |
| School Admissions  | 405   | (406)                                   | (1)   |                 | (1)                                 |                 | (1)                                 |                 | (1)                                 |                 | (1)                                 |                 | (1)                                 |
| <b>Total</b>   | <b>612</b>  | <b>(537)</b>                            | <b>75</b>                                   | <b>0</b>        | <b>75</b>                           | <b>0</b>        | <b>75</b>                           | <b>0</b>        | <b>75</b>                           | <b>0</b>        | <b>75</b>                           | <b>0</b>        | <b>75</b>                           |
| <b>Education for Vulnerable Children Services incl<br/>Special Educational Needs</b>           |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| Kirklees Special Educational Needs (SEN) pupils in<br>Other Local Authorities (OLA) Mainstream | 370   | (230)                                   | 140   |                 | 140                                 |                 | 140                                 |                 | 140                                 |                 | 140                                 |                 | 140                                 |
| Specialist Provision Co-ordination   | 791   | (790)                                   | 1   |                 | 1                                   |                 | 1                                   |                 | 1                                   |                 | 1                                   |                 | 1                                   |
| SEN Assessment & Commissioning team  | 1,169   | (165)                                   | 1,004                                       | 348             | 1,352                               |                 | 1,352                               |                 | 1,352                               |                 | 1,352                               |                 | 1,352                               |
| Education of Looked After Children   | 564   | (20)                                    | 544   |                 | 544                                 |                 | 544                                 |                 | 544                                 |                 | 544                                 |                 | 544                                 |
| Attendance & Pupil Support   | 1,425   | (788)                                   | 637   |                 | 637                                 |                 | 637                                 |                 | 637                                 |                 | 637                                 |                 | 637                                 |
| Education Services for Vulnerable Children   | 1,022   | (207)                                   | 815   |                 | 815                                 |                 | 815                                 |                 | 815                                 |                 | 815                                 |                 | 815                                 |
| International new arrivals   | 66  | (65)                                    | 1   |                 | 1                                   |                 | 1                                   |                 | 1                                   |                 | 1                                   |                 | 1                                   |
| Early Years SEN Support Portex   | 130   | (134)                                   | (4)   |                 | (4)                                 |                 | (4)                                 |                 | (4)                                 |                 | (4)                                 |                 | (4)                                 |
| Early Years SEN Support inc Portage service  | 1,094   | 0                                       | 1,094                                       | 500             | 1,594                               |                 | 1,594                               |                 | 1,594                               |                 | 1,594                               |                 | 1,594                               |
| <b>Total</b>   | <b>6,631</b>  | <b>(2,399)</b>                          | <b>4,232</b>                                | <b>848</b>      | <b>5,080</b>                        | <b>0</b>        | <b>5,080</b>                        | <b>0</b>        | <b>5,080</b>                        | <b>0</b>        | <b>5,080</b>                        | <b>0</b>        | <b>5,080</b>                        |
| <b>Early Learning</b>  |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| Private Voluntary & Independent Formula Funding  | 15,466  | (15,476)                                | (10)  |                 | (10)                                |                 | (10)                                |                 | (10)                                |                 | (10)                                |                 | (10)                                |
| Two year old funding   | 4,974   | (4,974)                                 | 0   |                 | 0                                   |                 | 0                                   |                 | 0                                   |                 | 0                                   |                 | 0                                   |
| Early Years Quality Improvement, Workforce &<br>Sufficiency                                    | 388   | (585)                                   | (197)                                       |                 | (197)                               |                 | (197)                               |                 | (197)                               |                 | (197)                               |                 | (197)                               |
| <b>Total</b>   | <b>20,828</b>   | <b>(21,035)</b>                         | <b>(207)</b>                                | <b>0</b>        | <b>(207)</b>                        | <b>0</b>        | <b>(207)</b>                        | <b>0</b>        | <b>(207)</b>                        | <b>0</b>        | <b>(207)</b>                        | <b>0</b>        | <b>(207)</b>                        |
| <b>Post 16 services</b>  | <b>1,082</b>  | <b>(21)</b>                             | <b>1,061</b>                                | <b>300</b>      | <b>1,361</b>                        |                 | <b>1,361</b>                        |                 | <b>1,361</b>                        |                 | <b>1,361</b>                        |                 | <b>1,361</b>                        |
| <b>Learning Services Trading</b>   | <b>1,834</b>  | <b>(1,730)</b>                          | <b>104</b>                                  |                 | <b>104</b>                          |                 | <b>104</b>                          |                 | <b>104</b>                          |                 | <b>104</b>                          |                 | <b>104</b>                          |
| <b>Early Support</b>   |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| Early Support Service Wide   | 1,000   | (225)                                   | 775   | 265             | 1,040                               |                 | 1,040                               |                 | 1,040                               |                 | 1,040                               |                 | 1,040                               |
| Early Support Service  | 3,884   | 0                                       | 3,884                                       |                 | 3,884                               |                 | 3,884                               |                 | 3,884                               |                 | 3,884                               |                 | 3,884                               |
| Children's Hubs  | 41  | 0                                       | 41  | 230             | 271                                 |                 | 271                                 |                 | 271                                 |                 | 271                                 |                 | 271                                 |

**LEARNING & EARLY SUPPORT**

| SERVICE ACTIVITY                                | 20-21<br>CONTROLLABLE<br>GROSS<br>EXPENDITURE<br>£000 | 20-21<br>CONTROLLABLE<br>INCOME<br>£000 | 20-21 NET<br>CONTROLLABLE<br>BUDGET<br>£000 | CHANGES<br>£000 | 21-22<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 22-23<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 23-24<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 24-25<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 25-26<br>BUDGET<br>PROPOSAL<br>£000 |
|---|---|---|---|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|
| Former Grants                                   | 858   | 0                                       | 858   |                 | 858                                 |                 | 858                                 |                 | 858                                 |                 | 858                                 |                 | 858                                 |
| Risk & Assessment                               | 273   | 0                                       | 273   |                 | 273                                 |                 | 273                                 |                 | 273                                 |                 | 273                                 |                 | 273                                 |
| Detached Youth Service                          | 949   | (833)                                   | 116   |                 | 116                                 |                 | 116                                 |                 | 116                                 |                 | 116                                 |                 | 116                                 |
| <b>Total</b>                                    | <b>7,005</b>  | <b>(1,058)</b>                          | <b>5,947</b>                                | <b>495</b>      | <b>6,442</b>                        | <b>0</b>        | <b>6,442</b>                        | <b>0</b>        | <b>6,442</b>                        | <b>0</b>        | <b>6,442</b>                        | <b>0</b>        | <b>6,442</b>                        |
| <b>Commissioning</b>                            |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| Stronger Families                               | 1,303   | (1,381)                                 | (78)  |                 | (78)                                |                 | (78)                                |                 | (78)                                |                 | (78)                                |                 | (78)                                |
| Careers Service Partnership                     | 1,720   | 0                                       | 1,720                                       |                 | 1,720                               |                 | 1,720                               |                 | 1,720                               |                 | 1,720                               |                 | 1,720                               |
| <b>Total</b>                                    | <b>3,023</b>  | <b>(1,381)</b>                          | <b>1,642</b>                                | <b>0</b>        | <b>1,642</b>                        | <b>0</b>        | <b>1,642</b>                        | <b>0</b>        | <b>1,642</b>                        | <b>0</b>        | <b>1,642</b>                        | <b>0</b>        | <b>1,642</b>                        |
| <b>DSG Schools</b>                              |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| Specialist Education Placements                 | 6,213   | (6,213)                                 | 0   |                 | 0                                   |                 | 0                                   |                 | 0                                   |                 | 0                                   |                 | 0                                   |
| Behavioural, Emotional & Exclusions             | 1,464   | (1,461)                                 | 3   |                 | 3                                   |                 | 3                                   |                 | 3                                   |                 | 3                                   |                 | 3                                   |
| Further Education High Needs                    | 2,405   | (2,405)                                 | 0   |                 | 0                                   |                 | 0                                   |                 | 0                                   |                 | 0                                   |                 | 0                                   |
| Delegated Schools Budgets                       | 218,153   | (216,101)                               | 2,052                                       | 0               | 2,052                               | 0               | 2,052                               | 0               | 2,052                               | 0               | 2,052                               | 0               | 2,052                               |
| SEN support including Further Education Post 16 | 5,573   | (5,573)                                 | 0   |                 | 0                                   |                 | 0                                   |                 | 0                                   |                 | 0                                   |                 | 0                                   |
| Centrally Managed School Budgets                | 4,216   | (5,054)                                 | (838)                                       |                 | (838)                               |                 | (838)                               |                 | (838)                               |                 | (838)                               |                 | (838)                               |
| Childrens Pensions                              | 3,983   | (614)                                   | 3,369                                       |                 | 3,369                               |                 | 3,369                               |                 | 3,369                               |                 | 3,369                               |                 | 3,369                               |
| Childrens Contingencies                         | 17,773  | (18,108)                                | (335)                                       | (343)           | (678)                               |                 | (678)                               |                 | (678)                               |                 | (678)                               |                 | (678)                               |
| <b>Total</b>                                    | <b>259,780</b>  | <b>(255,529)</b>                        | <b>4,251</b>                                | <b>(343)</b>    | <b>3,908</b>                        | <b>0</b>        | <b>3,908</b>                        | <b>0</b>        | <b>3,908</b>                        | <b>0</b>        | <b>3,908</b>                        | <b>0</b>        | <b>3,908</b>                        |
| <b>Management &amp; Regulatory</b>              | <b>711</b>  | <b>(532)</b>                            | <b>179</b>                                  | <b>0</b>        | <b>179</b>                          | <b>0</b>        | <b>179</b>                          | <b>0</b>        | <b>179</b>                          | <b>0</b>        | <b>179</b>                          | <b>0</b>        | <b>179</b>                          |
| <b>TOTAL LEARNING &amp; FAMILY SUPPORT</b>      | <b>302,800</b>  | <b>(284,973)</b>                        | <b>17,827</b>                               | <b>1,300</b>    | <b>19,127</b>                       | <b>0</b>        | <b>19,127</b>                       | <b>0</b>        | <b>19,127</b>                       | <b>0</b>        | <b>19,127</b>                       | <b>0</b>        | <b>19,127</b>                       |

**LEARNING & EARLY SUPPORT CHANGES**

| Service Activity   | Proposed Change                                       | Savings Template Reference |               |               |               |               |               |          |
|--|---|----------------------------|---------------|---------------|---------------|---------------|---------------|----------|
|  |   |                            | 2021-22<br>£k | 2022-23<br>£k | 2023-24<br>£k | 2024-25<br>£k | 2025-26<br>£k |          |
| <b>Education for Vulnerable Children Services incl Special Educational Needs</b> |   |                            |               |               |               |               |               |          |
| SEN Assessment & Commissioning team  | Special Educational Needs & Disabilities Act          |                            | 188           |               |               |               |               |          |
|  | High Needs Demand Management Capacity                 |                            | 160           |               |               |               |               |          |
| Early Years SEN Support inc Portage service                                      | Special Educational Needs & Disability Inclusion Fund |                            | 500           |               |               |               |               |          |
| <b>Post 16 services</b>  |   |                            |               |               |               |               |               |          |
|  | Schools Transport pressure                            |                            | 300           |               |               |               |               |          |
| <b>Early Support</b>   |   |                            |               |               |               |               |               |          |
| Early Support Service Wide   | Young People - Tackling Inequalities Agenda           |                            | 265           |               |               |               |               |          |
| Children's Hubs  | Family Hubs - Early Years                             |                            | 230           |               |               |               |               |          |
| <b>DSG Schools</b>   |   |                            |               |               |               |               |               |          |
| Childrens Contingencies  | Schools PFI Base Budget Release                       |                            | (343)         |               |               |               |               |          |
| <b>TOTAL FOR LEARNING &amp; EARLY SUPPORT CHANGES</b>                            |   |                            | <b>1,300</b>  | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b> |



**RESOURCES, IMPROVEMENTS & PARTNERSHIPS**

| SERVICE ACTIVITY  | 20-21<br>CONTROLLABLE<br>GROSS<br>EXPENDITURE<br>£000 | 20-21<br>CONTROLLABLE<br>INCOME<br>£000 | 20-21 NET<br>CONTROLLABLE<br>BUDGET<br>£000 | CHANGES<br>£000 | 21-22<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 22-23<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 23-24<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 24-25<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 25-26<br>BUDGET<br>PROPOSAL<br>£000 |
|---|---|---|---|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|
| <b><u>Sustainability, Capacity &amp; Resourcing</u></b> |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| Family Placement Unit (inc Help Desk)                   | 1,288   | 0                                       | 1,288                                       |                 | 1,288                               |                 | 1,288                               |                 | 1,288                               |                 | 1,288                               |                 | 1,288                               |
| Fostering Service                                       | 1,321   | 0                                       | 1,321                                       |                 | 1,321                               |                 | 1,321                               |                 | 1,321                               |                 | 1,321                               |                 | 1,321                               |
| Fostering Service (Placements)                          | 7,008   | (97)                                    | 6,911                                       | 110             | 7,021                               | (60)            | 6,961                               | 110             | 7,071                               | 110             | 7,181                               | 110             | 7,291                               |
| Adoption  | 1,293   | 0                                       | 1,293                                       | 25              | 1,318                               | 25              | 1,343                               | 25              | 1,368                               | 25              | 1,393                               | 25              | 1,418                               |
| Family Assessments                                      | 0   | 0                                       | 0   |                 | 0                                   |                 | 0                                   |                 | 0                                   |                 | 0                                   |                 | 0                                   |
| Internal Residential                                    | 2,263   | 0                                       | 2,263                                       |                 | 2,263                               |                 | 2,263                               |                 | 2,263                               |                 | 2,263                               |                 | 2,263                               |
| Disabled Children Service - Young People Activity Team  | 527   | (20)                                    | 507   |                 | 507                                 |                 | 507                                 |                 | 507                                 |                 | 507                                 |                 | 507                                 |
| Disabled Children Service - Internal Residential        | 1,979   | (124)                                   | 1,855                                       |                 | 1,855                               |                 | 1,855                               |                 | 1,855                               |                 | 1,855                               |                 | 1,855                               |
| Commissioned Services                                   | 1,203   | 0                                       | 1,203                                       |                 | 1,203                               |                 | 1,203                               |                 | 1,203                               |                 | 1,203                               |                 | 1,203                               |
| <b>Total</b>  | <b>16,882</b>   | <b>(241)</b>                            | <b>16,641</b>                               | <b>135</b>      | <b>16,776</b>                       | <b>(35)</b>     | <b>16,741</b>                       | <b>135</b>      | <b>16,876</b>                       | <b>135</b>      | <b>17,011</b>                       | <b>135</b>      | <b>17,146</b>                       |
| <b><u>Safeguarding &amp; Quality Assurance</u></b>      |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| Service Specialist Training                             | 170   | (92)                                    | 78  |                 | 78                                  |                 | 78                                  |                 | 78                                  |                 | 78                                  |                 | 78                                  |
| Safeguarding & Quality Assurance                        | 2,451   | (118)                                   | 2,333                                       |                 | 2,333                               |                 | 2,333                               |                 | 2,333                               |                 | 2,333                               |                 | 2,333                               |
| <b>Total</b>  | <b>2,621</b>  | <b>(210)</b>                            | <b>2,411</b>                                | <b>0</b>        | <b>2,411</b>                        | <b>0</b>        | <b>2,411</b>                        | <b>0</b>        | <b>2,411</b>                        | <b>0</b>        | <b>2,411</b>                        | <b>0</b>        | <b>2,411</b>                        |
| <b><u>Other Commissioned Services</u></b>               |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| Other Commissioned Services                             | 1,285   | (305)                                   | 980   |                 | 980                                 |                 | 980                                 |                 | 980                                 |                 | 980                                 |                 | 980                                 |
| Targeted Mental Health Service Contracts                | 360   | 0                                       | 360   |                 | 360                                 |                 | 360                                 |                 | 360                                 |                 | 360                                 |                 | 360                                 |
| <b>Total</b>  | <b>1,645</b>  | <b>(305)</b>                            | <b>1,340</b>                                | <b>0</b>        | <b>1,340</b>                        | <b>0</b>        | <b>1,340</b>                        | <b>0</b>        | <b>1,340</b>                        | <b>0</b>        | <b>1,340</b>                        | <b>0</b>        | <b>1,340</b>                        |
| <b>Management &amp; Regulatory Functions</b>            | <b>506</b>  | <b>(20)</b>                             | <b>486</b>                                  |                 | <b>486</b>                          |                 | <b>486</b>                          |                 | <b>486</b>                          |                 | <b>486</b>                          |                 | <b>486</b>                          |
| <b>TOTAL RESOURCES, IMPROVEMENTS &amp; PARTNERSHIPS</b> | <b>21,654</b>   | <b>(776)</b>                            | <b>20,878</b>                               | <b>135</b>      | <b>21,013</b>                       | <b>(35)</b>     | <b>20,978</b>                       | <b>135</b>      | <b>21,113</b>                       | <b>135</b>      | <b>21,248</b>                       | <b>135</b>      | <b>21,383</b>                       |

**RESOURCES, IMPROVEMENTS & PARTNERSHIPS CHANGES**

| Service Activity  | Proposed Change                                 | Savings Template Reference |               |               |               |               |               |            |
|---|---|----------------------------|---------------|---------------|---------------|---------------|---------------|------------|
|   |   |                            | 2021-22<br>£k | 2022-23<br>£k | 2023-24<br>£k | 2024-25<br>£k | 2025-26<br>£k |            |
| <b>Sustainability, Capacity &amp; Resourcing</b>                    |   |                            |               |               |               |               |               |            |
| Fostering Service (Placements)                                      | Developing Foster Carer Support (Mockingbird)   |                            |               | (170)         |               |               |               |            |
|   | Children's Social Care - Inflationary Pressures |                            | 110           | 110           | 110           | 110           | 110           | 110        |
| Adoption  | Children's Social Care - Inflationary Pressures |                            | 25            | 25            | 25            | 25            | 25            | 25         |
| <b>TOTAL FOR RESOURCES, IMPROVEMENTS &amp; PARTNERSHIPS CHANGES</b> |   |                            | <b>135</b>    | <b>(35)</b>   | <b>135</b>    | <b>135</b>    | <b>135</b>    | <b>135</b> |

**CUSTOMER & COMMUNITIES**

| SERVICE ACTIVITY  | 20-21<br>CONTROLLABLE<br>GROSS<br>EXPENDITURE<br>£000 | 20-21<br>CONTROLLABLE<br>INCOME<br>£000 | 20-21 NET<br>CONTROLLABLE<br>BUDGET<br>£000 | CHANGES<br>£000 | 21-22<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 22-23<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 23-24<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 24-25<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 25-26<br>BUDGET<br>PROPOSAL<br>£000 |
|---|---|---|---|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|
| <b>Customer &amp; Communities - Adults</b>                    |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| <b>Community Plus</b>   | 2,206   | (257)                                   | 1,949                                       |                 | 1,949                               |                 | 1,949                               |                 | 1,949                               |                 | 1,949                               |                 | 1,949                               |
| <b>Access, Strategy &amp; Delivery</b>                        |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| Library & Information Centres                                 | 3,661   | (57)                                    | 3,604                                       |                 | 3,604                               |                 | 3,604                               |                 | 3,604                               |                 | 3,604                               |                 | 3,604                               |
| Registrars  | 772   | (756)                                   | 16  |                 | 16                                  |                 | 16                                  |                 | 16                                  |                 | 16                                  |                 | 16                                  |
| Access to Services - Customer Service Centres                 | 4,643   | (915)                                   | 3,728                                       |                 | 3,728                               |                 | 3,728                               |                 | 3,728                               |                 | 3,728                               |                 | 3,728                               |
| Community Languages   | 598   | (735)                                   | (137)                                       |                 | (137)                               |                 | (137)                               |                 | (137)                               |                 | (137)                               |                 | (137)                               |
| <b>Total</b>  | <b>9,674</b>  | <b>(2,463)</b>                          | <b>7,211</b>                                | <b>0</b>        | <b>7,211</b>                        | <b>0</b>        | <b>7,211</b>                        | <b>0</b>        | <b>7,211</b>                        | <b>0</b>        | <b>7,211</b>                        | <b>0</b>        | <b>7,211</b>                        |
| <b>Integrated Wellness Model</b>                              | 1,876   | (1,769)                                 | 107   |                 | 107                                 |                 | 107                                 |                 | 107                                 |                 | 107                                 |                 | 107                                 |
| <b>Management &amp; Regulatory Functions</b>                  | 412   | 0                                       | 412   |                 | 412                                 |                 | 412                                 |                 | 412                                 |                 | 412                                 |                 | 412                                 |
| <b>Customer &amp; Communities - Childrens<br/>Communities</b> |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| Cohesion  | 458   | (40)                                    | 418   |                 | 418                                 |                 | 418                                 |                 | 418                                 |                 | 418                                 |                 | 418                                 |
| Voluntary Sector Support                                      | 287   | 0                                       | 287   |                 | 287                                 |                 | 287                                 |                 | 287                                 |                 | 287                                 |                 | 287                                 |
| <b>Total</b>  | <b>745</b>  | <b>(40)</b>                             | <b>705</b>                                  | <b>0</b>        | <b>705</b>                          | <b>0</b>        | <b>705</b>                          | <b>0</b>        | <b>705</b>                          | <b>0</b>        | <b>705</b>                          | <b>0</b>        | <b>705</b>                          |
| <b>Community Safety Hub</b>                                   |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| Safer Kirklees  | 1,146   | (517)                                   | 629   |                 | 629                                 |                 | 629                                 |                 | 629                                 |                 | 629                                 |                 | 629                                 |
| Vulnerable Persons Scheme                                     | 34  | 0                                       | 34  |                 | 34                                  |                 | 34                                  |                 | 34                                  |                 | 34                                  |                 | 34                                  |
| <b>Total</b>  | <b>1,180</b>  | <b>(517)</b>                            | <b>663</b>                                  | <b>0</b>        | <b>663</b>                          | <b>0</b>        | <b>663</b>                          | <b>0</b>        | <b>663</b>                          | <b>0</b>        | <b>663</b>                          | <b>0</b>        | <b>663</b>                          |
| <b>Prevent</b>  | 291   | (127)                                   | 164   |                 | 164                                 |                 | 164                                 |                 | 164                                 |                 | 164                                 |                 | 164                                 |
| <b>Domestic Abuse</b>   | 500   | 0                                       | 500   |                 | 500                                 |                 | 500                                 |                 | 500                                 |                 | 500                                 |                 | 500                                 |
| <b>TOTAL CUSTOMER &amp; COMMUNITIES</b>                       | <b>16,884</b>   | <b>(5,173)</b>                          | <b>11,711</b>                               | <b>0</b>        | <b>11,711</b>                       | <b>0</b>        | <b>11,711</b>                       | <b>0</b>        | <b>11,711</b>                       | <b>0</b>        | <b>11,711</b>                       | <b>0</b>        | <b>11,711</b>                       |

**ADULTS SOCIAL CARE - OLDER PEOPLE & PHYSICAL DISABILITIES**

| SERVICE ACTIVITY  | 20-21<br>CONTROLLABLE<br>GROSS<br>EXPENDITURE<br>£000 | 20-21<br>CONTROLLABLE<br>INCOME<br>£000 | 20-21 NET<br>CONTROLLABLE<br>BUDGET<br>£000 | CHANGES<br>£000 | 21-22<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 22-23<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 23-24<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 24-25<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 25-26<br>BUDGET<br>PROPOSAL<br>£000 |
|---|---|---|---|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|
| <b><u>Assessment and Care Management</u></b>                                  |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| Assessment and Care Management  | 7,260   | (1,050)                                 | 6,210                                       |                 | 6,210                               |                 | 6,210                               |                 | 6,210                               |                 | 6,210                               |                 | 6,210                               |
| Care Navigation   | 862   | 0                                       | 862   |                 | 862                                 |                 | 862                                 |                 | 862                                 |                 | 862                                 |                 | 862                                 |
| <b>Total</b>  | <b>8,122</b>  | <b>(1,050)</b>                          | <b>7,072</b>                                | <b>0</b>        | <b>7,072</b>                        | <b>0</b>        | <b>7,072</b>                        | <b>0</b>        | <b>7,072</b>                        | <b>0</b>        | <b>7,072</b>                        | <b>0</b>        | <b>7,072</b>                        |
| <b><u>Demand Led Activity</u></b>   |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| <b>Self Directed Support</b>  | 18,030  | (9,970)                                 | 8,060                                       | 7,450           | 15,510                              | 6,541           | 22,051                              | 6,986           | 29,037                              | 11,350          | 40,387                              | 11,350          | 51,737                              |
| <b><u>Independent Sector Residential and Nursing</u></b>                      |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| Independent Sector Residential and Nursing Placements - Older People          | 34,741  | (14,271)                                | 20,470                                      |                 | 20,470                              |                 | 20,470                              |                 | 20,470                              |                 | 20,470                              |                 | 20,470                              |
| Independent Sector Residential and Nursing Placements - Physical Disabilities | 4,156   | (873)                                   | 3,283                                       |                 | 3,283                               |                 | 3,283                               |                 | 3,283                               |                 | 3,283                               |                 | 3,283                               |
| <b>Total</b>  | <b>38,897</b>   | <b>(15,144)</b>                         | <b>23,753</b>                               | <b>0</b>        | <b>23,753</b>                       | <b>0</b>        | <b>23,753</b>                       | <b>0</b>        | <b>23,753</b>                       | <b>0</b>        | <b>23,753</b>                       | <b>0</b>        | <b>23,753</b>                       |
| <b><u>Other Demand-Led Services</u></b>                                       |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| Emergency Support   | 551   | 0                                       | 551   |                 | 551                                 |                 | 551                                 |                 | 551                                 |                 | 551                                 |                 | 551                                 |
| Other Demand Led  | 573   | (600)                                   | (27)  |                 | (27)                                | (600)           | (627)                               | (600)           | (1,227)                             | (600)           | (1,827)                             | (600)           | (2,427)                             |
| Adult Social Care Grant & Better Care Funding                                 | 0   | (27,713)                                | (27,713)                                    | (2,569)         | (30,282)                            | (11,360)        | (41,642)                            | (10,954)        | (52,596)                            | (11,000)        | (63,596)                            | (11,000)        | (74,596)                            |
| <b>Total</b>  | <b>1,124</b>  | <b>(28,313)</b>                         | <b>(27,189)</b>                             | <b>(2,569)</b>  | <b>(29,758)</b>                     | <b>(11,960)</b> | <b>(41,718)</b>                     | <b>(11,554)</b> | <b>(53,272)</b>                     | <b>(11,600)</b> | <b>(64,872)</b>                     | <b>(11,600)</b> | <b>(76,472)</b>                     |
| <b>Total Demand Led</b>   | <b>58,051</b>   | <b>(53,427)</b>                         | <b>4,624</b>                                | <b>4,881</b>    | <b>9,505</b>                        | <b>(5,419)</b>  | <b>4,086</b>                        | <b>(4,568)</b>  | <b>(482)</b>                        | <b>(250)</b>    | <b>(732)</b>                        | <b>(250)</b>    | <b>(982)</b>                        |
| <b>Management &amp; Regulatory</b>  | 3,908   | (266)                                   | 3,642                                       |                 | 3,642                               |                 | 3,642                               |                 | 3,642                               |                 | 3,642                               |                 | 3,642                               |
| <b>TOTAL ADULTS SOCIAL CARE - OLDER PEOPLE &amp; PHYSICAL DISABILITIES</b>    | <b>70,081</b>   | <b>(54,743)</b>                         | <b>15,338</b>                               | <b>4,881</b>    | <b>20,219</b>                       | <b>(5,419)</b>  | <b>14,800</b>                       | <b>(4,568)</b>  | <b>10,232</b>                       | <b>(250)</b>    | <b>9,982</b>                        | <b>(250)</b>    | <b>9,732</b>                        |

**ADULT SOCIAL CARE - OLDER PEOPLE & PHYSICAL DISABILITIES CHANGES**

| Service Activity  | Proposed Change  | Savings Template Reference |               |                |                |               |               |  |
|---|--|----------------------------|---------------|----------------|----------------|---------------|---------------|--|
|   |  |                            | 2021-22<br>£k | 2022-23<br>£k  | 2023-24<br>£k  | 2024-25<br>£k | 2025-26<br>£k |  |
| <b><u>Demand Led Activity</u></b>   |  |                            |               |                |                |               |               |  |
| Self Directed Support (SDS)   | Adult Social Care - Third Party Contracts                  |                            | 3,888         | 6,777          | 6,986          | 7,190         | 7,190         |  |
|   | Adult Social Care - Demand Led pressures                   |                            | 3,562         | (236)          |                | 4,160         | 4,160         |  |
| Adult Social Care Grant & Better Care Funding                                     | Realignment and Baselineing of Existing Social Care Grants |                            | (100)         | (360)          | 46             |               |               |  |
|   | Adult Social Care Funding Uplift                           |                            | (2,469)       | (11,000)       | (11,000)       | (11,000)      | (11,000)      |  |
| Other Demand Led  | Better Care Fund Government Inflation Uplift               |                            |               | (600)          | (600)          | (600)         | (600)         |  |
| <b>TOTAL ADULT SOCIAL CARE - OLDER PEOPLE &amp; PHYSICAL DISABILITIES CHANGES</b> |  |                            | <b>4,881</b>  | <b>(5,419)</b> | <b>(4,568)</b> | <b>(250)</b>  | <b>(250)</b>  |  |

**ADULT SOCIAL CARE - LEARNING DISABILITIES & MENTAL HEALTH**

| SERVICE ACTIVITY  | 20-21<br>CONTROLLABLE<br>GROSS<br>EXPENDITURE<br>£000 | 20-21<br>CONTROLLABLE<br>INCOME<br>£000 | 20-21 NET<br>CONTROLLABLE<br>BUDGET<br>£000 | CHANGES<br>£000 | 21-22<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 22-23<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 23-24<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 24-25<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 25-26<br>BUDGET<br>PROPOSAL<br>£000 |
|---|---|---|---|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|
| Assessment and Care Management  | 3,624   | (616)                                   | 3,008                                       |                 | 3,008                               |                 | 3,008                               |                 | 3,008                               |                 | 3,008                               |                 | 3,008                               |
| <b><u>Demand Led Activity</u></b>   |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| Self Directed Support   | 27,884  | (4,329)                                 | 23,555                                      |                 | 23,555                              |                 | 23,555                              | 4,164           | 27,719                              |                 | 27,719                              |                 | 27,719                              |
| <b><u>Independent Sector Residential and Nursing</u></b>                      |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| Independent Sector Residential and Nursing Placements - Mental Health         | 32,145  | (9,257)                                 | 22,888                                      |                 | 22,888                              |                 | 22,888                              |                 | 22,888                              |                 | 22,888                              |                 | 22,888                              |
| Independent Sector Residential and Nursing Placements - Learning Disabilities | 9,784   | (4,008)                                 | 5,776                                       | 1,551           | 7,327                               | 4,500           | 11,827                              |                 | 11,827                              |                 | 11,827                              |                 | 11,827                              |
| <b>Total</b>  | <b>41,929</b>   | <b>(13,265)</b>                         | <b>28,664</b>                               | <b>1,551</b>    | <b>30,215</b>                       | <b>4,500</b>    | <b>34,715</b>                       | <b>0</b>        | <b>34,715</b>                       | <b>0</b>        | <b>34,715</b>                       | <b>0</b>        | <b>34,715</b>                       |
| <b><u>In-House Residential - Older People</u></b>                             |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| In-House Residential - Older People   | 6,925   | (2,779)                                 | 4,146                                       |                 | 4,146                               |                 | 4,146                               |                 | 4,146                               |                 | 4,146                               |                 | 4,146                               |
| <b><u>In-House Residential - Learning Disabilities</u></b>                    |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| In-House Residential - Learning Disabilities                                  | 2,698   | (783)                                   | 1,915                                       |                 | 1,915                               |                 | 1,915                               |                 | 1,915                               |                 | 1,915                               |                 | 1,915                               |
| <b><u>In-House Day Care</u></b>   |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| In-House Day Care - Older People  | 890   | (39)                                    | 851   |                 | 851                                 |                 | 851                                 |                 | 851                                 |                 | 851                                 |                 | 851                                 |
| In-House Day Care - Learning Disabilities                                     | 3,192   | (390)                                   | 2,802                                       |                 | 2,802                               |                 | 2,802                               |                 | 2,802                               |                 | 2,802                               |                 | 2,802                               |
| <b>Total</b>  | <b>4,082</b>  | <b>(429)</b>                            | <b>3,653</b>                                | <b>0</b>        | <b>3,653</b>                        | <b>0</b>        | <b>3,653</b>                        | <b>0</b>        | <b>3,653</b>                        | <b>0</b>        | <b>3,653</b>                        | <b>0</b>        | <b>3,653</b>                        |
| <b><u>Other Demand-Led Services</u></b>                                       |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| Emergency Support   | 42  | 0                                       | 42  |                 | 42                                  |                 | 42                                  |                 | 42                                  |                 | 42                                  |                 | 42                                  |
| Learning Disability Shared Lives  | 1,093   | 0                                       | 1,093                                       |                 | 1,093                               |                 | 1,093                               |                 | 1,093                               |                 | 1,093                               |                 | 1,093                               |
| Re-ablement   | 6,666   | (5,338)                                 | 1,328                                       |                 | 1,328                               |                 | 1,328                               |                 | 1,328                               |                 | 1,328                               |                 | 1,328                               |
| Care Phones and Assistive Technology  | 1,140   | (1,127)                                 | 13  |                 | 13                                  |                 | 13                                  |                 | 13                                  |                 | 13                                  |                 | 13                                  |
| <b>Total</b>  | <b>8,941</b>  | <b>(6,465)</b>                          | <b>2,476</b>                                | <b>0</b>        | <b>2,476</b>                        | <b>0</b>        | <b>2,476</b>                        | <b>0</b>        | <b>2,476</b>                        | <b>0</b>        | <b>2,476</b>                        | <b>0</b>        | <b>2,476</b>                        |
| <b>Total Demand Led</b>   | <b>92,459</b>   | <b>(28,050)</b>                         | <b>64,409</b>                               | <b>1,551</b>    | <b>65,960</b>                       | <b>4,500</b>    | <b>70,460</b>                       | <b>4,164</b>    | <b>74,624</b>                       | <b>0</b>        | <b>74,624</b>                       | <b>0</b>        | <b>74,624</b>                       |
| <b>Management &amp; Regulatory</b>  | <b>663</b>  | <b>0</b>                                | <b>663</b>                                  |                 | <b>663</b>                          |                 | <b>663</b>                          |                 | <b>663</b>                          |                 | <b>663</b>                          |                 | <b>663</b>                          |
| <b>LEARNING DISABILITIES &amp; MENTAL HEALTH &amp; IN-HOUSE PROVISION</b>     | <b>96,746</b>   | <b>(28,666)</b>                         | <b>68,080</b>                               | <b>1,551</b>    | <b>69,631</b>                       | <b>4,500</b>    | <b>74,131</b>                       | <b>4,164</b>    | <b>78,295</b>                       | <b>0</b>        | <b>78,295</b>                       | <b>0</b>        | <b>78,295</b>                       |

**ADULT SOCIAL CARE - LEARNING DISABILITIES & MENTAL HEALTH CHANGES**

| Service Activity  | Proposed Change                          | Savings Template Reference |               |               |               |               |               |
|---|--|----------------------------|---------------|---------------|---------------|---------------|---------------|
|   |  |                            | 2021-22<br>£k | 2022-23<br>£k | 2023-24<br>£k | 2024-25<br>£k | 2025-26<br>£k |
| <b>Demand Led Activity</b><br>Independent Sector Residential & Nursing Placements - Mental Health | Adult Social Care - Demand Led Pressures |                            | 1,551         | 4,500         |               |               |               |
| <b>Self Directed Support</b>  | Adult Social Care - Demand Led Pressures |                            |               |               | 4,164         |               |               |
| <b>TOTAL ADULT SOCIAL CARE - LEARNING DISABILITES &amp; MENTAL HEALTH CHANGES</b>                 |  |                            | <b>1,551</b>  | <b>4,500</b>  | <b>4,164</b>  | <b>0</b>      | <b>0</b>      |

**ADULTS SUFFICIENCY**

| SERVICE ACTIVITY  | 20-21<br>CONTROLLABLE<br>GROSS<br>EXPENDITURE<br>£000 | 20-21<br>CONTROLLABLE<br>INCOME<br>£000 | 20-21 NET<br>CONTROLLABLE<br>BUDGET<br>£000 | CHANGES<br>£000 | 21-22<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 22-23<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 23-24<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 24-25<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 25-26<br>BUDGET<br>PROPOSAL<br>£000 |
|---|---|---|---|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|
| <b><u>Demand Led Activity</u></b>   |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| Contracted service (indep sec daycare) Older People/Physical Disabilities | 2,396   | (686)                                   | 1,710                                       |                 | 1,710                               |                 | 1,710                               |                 | 1,710                               |                 | 1,710                               |                 | 1,710                               |
| Contracted services Learning Disabilities/Mental Health                   | 3,792   | (78)                                    | 3,714                                       |                 | 3,714                               |                 | 3,714                               |                 | 3,714                               |                 | 3,714                               |                 | 3,714                               |
| <b>Contracted Services</b>  | <b>6,188</b>  | <b>(764)</b>                            | <b>5,424</b>                                | <b>0</b>        | <b>5,424</b>                        | <b>0</b>        | <b>5,424</b>                        | <b>0</b>        | <b>5,424</b>                        | <b>0</b>        | <b>5,424</b>                        | <b>0</b>        | <b>5,424</b>                        |
| <b><u>Other Demand-Led Services</u></b>                                   |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| Excellent Homes for Life (supported living)                               | 1,778   | (488)                                   | 1,290                                       |                 | 1,290                               |                 | 1,290                               |                 | 1,290                               |                 | 1,290                               |                 | 1,290                               |
| Provision of Community Equipment  | 4,468   | (3,758)                                 | 710   |                 | 710                                 |                 | 710                                 |                 | 710                                 |                 | 710                                 |                 | 710                                 |
| <b>Total</b>  | <b>6,246</b>  | <b>(4,246)</b>                          | <b>2,000</b>                                | <b>0</b>        | <b>2,000</b>                        | <b>0</b>        | <b>2,000</b>                        | <b>0</b>        | <b>2,000</b>                        | <b>0</b>        | <b>2,000</b>                        | <b>0</b>        | <b>2,000</b>                        |
| <b>Total Demand Led</b>   | <b>12,434</b>   | <b>(5,010)</b>                          | <b>7,424</b>                                | <b>0</b>        | <b>7,424</b>                        | <b>0</b>        | <b>7,424</b>                        | <b>0</b>        | <b>7,424</b>                        | <b>0</b>        | <b>7,424</b>                        | <b>0</b>        | <b>7,424</b>                        |
| <b><u>Early Intervention &amp; Prevention</u></b>                         |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| Supporting People   | 7,368   | (2,754)                                 | 4,614                                       |                 | 4,614                               |                 | 4,614                               |                 | 4,614                               |                 | 4,614                               |                 | 4,614                               |
| Support for Carers  | 376   | 0                                       | 376   |                 | 376                                 |                 | 376                                 |                 | 376                                 |                 | 376                                 |                 | 376                                 |
| <b>Total</b>  | <b>7,744</b>  | <b>(2,754)</b>                          | <b>4,990</b>                                | <b>0</b>        | <b>4,990</b>                        | <b>0</b>        | <b>4,990</b>                        | <b>0</b>        | <b>4,990</b>                        | <b>0</b>        | <b>4,990</b>                        | <b>0</b>        | <b>4,990</b>                        |
| <b><u>Commissioning</u></b>   |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| Contracts Management  | 776   | (312)                                   | 464   |                 | 464                                 |                 | 464                                 |                 | 464                                 |                 | 464                                 |                 | 464                                 |
| Other Commissioning Infrastructure  | 826   | (162)                                   | 664   |                 | 664                                 |                 | 664                                 |                 | 664                                 |                 | 664                                 |                 | 664                                 |
| <b>Total</b>  | <b>1,602</b>  | <b>(474)</b>                            | <b>1,128</b>                                | <b>0</b>        | <b>1,128</b>                        | <b>0</b>        | <b>1,128</b>                        | <b>0</b>        | <b>1,128</b>                        | <b>0</b>        | <b>1,128</b>                        | <b>0</b>        | <b>1,128</b>                        |
| <b>Management &amp; Regulatory</b>  | <b>130</b>  | <b>0</b>                                | <b>130</b>                                  |                 | <b>130</b>                          |                 | <b>130</b>                          |                 | <b>130</b>                          |                 | <b>130</b>                          |                 | <b>130</b>                          |
| <b>TOTAL ADULTS SUFFICIENCY</b>   | <b>21,910</b>   | <b>(8,238)</b>                          | <b>13,672</b>                               | <b>0</b>        | <b>13,672</b>                       | <b>0</b>        | <b>13,672</b>                       | <b>0</b>        | <b>13,672</b>                       | <b>0</b>        | <b>13,672</b>                       | <b>0</b>        | <b>13,672</b>                       |



**GROWTH & HOUSING**

| SERVICE ACTIVITY                                | 20-21<br>CONTROLLABLE<br>GROSS<br>EXPENDITURE<br>£000 | 20-21<br>CONTROLLABLE<br>INCOME<br>£000 | 20-21 NET<br>CONTROLLABLE<br>BUDGET<br>£000 | CHANGES<br>£000 | 21-22<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 22-23<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 23-24<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 24-25<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 25-26<br>BUDGET<br>PROPOSAL<br>£000 |
|---|---|---|---|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|
| <b><u>Housing</u></b>                           |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| Accessible Homes Team                           | 1,402   | (1,072)                                 | 330   |                 | 330                                 |                 | 330                                 |                 | 330                                 |                 | 330                                 |                 | 330                                 |
| Housing Management                              | 213   | (151)                                   | 62  |                 | 62                                  |                 | 62                                  |                 | 62                                  |                 | 62                                  |                 | 62                                  |
| Housing Solutions                               | 3,839   | (2,240)                                 | 1,599                                       |                 | 1,599                               |                 | 1,599                               |                 | 1,599                               |                 | 1,599                               |                 | 1,599                               |
| Managed Properties                              | 4   | (5)                                     | (1)   |                 | (1)                                 |                 | (1)                                 |                 | (1)                                 |                 | (1)                                 |                 | (1)                                 |
| Regeneration                                    | 129   | (134)                                   | (5)   |                 | (5)                                 |                 | (5)                                 |                 | (5)                                 |                 | (5)                                 |                 | (5)                                 |
| <b>Total</b>                                    | <b>5,587</b>  | <b>(3,602)</b>                          | <b>1,985</b>                                | <b>0</b>        | <b>1,985</b>                        | <b>0</b>        | <b>1,985</b>                        | <b>0</b>        | <b>1,985</b>                        | <b>0</b>        | <b>1,985</b>                        | <b>0</b>        | <b>1,985</b>                        |
| <b><u>Development &amp; Master Planning</u></b> |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| Planning Development Management                 | 2,002   | (2,371)                                 | (369)                                       |                 | (369)                               |                 | (369)                               |                 | (369)                               |                 | (369)                               |                 | (369)                               |
| Planning Policy & Strategy                      | 940   | 0                                       | 940   |                 | 940                                 |                 | 940                                 |                 | 940                                 |                 | 940                                 |                 | 940                                 |
| Highways Development Control                    | (36)  | 0                                       | (36)  |                 | (36)                                |                 | (36)                                |                 | (36)                                |                 | (36)                                |                 | (36)                                |
| Town Centre Regeneration                        | 342   | 0                                       | 342   |                 | 342                                 |                 | 342                                 |                 | 342                                 |                 | 342                                 |                 | 342                                 |
| Building Control                                | 617   | (1,018)                                 | (401)                                       |                 | (401)                               |                 | (401)                               |                 | (401)                               |                 | (401)                               |                 | (401)                               |
| Signals Maintenance                             | 647   | (379)                                   | 268   |                 | 268                                 |                 | 268                                 |                 | 268                                 |                 | 268                                 |                 | 268                                 |
| Flood Management                                | 527   | (163)                                   | 364   |                 | 364                                 |                 | 364                                 |                 | 364                                 |                 | 364                                 |                 | 364                                 |
| <b>Total</b>                                    | <b>5,039</b>  | <b>(3,931)</b>                          | <b>1,108</b>                                | <b>0</b>        | <b>1,108</b>                        | <b>0</b>        | <b>1,108</b>                        | <b>0</b>        | <b>1,108</b>                        | <b>0</b>        | <b>1,108</b>                        | <b>0</b>        | <b>1,108</b>                        |
| <b><u>Culture &amp; Tourism</u></b>             |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| Markets   | 1,545   | (1,606)                                 | (61)  |                 | (61)                                |                 | (61)                                |                 | (61)                                |                 | (61)                                |                 | (61)                                |
| Arts & Creative Development                     | 992   | (11)                                    | 981   |                 | 981                                 |                 | 981                                 |                 | 981                                 |                 | 981                                 |                 | 981                                 |
| Museums & Galleries                             | 930   | (296)                                   | 634   |                 | 634                                 |                 | 634                                 |                 | 634                                 |                 | 634                                 |                 | 634                                 |
| Culture & Tourism Management                    | 82  | 0                                       | 82  |                 | 82                                  |                 | 82                                  |                 | 82                                  |                 | 82                                  |                 | 82                                  |
| <b>Total</b>                                    | <b>3,549</b>  | <b>(1,913)</b>                          | <b>1,636</b>                                | <b>0</b>        | <b>1,636</b>                        | <b>0</b>        | <b>1,636</b>                        | <b>0</b>        | <b>1,636</b>                        | <b>0</b>        | <b>1,636</b>                        | <b>0</b>        | <b>1,636</b>                        |
| <b>Housing Growth &amp; Regeneration</b>        | <b>1,048</b>  | <b>0</b>                                | <b>1,048</b>                                |                 | <b>1,048</b>                        |                 | <b>1,048</b>                        |                 | <b>1,048</b>                        |                 | <b>1,048</b>                        |                 | <b>1,048</b>                        |
| <b>TOTAL GROWTH &amp; HOUSING</b>               | <b>15,223</b>   | <b>(9,446)</b>                          | <b>5,777</b>                                | <b>0</b>        | <b>5,777</b>                        | <b>0</b>        | <b>5,777</b>                        | <b>0</b>        | <b>5,777</b>                        | <b>0</b>        | <b>5,777</b>                        | <b>0</b>        | <b>5,777</b>                        |

**ECONOMY & SKILLS**

| SERVICE ACTIVITY                        | 20-21<br>CONTROLLABLE<br>GROSS<br>EXPENDITURE<br>£000 | 20-21<br>CONTROLLABLE<br>INCOME<br>£000 | 20-21 NET<br>CONTROLLABLE<br>BUDGET<br>£000 | CHANGES<br>£000 | 21-22<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 22-23<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 23-24<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 24-25<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 25-26<br>BUDGET<br>PROPOSAL<br>£000 |
|---|---|---|---|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|
| <b>Corporate Landlord &amp; Capital</b> |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| Asset Strategy                          | 991   | (1,151)                                 | (160)                                       |                 | (160)                               |                 | (160)                               |                 | (160)                               |                 | (160)                               |                 | (160)                               |
| Corporate Landlord                      | 11,975  | (1,321)                                 | 10,654                                      |                 | 10,654                              |                 | 10,654                              |                 | 10,654                              |                 | 10,654                              |                 | 10,654                              |
| Commercial Properties                   | 930   | (2,822)                                 | (1,892)                                     |                 | (1,892)                             |                 | (1,892)                             |                 | (1,892)                             |                 | (1,892)                             |                 | (1,892)                             |
| Landbank                                | 304   | (51)                                    | 253   |                 | 253                                 |                 | 253                                 |                 | 253                                 |                 | 253                                 |                 | 253                                 |
| Capital Delivery/Development            | 1,343   | (2,285)                                 | (942)                                       |                 | (942)                               |                 | (942)                               |                 | (942)                               |                 | (942)                               |                 | (942)                               |
| Asset Maintenance                       | 1,812   | (2,661)                                 | (849)                                       |                 | (849)                               |                 | (849)                               |                 | (849)                               |                 | (849)                               |                 | (849)                               |
| Management & Support                    | 86  | 0                                       | 86  |                 | 86                                  |                 | 86                                  |                 | 86                                  |                 | 86                                  |                 | 86                                  |
| <b>Total</b>                            | <b>17,441</b>   | <b>(10,291)</b>                         | <b>7,150</b>                                | <b>0</b>        | <b>7,150</b>                        | <b>0</b>        | <b>7,150</b>                        | <b>0</b>        | <b>7,150</b>                        | <b>0</b>        | <b>7,150</b>                        | <b>0</b>        | <b>7,150</b>                        |
| <b>Business &amp; Skills</b>            | 2,121   | (1,370)                                 | 751   | 200             | 951                                 |                 | 951                                 |                 | 951                                 |                 | 951                                 |                 | 951                                 |
| <b>Major Projects</b>                   | 747   | (343)                                   | 404   |                 | 404                                 |                 | 404                                 |                 | 404                                 |                 | 404                                 |                 | 404                                 |
| <b>Management &amp; Regulatory</b>      | 689   | 0                                       | 689   |                 | 689                                 |                 | 689                                 |                 | 689                                 |                 | 689                                 |                 | 689                                 |
| <b>TOTAL ECONOMY &amp; SKILLS</b>       | <b>20,998</b>   | <b>(12,004)</b>                         | <b>8,994</b>                                | <b>200</b>      | <b>9,194</b>                        | <b>0</b>        | <b>9,194</b>                        | <b>0</b>        | <b>9,194</b>                        | <b>0</b>        | <b>9,194</b>                        |                 | <b>9,194</b>                        |

**ECONOMY & SKILLS CHANGES**

| Service Activity                          | Proposed Change | Savings Template Reference |               |               |               |               |               |
|---|-----------------|----------------------------|---------------|---------------|---------------|---------------|---------------|
|   |                 |                            | 2021-22<br>£k | 2022-23<br>£k | 2023-24<br>£k | 2024-25<br>£k | 2025-26<br>£k |
| Business & Skills                         | Business skills |                            | 200           |               |               |               |               |
| <b>TOTAL ECONOMY &amp; SKILLS CHANGES</b> |                 |                            | <b>200</b>    | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      |

**ENVIRONMENT**

| SERVICE ACTIVITY                       | 20-21<br>CONTROLLABLE<br>GROSS<br>EXPENDITURE<br>£000 | 20-21<br>CONTROLLABLE<br>INCOME<br>£000 | 20-21 NET<br>CONTROLLABLE<br>BUDGET<br>£000 | CHANGES<br>£000 | 21-22<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 22-23<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 23-24<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 24-25<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 25-26<br>BUDGET<br>PROPOSAL<br>£000 |
|--|---|---|---|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|
| Highways                               | 24,134  | (20,258)                                | 3,876                                       |                 | 3,876                               |                 | 3,876                               |                 | 3,876                               |                 | 3,876                               |                 | 3,876                               |
| Seasonal Weather                       | 1,220   | (32)                                    | 1,188                                       | 600             | 1,788                               |                 | 1,788                               |                 | 1,788                               |                 | 1,788                               |                 | 1,788                               |
| Waste Services                         | 26,733  | (8,549)                                 | 18,184                                      | 1,250           | 19,434                              | 1,250           | 20,684                              | 3,200           | 23,884                              |                 | 23,884                              |                 | 23,884                              |
| Transport Services                     | 5,628   | (3,127)                                 | 2,501                                       |                 | 2,501                               |                 | 2,501                               |                 | 2,501                               |                 | 2,501                               |                 | 2,501                               |
| Parking                                | 1,827   | (5,835)                                 | (4,008)                                     | 200             | (3,808)                             |                 | (3,808)                             |                 | (3,808)                             |                 | (3,808)                             |                 | (3,808)                             |
| Parks & Greenspaces                    | 6,747   | (4,160)                                 | 2,587                                       | (50)            | 2,537                               |                 | 2,537                               |                 | 2,537                               |                 | 2,537                               |                 | 2,537                               |
| <b>Public Protection</b>               |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| Licensing                              | 528   | (1,266)                                 | (738)                                       |                 | (738)                               |                 | (738)                               |                 | (738)                               |                 | (738)                               |                 | (738)                               |
| Local Land Charges & Highways Registry | 255   | (336)                                   | (81)  |                 | (81)                                |                 | (81)                                |                 | (81)                                |                 | (81)                                |                 | (81)                                |
| Environmental Health                   | 1,618   | (756)                                   | 862   |                 | 862                                 |                 | 862                                 |                 | 862                                 |                 | 862                                 |                 | 862                                 |
| Schools Transport                      | 4,884   | (325)                                   | 4,559                                       | 1,450           | 6,009                               |                 | 6,009                               |                 | 6,009                               |                 | 6,009                               |                 | 6,009                               |
| Climate & Energy                       | 244   | 0                                       | 244   |                 | 244                                 |                 | 244                                 |                 | 244                                 |                 | 244                                 |                 | 244                                 |
| Business Development                   | 292   | 0                                       | 292   |                 | 292                                 |                 | 292                                 |                 | 292                                 |                 | 292                                 |                 | 292                                 |
| Management & Support                   | 278   | 0                                       | 278   | 250             | 528                                 |                 | 528                                 |                 | 528                                 |                 | 528                                 |                 | 528                                 |
| <b>Total</b>                           | <b>8,099</b>  | <b>(2,683)</b>                          | <b>5,416</b>                                | <b>1,700</b>    | <b>7,116</b>                        | <b>0</b>        | <b>7,116</b>                        | <b>0</b>        | <b>7,116</b>                        | <b>0</b>        | <b>7,116</b>                        | <b>0</b>        | <b>7,116</b>                        |
| <b>Venue Management</b>                |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| Cliffe House                           | 391   | (460)                                   | (69)  |                 | (69)                                |                 | (69)                                |                 | (69)                                |                 | (69)                                |                 | (69)                                |
| DRAM Centre                            | 78  | (48)                                    | 30  |                 | 30                                  |                 | 30                                  |                 | 30                                  |                 | 30                                  |                 | 30                                  |
| Town Halls & Public Halls              | 1,028   | (972)                                   | 56  |                 | 56                                  |                 | 56                                  |                 | 56                                  |                 | 56                                  |                 | 56                                  |
| Catering                               | 17,603  | (19,486)                                | (1,883)                                     |                 | (1,883)                             |                 | (1,883)                             |                 | (1,883)                             |                 | (1,883)                             |                 | (1,883)                             |
| Caretaking & Cleaning                  | 7,586   | (6,679)                                 | 907   |                 | 907                                 |                 | 907                                 |                 | 907                                 |                 | 907                                 |                 | 907                                 |
| Bereavement                            | 1,653   | (3,493)                                 | (1,840)                                     |                 | (1,840)                             |                 | (1,840)                             |                 | (1,840)                             |                 | (1,840)                             |                 | (1,840)                             |
| Management & Support                   | 73  | 0                                       | 73  |                 | 73                                  |                 | 73                                  |                 | 73                                  |                 | 73                                  |                 | 73                                  |
| <b>Total</b>                           | <b>28,412</b>   | <b>(31,138)</b>                         | <b>(2,726)</b>                              | <b>0</b>        | <b>(2,726)</b>                      | <b>0</b>        | <b>(2,726)</b>                      | <b>0</b>        | <b>(2,726)</b>                      | <b>0</b>        | <b>(2,726)</b>                      | <b>0</b>        | <b>(2,726)</b>                      |
| Quality & Standards                    | 160   | (2)                                     | 158   |                 | 158                                 |                 | 158                                 |                 | 158                                 |                 | 158                                 |                 | 158                                 |
| Management & Regulatory                | 2,265   | 0                                       | 2,265                                       | 0               | 2,265                               | 0               | 2,265                               | 0               | 2,265                               | 0               | 2,265                               | 0               | 2,265                               |
| <b>TOTAL ENVIRONMENT</b>               | <b>105,225</b>  | <b>(75,784)</b>                         | <b>29,441</b>                               | <b>3,700</b>    | <b>33,141</b>                       | <b>1,250</b>    | <b>34,391</b>                       | <b>3,200</b>    | <b>37,591</b>                       | <b>0</b>        | <b>37,591</b>                       | <b>0</b>        | <b>37,591</b>                       |

**ENVIRONMENT CHANGES**

| Service Activity                 | Proposed Change                         | Savings Template Reference |               |               |               |               |               |
|----------------------------------|---|----------------------------|---------------|---------------|---------------|---------------|---------------|
|                                  |   |                            | 2021-22<br>£k | 2022-23<br>£k | 2023-24<br>£k | 2024-25<br>£k | 2025-26<br>£k |
| Seasonal Weather                 | Seasonal Weather Base Budget            |                            | 600           |               |               |               |               |
| Waste Services                   | Regeneration Capacity (baseline)        |                            | 250           | 250           |               |               |               |
|                                  | Waste Management - recycling investment |                            | 1,000         | 1,000         |               |               |               |
|                                  | Waste PFI credit fall out               |                            |               |               | 3,200         |               |               |
| Car Parking                      | Pressure on Car Parking budget          |                            | 200           |               |               |               |               |
| Parks & Greenspaces              | Cost recovery on services               | EX EN1                     | (50)          |               |               |               |               |
| <b>Public Protection</b>         |   |                            |               |               |               |               |               |
| Schools Transport                | School Transport pressure               |                            | 1,200         |               |               |               |               |
|                                  | Travel Assessment Unit - New Posts      |                            | 250           |               |               |               |               |
| Management & Support             | Public Protection Capacity              |                            | 250           |               |               |               |               |
| <b>TOTAL ENVIRONMENT CHANGES</b> |   |                            | <b>3,700</b>  | <b>1,250</b>  | <b>3,200</b>  | <b>0</b>      | <b>0</b>      |

**CORPORATE STRATEGY, COMMISSIONING & PUBLIC HEALTH**

| SERVICE ACTIVITY  | 20-21<br>CONTROLLABLE<br>GROSS<br>EXPENDITURE<br>£000 | 20-21<br>CONTROLLABLE<br>INCOME<br>£000 | 20-21 NET<br>CONTROLLABLE<br>BUDGET<br>£000 | CHANGES<br>£000 | 21-22<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 22-23<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 23-24<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 24-25<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 25-26<br>BUDGET<br>PROPOSAL<br>£000 |
|---|---|---|---|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|
| <b><u>STRATEGY &amp; INNOVATION</u></b>                     |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| IT  | 12,609  | (2,365)                                 | 10,244                                      |                 | 10,244                              |                 | 10,244                              |                 | 10,244                              |                 | 10,244                              |                 | 10,244                              |
| <b><u>Policy, Partnerships &amp; Corporate Planning</u></b> |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| Policy  | 827   | (95)                                    | 732   |                 | 732                                 |                 | 732                                 |                 | 732                                 |                 | 732                                 |                 | 732                                 |
| Chief Executive & Corporate Support                         | 1,216   | (286)                                   | 930   | 276             | 1,206                               |                 | 1,206                               |                 | 1,206                               |                 | 1,206                               |                 | 1,206                               |
| <b>Total</b>  | <b>2,043</b>  | <b>(381)</b>                            | <b>1,662</b>                                | <b>276</b>      | <b>1,938</b>                        | <b>0</b>        | <b>1,938</b>                        | <b>0</b>        | <b>1,938</b>                        | <b>0</b>        | <b>1,938</b>                        | <b>0</b>        | <b>1,938</b>                        |
| Strategic Communications                                    | 1,171   | (181)                                   | 990   |                 | 990                                 |                 | 990                                 |                 | 990                                 |                 | 990                                 |                 | 990                                 |
| Intelligence & Performance                                  | 2,165   | (669)                                   | 1,496                                       |                 | 1,496                               |                 | 1,496                               |                 | 1,496                               |                 | 1,496                               |                 | 1,496                               |
| Transformation  | 129   | (84)                                    | 45  |                 | 45                                  |                 | 45                                  |                 | 45                                  |                 | 45                                  |                 | 45                                  |
| <b>TOTAL STRATEGY, INNOVATION &amp; PLANNING</b>            | <b>18,117</b>   | <b>(3,680)</b>                          | <b>14,437</b>                               | <b>276</b>      | <b>14,713</b>                       | <b>0</b>        | <b>14,713</b>                       | <b>0</b>        | <b>14,713</b>                       | <b>0</b>        | <b>14,713</b>                       | <b>0</b>        | <b>14,713</b>                       |
| <b><u>PUBLIC HEALTH &amp; PEOPLE</u></b>                    |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| Peoples Service   | 6,464   | (2,904)                                 | 3,560                                       | 316             | 3,876                               |                 | 3,876                               |                 | 3,876                               |                 | 3,876                               |                 | 3,876                               |
| <b><u>Public Health</u></b>                                 |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| Sexual Health   | 3,846   | 0                                       | 3,846                                       |                 | 3,846                               |                 | 3,846                               |                 | 3,846                               |                 | 3,846                               |                 | 3,846                               |
| Health Checks   | 279   | 0                                       | 279   |                 | 279                                 |                 | 279                                 |                 | 279                                 |                 | 279                                 |                 | 279                                 |
| Health Protection   | 523   | (38)                                    | 485   |                 | 485                                 |                 | 485                                 |                 | 485                                 |                 | 485                                 |                 | 485                                 |
| Child Measurement   | 14  | 0                                       | 14  |                 | 14                                  |                 | 14                                  |                 | 14                                  |                 | 14                                  |                 | 14                                  |
| Substance Misuse  | 5,781   | (273)                                   | 5,508                                       |                 | 5,508                               |                 | 5,508                               |                 | 5,508                               |                 | 5,508                               |                 | 5,508                               |
| Obesity   | 151   | 0                                       | 151   |                 | 151                                 |                 | 151                                 |                 | 151                                 |                 | 151                                 |                 | 151                                 |
| Physical Activity   | 332   | 0                                       | 332   |                 | 332                                 |                 | 332                                 |                 | 332                                 |                 | 332                                 |                 | 332                                 |
| Smoking & Tobacco   | 565   | 0                                       | 565   |                 | 565                                 |                 | 565                                 |                 | 565                                 |                 | 565                                 |                 | 565                                 |
| 5-19 Public Health  | 1,425   | 0                                       | 1,425                                       |                 | 1,425                               |                 | 1,425                               |                 | 1,425                               |                 | 1,425                               |                 | 1,425                               |
| 0-5 Public Health   | 4,903   | 0                                       | 4,903                                       |                 | 4,903                               |                 | 4,903                               |                 | 4,903                               |                 | 4,903                               |                 | 4,903                               |
| 0-5 other   | 430   | 0                                       | 430   |                 | 430                                 |                 | 430                                 |                 | 430                                 |                 | 430                                 |                 | 430                                 |

**CORPORATE STRATEGY, COMMISSIONING & PUBLIC HEALTH**

| SERVICE ACTIVITY                             | 20-21<br>CONTROLLABLE<br>GROSS<br>EXPENDITURE<br>£000 | 20-21<br>CONTROLLABLE<br>INCOME<br>£000 | 20-21 NET<br>CONTROLLABLE<br>BUDGET<br>£000 | CHANGES<br>£000 | 21-22<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 22-23<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 23-24<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 24-25<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 25-26<br>BUDGET<br>PROPOSAL<br>£000 |
|--|---|---|---|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|
| Health at Work                               | 4   | 0                                       | 4   |                 | 4                                   |                 | 4                                   |                 | 4                                   |                 | 4                                   |                 | 4                                   |
| Public Mental Health                         | 6   | 0                                       | 6   |                 | 6                                   |                 | 6                                   |                 | 6                                   |                 | 6                                   |                 | 6                                   |
| Public Health - Miscellaneous                | 1,266   | 0                                       | 1,266                                       |                 | 1,266                               |                 | 1,266                               |                 | 1,266                               |                 | 1,266                               |                 | 1,266                               |
| Emergency Planning Team                      | 288   | (107)                                   | 181   |                 | 181                                 |                 | 181                                 |                 | 181                                 |                 | 181                                 |                 | 181                                 |
| Corporate Health & Safety                    | 256   | (51)                                    | 205   | 150             | 355                                 |                 | 355                                 |                 | 355                                 |                 | 355                                 |                 | 355                                 |
| Public Health - Management & Regulatory      | 963   | 0                                       | 963   | 45              | 1,008                               |                 | 1,008                               |                 | 1,008                               |                 | 1,008                               |                 | 1,008                               |
| Public Health Grant                          | 0   | (26,128)                                | (26,128)                                    |                 | (26,128)                            |                 | (26,128)                            |                 | (26,128)                            |                 | (26,128)                            |                 | (26,128)                            |
| <b>Total</b>                                 | <b>21,032</b>   | <b>(26,597)</b>                         | <b>(5,565)</b>                              | <b>195</b>      | <b>(5,370)</b>                      | <b>0</b>        | <b>(5,370)</b>                      | <b>0</b>        | <b>(5,370)</b>                      | <b>0</b>        | <b>(5,370)</b>                      | <b>0</b>        | <b>(5,370)</b>                      |
| <b><u>Sport &amp; Physical Activity</u></b>  |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| Leisure Management                           | 45  | (29)                                    | 16  |                 | 16                                  |                 | 16                                  |                 | 16                                  |                 | 16                                  |                 | 16                                  |
| Sport & Physical Activity                    | 51  | 0                                       | 51  |                 | 51                                  |                 | 51                                  |                 | 51                                  |                 | 51                                  |                 | 51                                  |
| Grant to KAL                                 | 1,470   | 0                                       | 1,470                                       | 100             | 1,570                               | 100             | 1,670                               |                 | 1,670                               |                 | 1,670                               |                 | 1,670                               |
| <b>Total</b>                                 | <b>1,566</b>  | <b>(29)</b>                             | <b>1,537</b>                                | <b>100</b>      | <b>1,637</b>                        | <b>100</b>      | <b>1,737</b>                        | <b>0</b>        | <b>1,737</b>                        | <b>0</b>        | <b>1,737</b>                        | <b>0</b>        | <b>1,737</b>                        |
| Healthwatch                                  | 185   | (160)                                   | 25  |                 | 25                                  |                 | 25                                  |                 | 25                                  |                 | 25                                  |                 | 25                                  |
| <b>TOTAL PUBLIC HEALTH &amp; PEOPLE</b>      | <b>29,247</b>   | <b>(29,690)</b>                         | <b>(443)</b>                                | <b>611</b>      | <b>168</b>                          | <b>100</b>      | <b>268</b>                          | <b>0</b>        | <b>268</b>                          | <b>0</b>        | <b>268</b>                          | <b>0</b>        | <b>268</b>                          |
| <b><u>GOVERNANCE &amp; COMMISSIONING</u></b> |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| Legal  | 1,842   | (313)                                   | 1,529                                       |                 | 1,529                               |                 | 1,529                               |                 | 1,529                               |                 | 1,529                               |                 | 1,529                               |
| Procurement                                  | 1,000   | (194)                                   | 806   |                 | 806                                 |                 | 806                                 |                 | 806                                 |                 | 806                                 |                 | 806                                 |
| Risk   | 2,884   | (208)                                   | 2,676                                       |                 | 2,676                               |                 | 2,676                               |                 | 2,676                               |                 | 2,676                               |                 | 2,676                               |
| <b><u>Democracy</u></b>                      |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| District Committees                          | 460   | 0                                       | 460   |                 | 460                                 |                 | 460                                 |                 | 460                                 |                 | 460                                 |                 | 460                                 |
| Governance & Democratic Services             | 3,231   | (487)                                   | 2,744                                       |                 | 2,744                               |                 | 2,744                               |                 | 2,744                               |                 | 2,744                               |                 | 2,744                               |
| <b>Total</b>                                 | <b>3,691</b>  | <b>(487)</b>                            | <b>3,204</b>                                | <b>0</b>        | <b>3,204</b>                        | <b>0</b>        | <b>3,204</b>                        | <b>0</b>        | <b>3,204</b>                        | <b>0</b>        | <b>3,204</b>                        | <b>0</b>        | <b>3,204</b>                        |

**CORPORATE STRATEGY, COMMISSIONING & PUBLIC HEALTH**

| SERVICE ACTIVITY   | 20-21<br>CONTROLLABLE<br>GROSS<br>EXPENDITURE<br>£000 | 20-21<br>CONTROLLABLE<br>INCOME<br>£000 | 20-21 NET<br>CONTROLLABLE<br>BUDGET<br>£000 | CHANGES<br>£000 | 21-22<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 22-23<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 23-24<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 24-25<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 25-26<br>BUDGET<br>PROPOSAL<br>£000 |
|--|---|---|---|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|
| <b><u>Governance</u></b>   |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| Governance   | 973   | (63)                                    | 910   | 228             | 1,138                               |                 | 1,138                               |                 | 1,138                               |                 | 1,138                               |                 | 1,138                               |
| Electoral Services   | 846   | (8)                                     | 838   |                 | 838                                 |                 | 838                                 |                 | 838                                 |                 | 838                                 |                 | 838                                 |
| <b>Total</b>   | <b>1,819</b>  | <b>(71)</b>                             | <b>1,748</b>                                | <b>228</b>      | <b>1,976</b>                        | <b>0</b>        | <b>1,976</b>                        | <b>0</b>        | <b>1,976</b>                        | <b>0</b>        | <b>1,976</b>                        | <b>0</b>        | <b>1,976</b>                        |
| Management & Regulatory  | 133   | 0                                       | 133   |                 | 133                                 |                 | 133                                 |                 | 133                                 |                 | 133                                 |                 | 133                                 |
| <b>TOTAL GOVERNANCE &amp;<br/>COMMISSIONING</b>                        | <b>11,369</b>   | <b>(1,273)</b>                          | <b>10,096</b>                               | <b>228</b>      | <b>10,324</b>                       | <b>0</b>        | <b>10,324</b>                       | <b>0</b>        | <b>10,324</b>                       | <b>0</b>        | <b>10,324</b>                       | <b>0</b>        | <b>10,324</b>                       |
| <b><u>FINANCE</u></b>  |   |   |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| Finance and Accountancy  | 2,206   | (549)                                   | 1,657                                       |                 | 1,657                               |                 | 1,657                               |                 | 1,657                               |                 | 1,657                               |                 | 1,657                               |
| Commercial Services  | 138   | (26)                                    | 112   |                 | 112                                 |                 | 112                                 |                 | 112                                 |                 | 112                                 |                 | 112                                 |
| Welfare & Exchequer  | 9,905   | (3,343)                                 | 6,562                                       | 115             | 6,677                               |                 | 6,677                               |                 | 6,677                               |                 | 6,677                               |                 | 6,677                               |
| Benefit Payments   | 65,605  | (65,686)                                | (81)  |                 | (81)                                |                 | (81)                                |                 | (81)                                |                 | (81)                                |                 | (81)                                |
| Management & Regulatory  | 133   | 0                                       | 133   |                 | 133                                 |                 | 133                                 |                 | 133                                 |                 | 133                                 |                 | 133                                 |
| <b>TOTAL FINANCE</b>   | <b>77,987</b>   | <b>(69,604)</b>                         | <b>8,383</b>                                | <b>115</b>      | <b>8,498</b>                        | <b>0</b>        | <b>8,498</b>                        | <b>0</b>        | <b>8,498</b>                        | <b>0</b>        | <b>8,498</b>                        | <b>0</b>        | <b>8,498</b>                        |
| <b>TOTAL CORPORATE STRATEGY,<br/>COMMISSIONING &amp; PUBLIC HEALTH</b> | <b>136,720</b>  | <b>(104,247)</b>                        | <b>32,473</b>                               | <b>1,230</b>    | <b>33,703</b>                       | <b>100</b>      | <b>33,803</b>                       | <b>0</b>        | <b>33,803</b>                       | <b>0</b>        | <b>33,803</b>                       | <b>0</b>        | <b>33,803</b>                       |



**CORPORATE STRATEGY, COMMISSIONING & PUBLIC HEALTH CHANGES**

| Service Activity   | Proposed Change   | Savings Template Reference |               |               |               |               |               |
|--|---|----------------------------|---------------|---------------|---------------|---------------|---------------|
|  |   |                            | 2021-22<br>£k | 2022-23<br>£k | 2023-24<br>£k | 2024-25<br>£k | 2025-26<br>£k |
| <b>Strategy &amp; Innovation</b><br>Policy, Partnerships & Corporate Planning<br>Chief Executive & Corporate Support | Office of Chief Executive Budget Pressure - Project Officers                      |                            | 276           |               |               |               |               |
| <b>Public Health &amp; People</b><br>Peoples Service   | Employee Health Care Budget Pressure  |                            | 316           |               |               |               |               |
| <b>Public Health</b><br>Corporate Health & Safety<br>Public Health - Management & Regulatory                         | Group Health & Safety Advisors<br>Family Bereavement Counselling                  |                            | 150<br>45     |               |               |               |               |
| <b>Sport &amp; Physical Activity</b><br>Grant to KAL   | Leisure Commissioning review  |                            | 100           | 100           |               |               |               |
| <b>Governance &amp; Commissioning</b><br>Governance  | Governance Budget Pressure - Staffing<br>Assurance and Other Governance Pressures |                            | 112<br>116    |               |               |               |               |
| <b>Finance</b><br>Welfare & Exchequer  | Local Welfare Provision   |                            | 115           |               |               |               |               |
| <b>TOTAL CORPORATE STRATEGY, COMMISSIONING &amp; PUBLIC HEALTH CHANGES</b>   |   |                            | <b>1,230</b>  | <b>100</b>    | <b>0</b>      | <b>0</b>      | <b>0</b>      |

**CENTRAL BUDGETS**

| SERVICE ACTIVITY                       | 20-21<br>CONTROLLABLE<br>GROSS<br>EXPENDITURE<br>£000 | 20-21<br>CONTROLLABLE<br>INCOME<br>£000 | 20-21 NET<br>CONTROLLABLE<br>BUDGET<br>£000 | CHANGES<br>£000 | 21-22<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 22-23<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 23-24<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 24-25<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 25-26<br>BUDGET<br>PROPOSAL<br>£000 |
|--|---|---|---|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|
| Treasury Management                    | 23,994  | (1,063)                                 | 22,931                                      | (12,349)        | 10,582                              | 3,917           | 14,499                              | 100             | 14,599                              | 13,600          | 28,199                              |                 | 28,199                              |
| Contingencies                          | 4,519   | (1,765)                                 | 2,754                                       | 8,557           | 11,311                              | 2,100           | 13,411                              | 5,150           | 18,561                              | 3,550           | 22,111                              | 3,550           | 25,661                              |
| Central Pension & Related Costs        | 2,124   | (321)                                   | 1,803                                       |                 | 1,803                               |                 | 1,803                               |                 | 1,803                               |                 | 1,803                               |                 | 1,803                               |
| Joint Committees                       | 19,238  | 0                                       | 19,238                                      | 727             | 19,965                              | 400             | 20,365                              | 400             | 20,765                              | 400             | 21,165                              | 400             | 21,565                              |
| Corporate Governance, Management & DRM | 704   | (15)                                    | 689   |                 | 689                                 |                 | 689                                 |                 | 689                                 |                 | 689                                 |                 | 689                                 |
| <b>TOTAL CENTRAL BUDGETS</b>           | <b>50,579</b>   | <b>(3,164)</b>                          | <b>47,415</b>                               | <b>(3,065)</b>  | <b>44,350</b>                       | <b>6,417</b>    | <b>50,767</b>                       | <b>5,650</b>    | <b>56,417</b>                       | <b>17,550</b>   | <b>73,967</b>                       | <b>3,950</b>    | <b>77,917</b>                       |

**CENTRAL BUDGETS CHANGES**

| Service Activity                         | Proposed Change   | Savings Template Reference |                |               |               |               |               |  |
|--|---|----------------------------|----------------|---------------|---------------|---------------|---------------|--|
|  |   |                            | 2021-22<br>£k  | 2022-23<br>£k | 2023-24<br>£k | 2024-25<br>£k | 2025-26<br>£k |  |
| <b>Contingencies</b>                     | Review of general contingencies requirement                     |                            | (458)          |               |               |               |               |  |
|  | Review of employers superannuation rate                         |                            |                |               | 1600          |               |               |  |
|  | Realignment of Place Infrastructure Capacity Budget to Services |                            | (65)           | 500           |               |               |               |  |
|  | Efficiency savings  | EX CE1                     | (500)          | (500)         |               |               |               |  |
|  | Tree planting programme   |                            | (750)          |               |               |               |               |  |
|  | Fees and Charges, Sales and Commercial Rents                    |                            | 5,000          | (1,000)       | (1,000)       | (1,000)       | (1,000)       |  |
|  | Targetted support to Council Tax Reduction claimants            |                            | 1,500          | (1,500)       |               |               |               |  |
|  | Schools PFI Base Budget Release                                 |                            | (1,000)        |               |               |               |               |  |
|  | Future years inflation requirement                              |                            | 4,830          | 4,600         | 4,550         | 4,550         | 4,550         |  |
| <b>Treasury Management</b>               | Review of Treasury Management Budget                            |                            | 1,351          | 3,917         |               |               |               |  |
|  | Release of MRP Flexibility                                      |                            | (13,700)       |               | 100           | 13,600        |               |  |
| <b>Joint Committees</b>                  | Transport Levy Fall Out of Temporary Levy Reduction             |                            | 577            |               |               |               |               |  |
|  | Joint Committees Levy Uplifts                                   |                            | 150            | 400           | 400           | 400           | 400           |  |
| <b>TOTAL FOR CENTRAL BUDGETS CHANGES</b> |   |                            | <b>(3,065)</b> | <b>6,417</b>  | <b>5,650</b>  | <b>17,550</b> | <b>3,950</b>  |  |

**HRA Revenue Budget**

| SERVICE ACTIVITY                                       | 20-21 NET<br>CONTROLLABLE<br>BUDGET<br>£000 | CHANGES<br>£000 | 21-22<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 22-23<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 23-24<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 24-25<br>BUDGET<br>PROPOSAL<br>£000 | CHANGES<br>£000 | 25-26<br>BUDGET<br>PROPOSAL<br>£000 |
|--|---|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|
| <b>Repairs &amp; Maintenance</b>                       | <b>26,992</b>                               | <b>24</b>       | <b>27,016</b>                       | <b>(121)</b>    | <b>26,895</b>                       | <b>275</b>      | <b>27,170</b>                       | <b>410</b>      | <b>27,580</b>                       | <b>(2,921)</b>  | <b>24,659</b>                       |
| <b><u>Housing Management</u></b>                       |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| Policy & Management                                    | 13,549                                      | 372             | 13,921                              |                 | 13,921                              |                 | 13,921                              |                 | 13,921                              |                 | 13,921                              |
| Council Services bought in                             | 2,945                                       |                 | 2,945                               |                 | 2,945                               |                 | 2,945                               |                 | 2,945                               |                 | 2,945                               |
| Kirklees Neighbourhood Housing (KNH) Fee               | 17,055                                      | 2,837           | 19,892                              | 199             | 20,091                              | (292)           | 19,799                              | 396             | 20,195                              | 404             | 20,599                              |
| Special Services (Communal facilities)                 | 1,603                                       |                 | 1,603                               |                 | 1,603                               |                 | 1,603                               |                 | 1,603                               |                 | 1,603                               |
| <b>sub-total</b>                                       | <b>35,152</b>                               | <b>3,209</b>    | <b>38,361</b>                       | <b>199</b>      | <b>38,560</b>                       | <b>(292)</b>    | <b>38,268</b>                       | <b>396</b>      | <b>38,664</b>                       | <b>404</b>      | <b>39,068</b>                       |
| <b><u>Other Expenditure</u></b>                        |   |                 |                                     |                 |                                     |                 |                                     |                 |                                     |                 |                                     |
| Depreciation charge on HRA Assets                      | 16,500                                      |                 | 16,500                              |                 | 16,500                              |                 | 16,500                              |                 | 16,500                              |                 | 16,500                              |
| Interest payable on capital debt                       | 7,903                                       | (316)           | 7,587                               | (220)           | 7,367                               | (205)           | 7,162                               | (80)            | 7,082                               |                 | 7,082                               |
| Bad debt provision                                     | 1,000                                       |                 | 1,000                               |                 | 1,000                               |                 | 1,000                               |                 | 1,000                               |                 | 1,000                               |
| Rents, Rates , Taxes & other charges                   | 296   | 219             | 515                                 |                 | 515                                 |                 | 515                                 |                 | 515                                 |                 | 515                                 |
| <b>Sub total</b>                                       | <b>25,699</b>                               | <b>(97)</b>     | <b>25,602</b>                       | <b>(220)</b>    | <b>25,382</b>                       | <b>(205)</b>    | <b>25,177</b>                       | <b>(80)</b>     | <b>25,097</b>                       | <b>0</b>        | <b>25,097</b>                       |
| <b>Total Expenditure</b>                               | <b>87,843</b>                               | <b>3,136</b>    | <b>90,979</b>                       | <b>(142)</b>    | <b>90,837</b>                       | <b>(222)</b>    | <b>90,615</b>                       | <b>726</b>      | <b>91,341</b>                       | <b>(2,517)</b>  | <b>88,824</b>                       |
| Dwelling Rent income                                   | (79,729)                                    | (754)           | (80,483)                            | (1,317)         | (81,800)                            | (1,535)         | (83,335)                            | (3,499)         | (86,834)                            | 100             | (86,734)                            |
| Non-Dwelling Rent Income                               | (695)                                       | 26              | (669)                               | (13)            | (682)                               | (13)            | (695)                               | (13)            | (708)                               | (13)            | (721)                               |
| Tenant & Leaseholder charges for services & facilities | (2,874)                                     | 61              | (2,813)                             | (33)            | (2,846)                             | (34)            | (2,880)                             | (35)            | (2,915)                             | (35)            | (2,950)                             |
| HRA Interest income on cashflow                        | (270)                                       |                 | (270)                               |                 | (270)                               |                 | (270)                               |                 | (270)                               |                 | (270)                               |
| Excellent Homes for Life (PFI) Government Grant        | (7,912)                                     |                 | (7,912)                             |                 | (7,912)                             |                 | (7,912)                             |                 | (7,912)                             |                 | (7,912)                             |
| <b>Total Income</b>                                    | <b>(91,480)</b>                             | <b>(667)</b>    | <b>(92,147)</b>                     | <b>(1,363)</b>  | <b>(93,510)</b>                     | <b>(1,582)</b>  | <b>(95,092)</b>                     | <b>(3,547)</b>  | <b>(98,639)</b>                     | <b>52</b>       | <b>(98,587)</b>                     |
| <b>Net Operating Expenditure</b>                       | <b>(3,637)</b>                              | <b>2,469</b>    | <b>(1,168)</b>                      | <b>(1,505)</b>  | <b>(2,673)</b>                      | <b>(1,804)</b>  | <b>(4,477)</b>                      | <b>(2,821)</b>  | <b>(7,298)</b>                      | <b>(2,465)</b>  | <b>(9,763)</b>                      |
| Revenue contribution to capital expenditure            | 3,637                                       | (2,469)         | 1,168                               | 1,505           | 2,673                               | 1,804           | 4,477                               | 2,821           | 7,298                               | 2,465           | 9,763                               |
| <b>Net Surplus/deficit</b>                             | <b>0</b>                                    | <b>0</b>        | <b>0</b>                            | <b>0</b>        | <b>0</b>                            | <b>0</b>        | <b>0</b>                            | <b>0</b>        | <b>0</b>                            | <b>0</b>        | <b>0</b>                            |

**Housing Revenue Account**

| Service Activity                                       | Proposed Change   | Savings Template Reference |               |               |               |               |               |
|--|---|----------------------------|---------------|---------------|---------------|---------------|---------------|
|  |   |                            | 2021-22<br>£k | 2022-23<br>£k | 2023-24<br>£k | 2024-25<br>£k | 2025-26<br>£k |
| <b>Expenditure</b>                                     |   |                            |               |               |               |               |               |
| Repairs & Maintenance                                  | 21/22 reduction reflects 2% reduction on enhanced lettable standard as it is a pilot. Future years reflect movements in stock   |                            | 24            | (121)         | 275           | 410           | (2,921)       |
| Policy & Management                                    | Rebased budgets for PFI, Grounds Maintenance and RTB Admin  |                            | 372           |               |               |               |               |
| Kirklees Neighbourhood Housing (KNH) Fee               | £755k Building Safety requirements, £366k Compliance posts, Apprentices £576k, 2020 Pay Award £116k, £740k Additional Pension Contributions, £185k Council Services Bought in, £99k inflation |                            | 2,837         | 199           | (292)         | 396           | 404           |
| Interest payable on capital debt                       | Recalculated annually, reduction due to repayment of loans in 2020/21.  |                            | (316)         | (220)         | (205)         | (80)          |               |
| Rents, Rates , Taxes & other charges                   | Additional Costs Associated with increased rate of council tax on empty properties.   |                            | 219           |               |               |               |               |
| <b>Income</b>  |   |                            |               |               |               |               |               |
| Dwelling Rent income                                   | To reflect CPI+1% Increase (1.5%)   |                            | (754)         | (1,317)       | (1,535)       | (3,499)       | 100           |
| Non-Dwelling Rent Income                               | Demand Driven   |                            | 26            | (13)          | (13)          | (13)          | (13)          |
| Tenant & Leaseholder charges for services & facilities | Demand Driven   |                            | 61            | (33)          | (34)          | (35)          | (35)          |
| Revenue contribution to capital expenditure            | Movements linked to wider HRA spend   |                            | (2,469)       | 1,505         | 1,804         | 2,821         | 2,465         |
| <b>TOTAL Housing Revenue Account</b>                   |   |                            | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      |

|                   |  |
|-------------------|--|
| Service Director  | Child Protection & Family Support                                    |
| Service Area      | Demand Led Activity – External Residential                           |
| Headline Proposal | Percentage of children placed outside Kirklees reduced by March 2020 |
| Reference         | EX CP1   |

| Forecast Savings                              | 2021/22<br>£000 | 2022/23<br>£000 | 2023/24<br>£000 | 2024/25<br>£000 | 2025/26<br>£000 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Incremental Savings                           | (1,188)         |                 |                 |                 |                 |
| Cumulative Savings*                           | (2,412)         | (2,412)         | (2,412)         | (2,412)         | (2,412)         |
| Budget after Savings<br>(Controllable Budget) | (1,957)         | (1,957)         | (1,957)         | (1,957)         | (1,957)         |

\*Cumulative savings include 2020-21 saving

| Description of Savings Proposal (Including interdependencies and risk)  |
|---|
| <p>OfSTED highlighted areas where our care needs to improve, from the way that legal proceedings are managed when concerns become serious, to the quality of care planning, to the way we organise placements for our Children who are Looked After.</p> <p>Aims</p> <ul style="list-style-type: none"> <li>• Improve social work practice with Children Looked After.</li> <li>• Improve speed and rigour of decision making and legal processes so no child is left at risk</li> <li>• Ensure more children are placed in family type settings and as close to their existing communities as possible</li> <li>• Improve the range, quality and cost-effectiveness of placements for Children Looked After</li> <li>• Improve support for returning home safely</li> <li>• Strengthen the role of Corporate Parenting Board</li> </ul> <p>Actions</p> <ul style="list-style-type: none"> <li>• Continue to reduce the numbers of children and young people who are Looked After by the Local Authority.</li> <li>• Review internal residential provision</li> <li>• Review fostering service and recruitment strategy</li> <li>• Continue to review of all external placements and all placements with parents and implement action planning to move children on where safe and suitable</li> <li>• Develop and agree a Medium Term Sufficiency Strategy</li> <li>• Implement improved decision making governance to include a Gateway Panel, a Permanency Panel and improved Adoption Decision Making</li> <li>• Implement stronger legal case management processes</li> <li>• Develop a reunification strategy to support safe and successful return to family or kinship carers</li> <li>• Review and implement improvements for Independent Visitor Scheme</li> <li>• Strengthen Corporate Parenting through improved involvement of children and young people and better data to inform their work. Develop role and influence of Children Looked After.</li> <li>• Development of an additional Multi-Systemic Therapy (MST) FIT Team planned to be fully operational by April 2021 to help provide early support to children at risk of being taken into care with associated cost avoidance.</li> </ul> |

- Redesign a wider placement support offer which aims to increase placement stability and reduce potential placement breakdowns.
- The introduction of the “Mockingbird” approach to support Internal Fostering provision will provide additional support to Kirklees Foster Carers.

Deliverables

- Care planning model was developed and agreed in April 2018. Training was completed for all staff by end of October 2019
- Sufficiency Strategy including reviews and action plans for internal and external fostering, residential and Placed with Parents (PWP), reunification was in place by March 2019. There are ongoing monthly reviews of all external placements to ensure that where appropriate young people are placed in internal resources or returned to parents or extended family.
- Revised local offer for Foster Carers in place by March 2020
- Improved governance and legal processes– robust Permanence, Gateway and Adoption Decision Making panels in place, supported by strengthened case manager support and review.
- New support arrangements in place for Corporate Parenting Board
- Development of reunification assessment and planning to enhance the opportunity for young people to have Care Orders discharged and no longer be Children Looked After

Success Measures

- Proportion of children placed outside Kirklees continues to be reduced safely and appropriately. Indicative placement target of 21 by March 21.
- Increase in timeliness of independent return interviews for Children Looked After (CLA) that have been missing.
- Placement costs reduced and a formal review of placement types and numbers for Children Looked After as part of the wider Sufficiency Strategy.

Risk

- Increased numbers of LAC
- Foster carer recruitment target not met
- More children and young people presented with very complex needs that require high cost placements
- Reduction in Health and Education funding

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 Integrated Impact Assessment? | NO |
|---|----|

|  |    |
|--|----|
| Will this proposal require a Specific Service Consultation | NO |
|--|----|

|                             |   |
|-----------------------------|---|
| Accountable Head of Service | Elaine McShane Service Director Child Protection & Family Support |
|-----------------------------|---|



|                   |                                   |
|-------------------|-----------------------------------|
| Service Director  | Family Support & Child Protection |
| Service Area      | Additional Demand Led Savings     |
| Headline Proposal | Re-Investment Projects            |
| Reference         | EX CP2                            |

| Forecast Savings                              | 2021/22<br>£000 | 2022/23<br>£000 | 2023/24<br>£000 | 2024/25<br>£000 | 2025/26<br>£000 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Incremental Savings                           | (84)            | 593             |                 |                 |                 |
| Cumulative Savings*                           | (1,077)         | (484)           | (484)           | (484)           | (484)           |
| Budget after Savings<br>(Controllable Budget) | 1873            | 2,466           | 2,466           | 2,466           | 2,466           |

\*Cumulative savings include 2020-21 saving

| Description of Savings Proposal (Including interdependencies and risk)   |
|--|
| <p>Following on from the Ofsted inspection (August 2019) the service is focussed on achieving an “Outstanding” Ofsted rating. As part of this journey, a number of projects have been earmarked that will help to strengthen the service offer and address the recommendations made in the Ofsted report.</p> <p>The service has achieved significant savings due to a 54% reduction in the number of external residential placements since 2018 from 52 (Apr 18) to 24 (Nov 20) and this provided savings over and above the MTFP savings target of £1,224k in 2020/21 offering the opportunity for re-investment to enable effective service development to be carried out primarily in which to strengthen the staffing resource, all of which should help achieve an outstanding rating.</p> <p>Included in the re-investment programme was the development of an additional Multi-Systemic Therapy (MST) FIT Team planned to be fully operational by April 2021 to help provide early support to children at risk of being taken into care. It is anticipated that through the work of this team, young people and families will have intensive support to ensure that family relationships are strengthened and young people will not need to remain in the care system beyond a 12 week period and therefore costs associated with this will be avoided.</p> <p>The introduction of the “Mockingbird” approach to support Internal Fostering provision will provide additional support to Kirklees Foster Carers. It is hoped that retention rates of foster carers will improve, new foster carers will be attracted to Kirklees and outcomes for children will be improved as placement breakdowns will hopefully be reduced.</p> <p>The service are redesigning a wider placement support offer which aims to increase placement stability and reduce potential placement breakdowns and the need for external or IFA placements. There are also plans to reduce IFA placements further by undertaking a service transformation process within the fostering service to increase internal capacity and diversity of carers.</p> <p>However, the introduction of these new intervention measures will require some time to develop and bed-in and in there remains some concern in which to deliver a balanced children’s sufficiency budget next year.</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

As part of the cost avoidance process the Children's Social Work Senior Leadership Team will review each vacancy as it arises and prior to agreeing recruitment will consider any potential pressures within the service and redeploy posts as appropriate.  
The revised Ten Point Improvement Plan sets out the ongoing improvement work required alongside the day to day business and usual. Any decisions taken will be set alongside the desired outcomes set out in the plan and what is required to achieve these.

|   |    |
|---|----|
| Does this proposal require an Integrated Impact Assessment? | NO |
| Will this proposal require a Specific Service Consultation  | NO |

|                             |   |
|-----------------------------|---|
| Accountable Head of Service | Elaine McShane Service Director Child Protection & Family Support |
|-----------------------------|---|

|                   |                           |
|-------------------|---------------------------|
| Service Director  | Environment               |
| Service Area      | Parks & Greenspaces       |
| Headline Proposal | Cost recovery on services |
| Reference         | EX EN1                    |

| Forecast Savings                              | 2021/22<br>£000 | 2022/23<br>£000 | 2023/24<br>£000 | 2024/25<br>£000 | 2025/26<br>£000 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Incremental Savings                           | (50)            |                 |                 |                 |                 |
| Cumulative Savings*                           | (100)           | (100)           | (100)           | (100)           | (100)           |
| Budget after Savings<br>(Controllable Budget) | 2,537           | 2,537           | 2,537           | 2,537           | 2,537           |

\*Cumulative savings include 2020-21 saving

| Description of Savings Proposal (Including interdependencies and risk)  |
|---|
| <p>Parks &amp; Open Spaces provide a number of services to our partners Kirklees Neighbourhood Housing (KNH), from maintaining gardens to grounds maintenance on estates. These services have traditionally been provided with a significant subsidy and as such the service has commenced a programme of reviewing actual costs against any charges. This work was completed in 2018 and it is proposed to now pass through the full cost to KNH in 2021/22.</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>It is proposed that there is full cost recovery to remove any cross subsidy of the HRA fund, but at the same time we will use our Volunteer Community Coordinators, Environment Strategy Unit and other such resources to design out costs and ensure value for money.</p> <p>The final level of saving will be dependent on the level of cost recovery that balances the benefits/outcomes with the resource pressures we face, but it is estimated at £250,000 by 2021/22.</p> |

|   |    |
|---|----|
| Does this proposal require an Integrated Impact Assessment? | NO |
| Will this proposal require a Specific Service Consultation  | NO |

|                             |               |
|-----------------------------|---------------|
| Accountable Head of Service | Will Acornley |
|-----------------------------|---------------|

|                   |                        |
|-------------------|------------------------|
| Service Director  | Central                |
| Service Area      | General Contingencies  |
| Headline Proposal | New efficiency savings |
| Reference         | EX CE1                 |

| Forecast Savings                              | 2021/22<br>£000 | 2022/23<br>£000 | 2023/24<br>£000 | 2024/25<br>£000 | 2025/26<br>£000 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Incremental Savings                           | (500)           | (500)           |                 |                 |                 |
| Cumulative Savings*                           | (1,000)         | (1,500)         | (1,500)         | (1,500)         | (1,500)         |
| Budget after Savings<br>(Controllable Budget) |                 |                 |                 |                 |                 |

\*Cumulative savings include 2020-21 saving

| Description of Savings Proposal (Including interdependencies and risk)   |
|--|
| <p>As part of the Council's continuous improvement approach to being an 'efficient and effective' organisation, future year efficiency targets have been set, which in the context of the overall net budget, are considered deliverable. As well as potential cost efficiencies, this will also include opportunities for additional income opportunities. The development and implementation of proposals will be monitored and reviewed through the Council's senior leadership team and progress against them reported quarterly to Cabinet through established financial reporting processes in-year.</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 Integrated Impact Assessment?  | NO                      |
| Will this proposal require a Specific Service Consultation   | NO                      |
| Accountable Head of Service  | Rachel Spencer-Henshall |

## Capital Plan Expenditure Summary

| Capital Plan Expenditure Summary   | 2020/21<br>£'000 | 2021/22<br>£'000 | 2022/23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 | Total<br>£'000 |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|
| <b>General Fund:</b>               |                  |                  |                  |                  |                  |                  |                |
| Aspire & Achieve                   | 14,178           | 23,012           | 17,817           | 14,850           | 11,350           | 3,500            | <b>84,707</b>  |
| Best Start                         | 956              | 2,492            | 6,100            | 450              | 0                | 0                | <b>9,998</b>   |
| Independent                        | 2,370            | 6,372            | 6,761            | 10,230           | 260              | 0                | <b>25,993</b>  |
| Sustainable Economy                | 75,749           | 128,021          | 152,309          | 47,340           | 67,213           | 80,874           | <b>551,506</b> |
| Well                               | 11,116           | 8,347            | 4,344            | 3,647            | 2,320            | 1,575            | <b>31,349</b>  |
| Safe & Cohesive                    | 10               | 175              | 0                | 0                | 0                | 0                | <b>185</b>     |
| Clean & Green                      | 7,484            | 7,855            | 8,307            | 26,139           | 4,580            | 894              | <b>55,259</b>  |
| Efficient & Effective              | 2,440            | 2,075            | 2,170            | 1,555            | 1,550            | 1,950            | <b>11,740</b>  |
| <b>General Fund Capital Plan</b>   | <b>114,303</b>   | <b>178,349</b>   | <b>197,808</b>   | <b>104,211</b>   | <b>87,273</b>    | <b>88,793</b>    | <b>770,737</b> |
|                                    |                  |                  |                  |                  |                  |                  |                |
| <b>Housing Revenue Account:</b>    |                  |                  |                  |                  |                  |                  |                |
| Independent - Strategic Priorities | 6,162            | 13,154           | 14,331           | 14,387           | 18,740           | 19,197           | <b>85,971</b>  |
| Independent - Baseline             | 13,776           | 20,431           | 20,991           | 20,700           | 17,431           | 20,333           | <b>113,662</b> |
| <b>HRA Capital Plan</b>            | <b>19,938</b>    | <b>33,585</b>    | <b>35,322</b>    | <b>35,087</b>    | <b>36,171</b>    | <b>39,530</b>    | <b>199,633</b> |
|                                    |                  |                  |                  |                  |                  |                  |                |
| <b>TOTAL EXPENDITURE</b>           | <b>134,241</b>   | <b>211,934</b>   | <b>233,130</b>   | <b>139,298</b>   | <b>123,444</b>   | <b>128,323</b>   | <b>970,370</b> |

## Capital Plan Funding Summary

## Appendix A

| General Fund Funding Summary                       | 2020/21<br>£'000 | 2021/22<br>£'000 | 2022/23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 | Total<br>£'000 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|----------------|
| <i>Direct / Earmarked Contributions to Schemes</i> |                  |                  |                  |                  |                  |                  |                |
| Capital Grants/Contributions                       | 50,785           | 82,054           | 76,020           | 35,023           | 50,903           | 66,778           | <b>361,563</b> |
| Earmarked Capital Receipts                         | 1,820            | 2,040            | 7,990            | 3,390            | 390              | 390              | <b>16,020</b>  |
| Service Funded Prudential Borrowing                | 3,988            | 2,516            | 3,460            | 7,655            | 450              | 950              | <b>19,019</b>  |
| Revenue Contributions                              | 200              | 200              | 200              | 200              | 200              | 0                | <b>1,000</b>   |
| <i>Pooled Resources</i>                            |                  |                  |                  |                  |                  |                  |                |
| Non-Earmarked Capital Receipts                     | 2,950            | 3,450            | 3,500            | 3,500            | 3,500            | 3,500            | <b>20,400</b>  |
| Corporate Prudential Borrowing                     | 54,560           | 88,089           | 106,638          | 54,443           | 31,830           | 17,175           | <b>352,735</b> |
| <b>GENERAL FUND FUNDING</b>                        | <b>114,303</b>   | <b>178,349</b>   | <b>197,808</b>   | <b>104,211</b>   | <b>87,273</b>    | <b>88,793</b>    | <b>770,737</b> |


| Housing Revenue Account Funding Summary            | 2020/21<br>£'000 | 2021/22<br>£'000 | 2022/23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 | Total<br>£'000 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|----------------|
| <i>Direct / Earmarked Contributions to Schemes</i> |                  |                  |                  |                  |                  |                  |                |
| Capital Grants/Contributions                       | 126              | 126              | 126              | 126              | 126              | 378              | <b>1,008</b>   |
| Earmarked Capital Receipts                         | 1,699            | 3,714            | 6,641            | 7,283            | 7,622            | 6,233            | <b>33,192</b>  |
| Reserves / Revenue Contributions                   | 5,500            | 11,266           | 9,232            | 11,553           | 7,576            | 8,285            | <b>53,412</b>  |
| Reserves - MRR                                     | 11,493           | 13,579           | 16,500           | 12,532           | 16,997           | 22,470           | <b>93,571</b>  |
| Corporate Prudential Borrowing                     | 1,120            | 4,900            | 2,823            | 3,593            | 3,850            | 2,164            | <b>18,450</b>  |
| <b>HRA FUNDING</b>                                 | <b>19,938</b>    | <b>33,585</b>    | <b>35,322</b>    | <b>35,087</b>    | <b>36,171</b>    | <b>39,530</b>    | <b>199,633</b> |



| GENERAL FUND CAPITAL PLAN   |  | Funding     | 2020/21<br>£'000 | 2021/22<br>£'000 | 2022/23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 | Total<br>£'000 |
|-----------------------------|--|-------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|
| <b>ASPIRE &amp; ACHIEVE</b> |  |             |                  |                  |                  |                  |                  |                  |                |
| <b>Strategic Priorities</b> |  |             |                  |                  |                  |                  |                  |                  |                |
|                             | District Sufficiency – SEND ( <i>APS/SEMHD/ASD</i> ) | B           | 0                | 1,000            | 9,049            | 9,850            | 7,600            | 500              | 27,999         |
|                             | Brambles Primary Academy                             | G/B<br>S106 | 2,684            | 6,460            | 328              | 0                | 0                | 0                | 9,472          |
|                             | King James High School                               | B           | 1,000            | 4,200            | 50               | 0                | 0                | 0                | 5,250          |
|                             | Almondbury Community School                          | B           | 260              | 15               | 0                | 0                | 0                | 0                | 275            |
|                             | Netherhall Learning Campus                           | B           | 190              | 10               | 0                | 0                | 0                | 0                | 200            |
|                             | Scissett Middle School                               | S106        | 30               | 180              | 0                | 0                | 0                | 0                | 210            |
|                             | Birkby Junior Expansion                              | G           | 200              | 0                | 0                | 0                | 0                | 0                | 200            |
|                             | Beaumont Academy                                     | G           | 30               | 0                | 0                | 0                | 0                | 0                | 30             |
|                             | Reprovision of Special School - Lydgate              | B           | 88               | 0                | 0                | 0                | 0                | 0                | 88             |
|                             | Future Needs for Primary/Secondary places            | B           | 0                | 13               | 0                | 0                | 0                | 0                | 13             |
| *                           | Secondary School Places Basic Need                   | B           | 0                | 2,000            | 3,000            | 1,000            | 0                | 0                | 6,000          |
|                             | <i>New Pupil Places in Primary/Secondary Schools</i> |             | 4,482            | 12,878           | 3,378            | 1,000            | 0                | 0                | 21,738         |
|                             | Dewsbury Learning Quarter                            | B           | 1,211            | 0                | 0                | 0                | 0                | 0                | 1,211          |
|                             | Libraries & Public Buildings                         | B           | 294              | 2,606            | 1,140            | 0                | 0                | 0                | 4,040          |
|                             | Almondbury Library                                   | B           | 55               | 0                | 0                | 0                | 0                | 0                | 55             |
|                             | Birkby Library                                       | B           | 758              | 0                | 0                | 0                | 0                | 0                | 758            |
|                             | <i>Libraries &amp; Public Buildings</i>              |             | 1,107            | 2,606            | 1,140            | 0                | 0                | 0                | 4,853          |
|                             | <b>Strategic Priorities Total</b>                    |             | <b>6,800</b>     | <b>16,484</b>    | <b>13,567</b>    | <b>10,850</b>    | <b>7,600</b>     | <b>500</b>       | <b>55,801</b>  |

| GENERAL FUND CAPITAL PLAN   |   | Funding | 2020/21<br>£'000 | 2021/22<br>£'000 | 2022/23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 | Total<br>£'000 |
|-----------------------------|---|---------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|
| <b>Baseline</b>             |   |         |                  |                  |                  |                  |                  |                  |                |
|                             | Basic Need  | G       | 508              | 500              | 500              | 500              | 500              | 0                | 2,508          |
|                             | Capital Maintenance   | G       | 4,763            | 4,226            | 3,000            | 2,800            | 2,600            | 2,400            | 19,789         |
|                             | Capital Maintenance (Newsome High)  | B       | 0                | 387              | 0                | 0                | 0                | 0                | 387            |
|                             | Devolved Formula Capital  | G       | 844              | 800              | 750              | 700              | 650              | 600              | 4,344          |
|                             | <b>Baseline Total</b>   |         | <b>6,115</b>     | <b>5,913</b>     | <b>4,250</b>     | <b>4,000</b>     | <b>3,750</b>     | <b>3,000</b>     | <b>27,028</b>  |
| <b>One Off Projects</b>     |   |         |                  |                  |                  |                  |                  |                  |                |
|                             | SEND Provision  | G       | 792              | 454              | 0                | 0                | 0                | 0                | 1,246          |
|                             | Commissioning option appraisals to facilitate the delivery of the outcomes of the SEN High Level review of future needs | B       | 350              | 161              | 0                | 0                | 0                | 0                | 511            |
|                             | Healthy Pupils  | G       | 80               | 0                | 0                | 0                | 0                | 0                | 80             |
|                             | Completed Schemes   | B       | 41               | 0                | 0                | 0                | 0                | 0                | 41             |
|                             | <b>One Off Projects Total</b>   |         | <b>1,263</b>     | <b>615</b>       | <b>0</b>         | <b>0</b>         | <b>0</b>         | <b>0</b>         | <b>1,878</b>   |
|                             | <b>ASPIRE &amp; ACHIEVE TOTAL</b>   |         | <b>14,178</b>    | <b>23,012</b>    | <b>17,817</b>    | <b>14,850</b>    | <b>11,350</b>    | <b>3,500</b>     | <b>84,707</b>  |
| <b>BEST START</b>           |   |         |                  |                  |                  |                  |                  |                  |                |
| <b>Strategic Priorities</b> |   |         |                  |                  |                  |                  |                  |                  |                |
|                             | Residential Children's Units  | B       | 0                | 292              | 600              | 200              | 0                | 0                | 1,092          |
|                             | Residential Children's Units – Magdale House  | B       | 900              | 0                | 0                | 0                | 0                | 0                | 900            |
|                             | Specialist Accommodation / Youth Services   | B/G     | 50               | 2,200            | 5,500            | 250              | 0                | 0                | 8,000          |
|                             | <b>Strategic Priorities Total</b>   |         | <b>950</b>       | <b>2,492</b>     | <b>6,100</b>     | <b>450</b>       | <b>0</b>         | <b>0</b>         | <b>9,992</b>   |
| <b>One Off Projects</b>     |   |         |                  |                  |                  |                  |                  |                  |                |
|                             | DofE Cabin Contribution   | B       | 6                | 0                | 0                | 0                | 0                | 0                | 6              |
|                             | <b>One Off Projects Total</b>   |         | <b>6</b>         | <b>0</b>         | <b>0</b>         | <b>0</b>         | <b>0</b>         | <b>0</b>         | <b>6</b>       |





| GENERAL FUND CAPITAL PLAN  |   | Funding | 2020/21<br>£'000 | 2021/22<br>£'000 | 2022/23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 | Total<br>£'000 |
|----------------------------|---|---------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|
| <b>BEST START (Cont'd)</b> |   |         |                  |                  |                  |                  |                  |                  |                |
|                            | <b>BEST START TOTAL</b>   |         | <b>956</b>       | <b>2,492</b>     | <b>6,100</b>     | <b>450</b>       | <b>0</b>         | <b>0</b>         | <b>9,998</b>   |
| <b>INDEPENDENT</b>         |   |         |                  |                  |                  |                  |                  |                  |                |
|                            | <b>Strategic Priorities</b>   |         |                  |                  |                  |                  |                  |                  |                |
|                            | Commissioning Option Appraisals to facilitate outcomes of Specialist Accommodation Strategy | B       | 10               | 10               | 10               | 10               | 10               | 0                | 50             |
|                            | Cherry Trees  | B       | 697              | 36               | 0                | 0                | 0                | 0                | 733            |
|                            | Day Services Support for Vulnerable Adults  | B       | 426              | 4,783            | 6,471            | 10,220           | 250              | 0                | 22,150         |
|                            | <b>Strategic Priorities Total</b>   |         | <b>1,133</b>     | <b>4,829</b>     | <b>6,481</b>     | <b>10,230</b>    | <b>260</b>       | <b>0</b>         | <b>22,933</b>  |
|                            | <b>One Off Projects</b>   |         |                  |                  |                  |                  |                  |                  |                |
|                            | Adults Social Care Operation  | G       | 165              | 380              | 250              | 0                | 0                | 0                | 795            |
|                            | Assistive Technology IT Consultant  | G       | 30               | 60               | 30               | 0                | 0                | 0                | 120            |
|                            | Highfields  | B       | 13               | 0                | 0                | 0                | 0                | 0                | 13             |
|                            | Wellbeing Pods - IPC funding  | G       | 92               | 0                | 0                | 0                | 0                | 0                | 92             |
|                            | Carefirst System Replacement  | B/R     | 937              | 1,103            | 0                | 0                | 0                | 0                | 2,040          |
|                            | <b>One Off Projects Total</b>   |         | <b>1,237</b>     | <b>1,543</b>     | <b>280</b>       | <b>0</b>         | <b>0</b>         | <b>0</b>         | <b>3,060</b>   |
|                            | <b>INDEPENDENT TOTAL</b>  |         | <b>2,370</b>     | <b>6,372</b>     | <b>6,761</b>     | <b>10,230</b>    | <b>260</b>       | <b>0</b>         | <b>25,993</b>  |



| GENERAL FUND CAPITAL PLAN              |  | Funding | 2020/21<br>£'000 | 2021/22<br>£'000 | 2022/23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 | Total<br>£'000 |
|--|--|---------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|
| <b>SUSTAINABLE ECONOMY</b>             |  |         |                  |                  |                  |                  |                  |                  |                |
| <b>Strategic Priorities</b>            |  |         |                  |                  |                  |                  |                  |                  |                |
| A62 - A644 (Wakefield Road) Link Road: |  |         |                  |                  |                  |                  |                  |                  |                |
|  | A62 & A644 Corridors & Cooper Bridge         | G       | 520              | 390              | 4,300            | 1,130            | 32,750           | 29,250           | <b>68,340</b>  |
|  | Kirklees Transport Model                     | G       | 37               | 0                | 0                | 0                | 0                | 0                | <b>37</b>      |
|  | A629 Ainley Top to Huddersfield (Phase 5)    | G       | 630              | 3,260            | 5,950            | 560              | 980              | 60               | <b>11,440</b>  |
|  | A653 Leeds to Dewsbury Corridor (M2D2L)      | G       | 400              | 1,450            | 6,710            | 3,620            | 0                | 0                | <b>12,180</b>  |
| CityConnect Phase 3:                   |  |         |                  |                  |                  |                  |                  |                  |                |
|  | Cooper Bridge                                | G       | 570              | 1,220            | 0                | 0                | 0                | 0                | <b>1,790</b>   |
|  | Huddersfield Town Centre                     | G/B     | 800              | 1,220            | 0                | 0                | 0                | 0                | <b>2,020</b>   |
| Corridor Improvement Programme:        |  |         |                  |                  |                  |                  |                  |                  |                |
|  | A62 Smart Corridor                           | G       | 700              | 6,540            | 250              | 0                | 0                | 0                | <b>7,490</b>   |
|  | Holmfirth Town Centre Access Plan            | G       | 440              | 360              | 2,470            | 450              | 0                | 0                | <b>3,720</b>   |
|  | Huddersfield Southern Corridors              | G/B     | 1,654            | 6,496            | 4,740            | 80               | 20               | 50               | <b>13,040</b>  |
|  | Huddersfield Station Gateway Phase 1&2       | G       | 50               | 100              | 1,350            | 50               | 3,900            | 4,480            | <b>9,930</b>   |
|  | North Kirklees Orbital Route (NKOR)          | G       | 40               | 0                | 0                | 0                | 0                | 0                | <b>40</b>      |
| West Yorkshire Integrated UTMC:        |  |         |                  |                  |                  |                  |                  |                  |                |
|  | UTMC Urban Traffic Management                | G       | 290              | 100              | 0                | 0                | 0                | 0                | <b>390</b>     |
|  | KC1 Dews Ring Road Multi node scoot          | G       | 59               | 0                | 0                | 0                | 0                | 0                | <b>59</b>      |
|  | KC2 A644 Ravens to Dews Street works         | G       | 84               | 0                | 0                | 0                | 0                | 0                | <b>84</b>      |
|  | KC3 A652 Dews to Batley Street works         | G       | 102              | 0                | 0                | 0                | 0                | 0                | <b>102</b>     |
|  | WYTF Land Acquisition                        | B       | 628              | 0                | 0                | 0                | 0                | 0                | <b>628</b>     |
|  | <i>West Yorkshire plus Transport Schemes</i> |         | <b>7,004</b>     | <b>21,136</b>    | <b>25,770</b>    | <b>5,890</b>     | <b>37,650</b>    | <b>33,840</b>    | <b>131,290</b> |
|  | Emergency Active Travel                      | G       | 1,984            | 0                | 0                | 0                | 0                | 0                | <b>1,984</b>   |

| GENERAL FUND CAPITAL PLAN                                    |   | Funding | 2020/21<br>£'000 | 2021/22<br>£'000 | 2022/23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 | Total<br>£'000 |
|--|---|---------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|
| <b>SUSTAINABLE ECONOMY</b>                                   |   |         |                  |                  |                  |                  |                  |                  |                |
|  | Transforming Cities Fund (Huddersfield / Dewsbury Stations)                       | G       | 4,359            | 27,863           | 33,527           | 251              | 0                | 0                | <b>66,000</b>  |
|  | TCF (match from Town Centre Action Plan Funds)                                    | B       | 0                | 750              | 2,750            | 2,500            | 0                | 0                | <b>6,000</b>   |
|  | <i>Transforming Cities Fund</i>   |         | 4,359            | 28,613           | 36,277           | 2,751            | 0                | 0                | <b>72,000</b>  |
| <b>Strategic Priorities</b>                                  |   |         |                  |                  |                  |                  |                  |                  |                |
|  | Aspirational Regeneration of Major Town Centres - Feasibility                     | B       | 191              | 50               | 0                | 0                | 0                | 0                | <b>241</b>     |
| <i>Regeneration of Strategic Town Centres - Huddersfield</i> |   |         |                  |                  |                  |                  |                  |                  |                |
|  | Huddersfield Town Centre Design Framework   | B       | 240              | 1,501            | 0                | 0                | 0                | 0                | <b>1,741</b>   |
|  | Huddersfield Town Centre Shop Fronts  | B       | 0                | 220              | 978              | 0                | 0                | 0                | <b>1,198</b>   |
|  | Cultural Interventions - Growing Seeds  | B       | 100              | 0                | 0                | 0                | 0                | 0                | <b>100</b>     |
|  | New Street/Cloth Hall Street Public Realm   | B       | 612              | 3,519            | 1,080            | 0                | 0                | 0                | <b>5,211</b>   |
|  | George Hotel / Estate Buildings   | B / G   | 412              | 6,770            | 2,358            | 2,078            | 0                | 0                | <b>11,618</b>  |
|  | Huddersfield Town Hall Lighting   | B       | 45               | 0                | 0                | 0                | 0                | 0                | <b>45</b>      |
|  | Cameras   | B       | 25               | 25               | 25               | 25               | 25               | 0                | <b>125</b>     |
|  | Regeneration of Strategic Town Centres – Huddersfield (including overprogramming) | B       | 642              | 1,155            | 1,506            | 52               | 0                | 0                | <b>3,355</b>   |
|  | Huddersfield  | T       | 2,076            | 13,190           | 5,947            | 2,155            | 25               | 0                | <b>23,393</b>  |
| <i>Regeneration of Strategic Town Centres - Dewsbury</i>     |   |         |                  |                  |                  |                  |                  |                  |                |
|  | Cultural Interventions - Growing Seeds  | B       | 100              | 0                | 0                | 0                | 0                | 0                | <b>100</b>     |
|  | Dewsbury Town Centre Shop Fronts  | B       | 75               | 500              | 600              | 75               | 0                | 0                | <b>1,250</b>   |
|  | Better Spaces Strategy  | B/G     | 700              | 541              | 470              | 50               | 0                | 0                | <b>1,761</b>   |
|  | Heritage Action Zone  | B/G     | 395              | 380              | 2,299            | 0                | 0                | 0                | <b>3,074</b>   |

| GENERAL FUND CAPITAL PLAN                                |  | Funding | 2020/21<br>£'000 | 2021/22<br>£'000 | 2022/23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 | Total<br>£'000 |
|--|--|---------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|
| <b>SUSTAINABLE ECONOMY</b>                               |  |         |                  |                  |                  |                  |                  |                  |                |
| <i>Regeneration of Strategic Town Centres - Dewsbury</i> |  |         |                  |                  |                  |                  |                  |                  |                |
|  | Town Fund Accelerated Grant                              | G       | 545              | 0                | 0                | 0                | 0                | 0                | 545            |
|  | Dewsbury Housing & Enterprise Growth Zone                | B       | 432              | 0                | 0                | 0                | 0                | 0                | 432            |
|  | Dewsbury Market (previous allocation)                    | B       | 326              | 0                | 0                | 0                | 0                | 0                | 326            |
| *  | Dewsbury Market  | B/R     | 400              | 500              | 6,500            | 600              | 0                | 0                | 8,000          |
|  | Regeneration of Strategic Town Centres –<br>Dewsbury     | B       | 1,012            | 393              | 1,326            | 40               | 314              | 0                | 3,085          |
|  | Dewsbury   | T       | 3,985            | 2,314            | 11,195           | 765              | 314              | 0                | 18,573         |
|  | <i>Town Centre Action Plans</i>                          |         | <b>6,252</b>     | <b>15,554</b>    | <b>17,142</b>    | <b>2,920</b>     | <b>339</b>       | <b>0</b>         | <b>42,207</b>  |
|  | Regeneration and Greening of Smaller Towns and Villages  | B       | 54               | 2,598            | 5,453            | 1,895            | 0                | 0                | 10,000         |
|  | Market Hall Multi-Storey Car Park                        | R       | 430              | 1,000            | 5,500            | 3,000            | 0                | 0                | 9,930          |
|  | Queensgate Underpass                                     | R       | 70               | 0                | 0                | 0                | 0                | 0                | 70             |
|  | Dewsbury Staff Move & Regeneration                       | B       | 10               | 250              | 750              | 3,500            | 3,990            | 0                | 8,500          |
|  | Soundspace   | B/G     | 200              | 500              | 1,000            | 1,500            | 5,000            | 26,800           | 35,000         |
|  | <i>Additional Investment into Strategic Town Centres</i> |         | 710              | 1,750            | 7,250            | 8,000            | 8,990            | 26,800           | 53,500         |
|  | Strategic Acquisition Fund                               | B       | 4,000            | 4,000            | 4,000            | 0                | 0                | 0                | 12,000         |

| GENERAL FUND CAPITAL PLAN           |             | Funding | 2020/21<br>£'000 | 2021/22<br>£'000 | 2022/23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 | Total<br>£'000 |
|-------------------------------------|-------------|---------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|
| <b>SUSTAINABLE ECONOMY</b>          |             |         |                  |                  |                  |                  |                  |                  |                |
| <b>Strategic Priorities</b>         |             |         |                  |                  |                  |                  |                  |                  |                |
| 103 New Street                      | B**         | 6,000   | 3,198            | 0                | 0                | 0                | 0                | 0                | 9,198          |
| Economic Recovery Fund              | B/B**/<br>R | 300     | 8,947            | 15,175           | 4,200            | 200              | 0                | 0                | 28,822         |
| <i>Property Investment Fund</i>     |             | 6,300   | 12,145           | 15,175           | 4,200            | 200              | 0                | 0                | 38,020         |
| Dewsbury Riverside                  | B/G         | 525     | 6,200            | 15,975           | 0                | 0                | 0                | 0                | 22,700         |
| Accelerated Construction Programme  | G           | 15      | 0                | 0                | 0                | 0                | 0                | 0                | 15             |
| Site Development                    | G           | 3,279   | 1,311            | 0                | 0                | 0                | 0                | 0                | 4,590          |
| Public Realm Improvements           | B           | 457     | 0                | 0                | 0                | 0                | 0                | 0                | 457            |
| <b>Strategic Priorities Total</b>   |             |         | <b>34,939</b>    | <b>93,307</b>    | <b>127,042</b>   | <b>25,656</b>    | <b>47,179</b>    | <b>60,640</b>    | <b>388,763</b> |
| <b>Baseline</b>                     |             |         |                  |                  |                  |                  |                  |                  |                |
| Housing Private                     | G/R         | 3,051   | 6,410            | 3,584            | 3,584            | 3,584            | 3,584            | 3,584            | 23,797         |
| <b>Highways</b>                     |             |         |                  |                  |                  |                  |                  |                  |                |
| <b>Maintenance</b>                  |             |         |                  |                  |                  |                  |                  |                  |                |
| Principal Roads                     | G           | 5,769   | 3,214            | 2,400            | 2,400            | 2,400            | 2,400            | 2,400            | 18,583         |
| Roads Connecting Communities        | G           | 1,851   | 1,075            | 1,075            | 1,075            | 1,075            | 1,075            | 1,075            | 7,226          |
| Local Community Roads               | B/G         | 5,756   | 7,125            | 6,776            | 1,776            | 1,776            | 1,776            | 1,776            | 24,985         |
| Structures                          | G           | 967     | 1,200            | 1,200            | 1,200            | 1,200            | 1,200            | 1,200            | 6,967          |
| Unadopted Roads                     | B           | 50      | 50               | 50               | 50               | 50               | 50               | 50               | 300            |
| Streetlighting                      | B*          | 2,810   | 1,000            | 1,000            | 0                | 0                | 0                | 0                | 4,810          |
| Locality Based U Roads Improvements | B/G         | 5,000   | 0                | 0                | 0                | 0                | 0                | 0                | 5,000          |
| <i>Maintenance Total</i>            |             |         | <b>22,203</b>    | <b>13,664</b>    | <b>12,501</b>    | <b>6,501</b>     | <b>6,501</b>     | <b>6,501</b>     | <b>67,871</b>  |


| GENERAL FUND CAPITAL PLAN  |  | Funding      | 2020/21<br>£'000 | 2021/22<br>£'000 | 2022/23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 | Total<br>£'000 |
|----------------------------|--|--------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|
| <b>SUSTAINABLE ECONOMY</b> |  |              |                  |                  |                  |                  |                  |                  |                |
|                            | <b>Baseline</b>  |              |                  |                  |                  |                  |                  |                  |                |
|                            | Integrated Transport                                     |              |                  |                  |                  |                  |                  |                  |                |
|                            | Integrated Public Transport                              | G            | 474              | 283              | 168              | 168              | 168              | 168              | <b>1,429</b>   |
|                            | Network Management                                       | B/G          | 552              | 491              | 100              | 100              | 100              | 100              | <b>1,443</b>   |
|                            | Cycling and Walking                                      | B/S278<br>/G | 133              | 120              | 120              | 120              | 120              | 120              | <b>733</b>     |
|                            | Safer Roads  | B/G          | 1,512            | 1,611            | 1,011            | 1,011            | 1,011            | 1,011            | <b>7,167</b>   |
|                            | Flood Management and<br>Drainage Improvements            | B/G          | 714              | 450              | 450              | 450              | 450              | 450              | <b>2,964</b>   |
|                            | Developer Funded Schemes                                 | G            | 432              | 0                | 0                | 0                | 0                | 0                | <b>432</b>     |
|                            | <i>Integrated Transport Total</i>                        |              | <b>3,817</b>     | <b>2,955</b>     | <b>1,849</b>     | <b>1,849</b>     | <b>1,849</b>     | <b>1,849</b>     | <b>14,168</b>  |
|                            |  |              |                  |                  |                  |                  |                  |                  |                |
|                            | Highways Total   |              | <b>26,020</b>    | <b>16,619</b>    | <b>14,350</b>    | <b>8,350</b>     | <b>8,350</b>     | <b>8,350</b>     | <b>82,039</b>  |
|                            |  |              |                  |                  |                  |                  |                  |                  |                |
|                            | Corporate Landlord Asset Investment                      | B            | 5,752            | 6,467            | 2,133            | 4,300            | 4,300            | 4,300            | <b>27,252</b>  |
|                            | Corporate Landlord Compliance                            | B            | 1,153            | 1,000            | 1,000            | 1,000            | 1,000            | 1,000            | <b>6,153</b>   |
|                            | <i>Corporate Landlord</i>                                |              | <b>6,905</b>     | <b>7,467</b>     | <b>3,133</b>     | <b>5,300</b>     | <b>5,300</b>     | <b>5,300</b>     | <b>33,405</b>  |
|                            |  |              |                  |                  |                  |                  |                  |                  |                |
|                            | Corporate Landlord Suitability Programme                 | B            | 80               | 920              | 1,000            | 1,000            | 1,000            | 1,000            | <b>5,000</b>   |
|                            | Sustainability of Huddersfield Town Hall -<br>Conditions | B            | 0                | 150              | 1,500            | 1,750            | 100              | 0                | <b>3,500</b>   |
|                            | <i>Corporate Landlord Asset Strategy Review</i>          |              | <b>80</b>        | <b>1,070</b>     | <b>2,500</b>     | <b>2,750</b>     | <b>1,100</b>     | <b>1,000</b>     | <b>8,500</b>   |
|                            |  |              |                  |                  |                  |                  |                  |                  |                |
|                            | Bereavement  | B            | 580              | 495              | 100              | 100              | 100              | 450              | <b>1,825</b>   |
|                            | Vehicle Replacement Programme                            | B            | 2,834            | 1,250            | 1,250            | 1,250            | 1,250            | 1,250            | <b>9,084</b>   |
|                            | School Catering  | B            | 329              | 200              | 200              | 200              | 200              | 200              | <b>1,329</b>   |
|                            | <b>Baseline Total</b>                                    |              | <b>39,799</b>    | <b>33,511</b>    | <b>25,117</b>    | <b>21,534</b>    | <b>19,884</b>    | <b>20,134</b>    | <b>159,979</b> |
|                            |  |              |                  |                  |                  |                  |                  |                  |                |

| GENERAL FUND CAPITAL PLAN   |  | Funding      | 2020/21<br>£'000 | 2021/22<br>£'000 | 2022/23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 | Total<br>£'000 |
|-----------------------------|--|--------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|
| <b>SUSTAINABLE ECONOMY</b>  |  |              |                  |                  |                  |                  |                  |                  |                |
| <b>One-Off Projects</b>     |  |              |                  |                  |                  |                  |                  |                  |                |
|                             | Housing (Regeneration)                       | G/R<br>/S106 | 108              | 0                | 0                | 0                | 0                | 0                | 108            |
|                             | Economic Resilience                          | G/R          | 263              | 0                | 0                | 0                | 0                | 0                | 263            |
|                             | Strategic Asset Utilisation                  | B            | 225              | 0                | 0                | 0                | 0                | 0                | 225            |
|                             | Leeds City Region Revolving Fund             | B            | 211              | 1,000            | 0                | 0                | 0                | 0                | 1,211          |
|                             | School Catering - Compliance Essential Works | B*           | 163              | 150              | 150              | 150              | 150              | 100              | 863            |
|                             | Ward Based Activity                          | B            | 41               | 53               | 0                | 0                | 0                | 0                | 94             |
|                             | <b>One-Off Projects Total</b>                |              | <b>1,011</b>     | <b>1,203</b>     | <b>150</b>       | <b>150</b>       | <b>150</b>       | <b>100</b>       | <b>2,764</b>   |
|                             | <b>SUSTAINABLE ECONOMY TOTAL</b>             |              | <b>75,749</b>    | <b>128,021</b>   | <b>152,309</b>   | <b>47,340</b>    | <b>67,213</b>    | <b>80,874</b>    | <b>551,506</b> |
| <b>WELL</b>                 |  |              |                  |                  |                  |                  |                  |                  |                |
| <b>Strategic Priorities</b> |  |              |                  |                  |                  |                  |                  |                  |                |
|                             | Spensborough Valley Leisure Centre           | B/B*         | 9,000            | 5,567            | 361              | 0                | 0                | 0                | 14,928         |
|                             | Huddersfield Leisure Centre                  | B            | 179              | 0                | 0                | 0                | 0                | 0                | 179            |
|                             | Dewsbury Sports Centre Priorities            | B            | 348              | 250              | 300              | 1,150            | 200              | 0                | 2,248          |
|                             | <b>Strategic Priorities Total</b>            |              | <b>9,527</b>     | <b>5,817</b>     | <b>661</b>       | <b>1,150</b>     | <b>200</b>       | <b>0</b>         | <b>17,355</b>  |
| <b>Baseline</b>             |  |              |                  |                  |                  |                  |                  |                  |                |
|                             | KAL Programme                                | B/B*         | 948              | 191              | 1,790            | 400              | 200              | 300              | 3,829          |
|                             | Play Strategy                                | B/G/<br>S106 | 641              | 2,339            | 1,893            | 2,097            | 1,920            | 1,275            | 10,165         |
|                             | <b>Baseline Total</b>                        |              | <b>1,589</b>     | <b>2,530</b>     | <b>3,683</b>     | <b>2,497</b>     | <b>2,120</b>     | <b>1,575</b>     | <b>13,994</b>  |
|                             | <b>WELL TOTAL</b>                            |              | <b>11,116</b>    | <b>8,347</b>     | <b>4,344</b>     | <b>3,647</b>     | <b>2,320</b>     | <b>1,575</b>     | <b>31,349</b>  |



| GENERAL FUND CAPITAL PLAN |  | Funding    | 2020/21<br>£'000 | 2021/22<br>£'000 | 2022/23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 | Total<br>£'000 |
|---------------------------|--|------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|
| <b>SAFE AND COHESIVE</b>  |  |            |                  |                  |                  |                  |                  |                  |                |
|                           | <b>Strategic Priorities</b>            |            |                  |                  |                  |                  |                  |                  |                |
|                           | Youth Offending Team                   | B          | 10               | 175              | 0                | 0                | 0                | 0                | 185            |
|                           | <b>Strategic Priorities Total</b>      |            | <b>10</b>        | <b>175</b>       | <b>0</b>         | <b>0</b>         | <b>0</b>         | <b>0</b>         | <b>185</b>     |
|                           |  |            |                  |                  |                  |                  |                  |                  |                |
|                           | <b>SAFE AND COHESIVE TOTAL</b>         |            | <b>10</b>        | <b>175</b>       | <b>0</b>         | <b>0</b>         | <b>0</b>         | <b>0</b>         | <b>185</b>     |
|                           |  |            |                  |                  |                  |                  |                  |                  |                |
| <b>CLEAN AND GREEN</b>    |  |            |                  |                  |                  |                  |                  |                  |                |
|                           | <b>Strategic Priorities</b>            |            |                  |                  |                  |                  |                  |                  |                |
|                           | Depot Works                            | B          | 100              | 360              | 25               | 0                | 0                | 0                | 485            |
|                           | Garden Waste Containers and Vehicles   | B/G        | 1,422            | 991              | 3,009            | 0                | 0                | 0                | 5,422          |
|                           | Waste Management Plant/ Infrastructure | B/B*/<br>G | 0                | 5,174            | 5,173            | 12,173           | 4,480            | 0                | 27,000         |
|                           | Climate Emergency - Green Travel       | B          | 1,000            | 1,000            | 0                | 0                | 0                | 0                | 2,000          |
|                           | Air Quality                            | B          | 352              | 0                | 0                | 0                | 0                | 0                | 352            |
|                           | Huddersfield Heat Network              | G/B        | 231              | 230              | 0                | 13,866           | 0                | 794              | 15,121         |
|                           | Trees for Climate Programme            | G          | 3,773            | 0                | 0                | 0                | 0                | 0                | 3,773          |
|                           | <b>Strategic Priorities Total</b>      |            | <b>6,878</b>     | <b>7,755</b>     | <b>8,207</b>     | <b>26,039</b>    | <b>4,480</b>     | <b>794</b>       | <b>54,153</b>  |
|                           |  |            |                  |                  |                  |                  |                  |                  |                |
|                           | <b>Baseline</b>                        |            |                  |                  |                  |                  |                  |                  |                |
|                           | Environment & Strategic Waste          | B          | 100              | 100              | 100              | 100              | 100              | 100              | 600            |
|                           | <b>Baseline Total</b>                  |            | <b>100</b>       | <b>100</b>       | <b>100</b>       | <b>100</b>       | <b>100</b>       | <b>100</b>       | <b>600</b>     |
|                           | <b>One Off Projects</b>                |            |                  |                  |                  |                  |                  |                  |                |
|                           | Electric Vehicle Charge Points         | G          | 506              | 0                | 0                | 0                | 0                | 0                | 506            |
|                           | <b>One Off Projects Total</b>          |            | <b>506</b>       | <b>0</b>         | <b>0</b>         | <b>0</b>         | <b>0</b>         | <b>0</b>         | <b>506</b>     |
|                           |  |            |                  |                  |                  |                  |                  |                  |                |
|                           | <b>CLEAN AND GREEN TOTAL</b>           |            | <b>7,484</b>     | <b>7,855</b>     | <b>8,307</b>     | <b>26,139</b>    | <b>4,580</b>     | <b>894</b>       | <b>55,259</b>  |





| GENERAL FUND CAPITAL PLAN              |  | Funding | 2020/21<br>£'000 | 2021/22<br>£'000 | 2022/23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 | Total<br>£'000 |
|--|--|---------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|
| <b>EFFICIENCY AND EFFECTIVENESS</b>    |  |         |                  |                  |                  |                  |                  |                  |                |
| <b>Baseline</b>                        |  |         |                  |                  |                  |                  |                  |                  |                |
|  | Information Technology                                   | B       | 900              | 900              | 900              | 900              | 900              | 900              | 5,400          |
|  | One Venue Development                                    | B       | 282              | 300              | 300              | 100              | 100              | 200              | 1,282          |
|  | Sustainability of Major Town Halls - Service Development | B*      | 535              | 425              | 520              | 105              | 100              | 550              | 2,235          |
|  | <b>Baseline Total</b>                                    |         | <b>1,717</b>     | <b>1,625</b>     | <b>1,720</b>     | <b>1,105</b>     | <b>1,100</b>     | <b>1,650</b>     | <b>8,917</b>   |
| <b>One Off Projects</b>                |  |         |                  |                  |                  |                  |                  |                  |                |
|  | Information Technology (Digital)                         | B       | 200              | 450              | 450              | 450              | 450              | 300              | 2,300          |
|  | Information Technology                                   | B       | 384              | 0                | 0                | 0                | 0                | 0                | 384            |
|  | Internal Renovation works                                | B       | 139              | 0                | 0                | 0                | 0                | 0                | 139            |
|  | <b>One Off Projects Total</b>                            |         | <b>723</b>       | <b>450</b>       | <b>450</b>       | <b>450</b>       | <b>450</b>       | <b>300</b>       | <b>2,823</b>   |
|  | <b>EFFICIENCY AND EFFECTIVENESS TOTAL</b>                |         | <b>2,440</b>     | <b>2,075</b>     | <b>2,170</b>     | <b>1,555</b>     | <b>1,550</b>     | <b>1,950</b>     | <b>11,740</b>  |
| <b>GENERAL FUND CAPITAL PLAN TOTAL</b> |  |         | <b>114,303</b>   | <b>178,349</b>   | <b>197,808</b>   | <b>104,211</b>   | <b>87,273</b>    | <b>88,793</b>    | <b>770,737</b> |

**FUNDING KEY:**

B = Borrowing

B\* = Service funded Borrowing

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

G = Grant

R = Capital receipts

\* = Addition



| HOUSING REVENUE ACCOUNT CAPITAL PLAN           | Funding   | 2020/21<br>£'000 | 2021/22<br>£'000 | 2022/23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 | Total<br>£'000 |
|--|-----------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|
| <b>INDEPENDENT</b>                             |           |                  |                  |                  |                  |                  |                  |                |
| <b>Strategic Priorities</b>                    |           |                  |                  |                  |                  |                  |                  |                |
| Housing Growth                                 | H/R       | 3,562            | 2,520            | 2,880            | 2,880            | 3,240            | 8,322            | 23,404         |
| New Build Phase 1 - Ashbrow Extra Care         | H/G       | 500              | 2,859            | 3,001            | 707              | 0                | 0                | 7,067          |
| Remodelling / High Rise                        | H         | 0                | 275              | 750              | 1,000            | 5,000            | 4,975            | 12,000         |
| IT System (Universal Housing Replacement)      | H         | 500              | 500              | 0                | 0                | 0                | 0                | 1,000          |
| Council House Building                         | B/R/<br>H | 1,600            | 7,000            | 7,700            | 9,800            | 10,500           | 5,900            | 42,500         |
| <b>Strategic Priorities Total</b>              |           | <b>6,162</b>     | <b>13,154</b>    | <b>14,331</b>    | <b>14,387</b>    | <b>18,740</b>    | <b>19,197</b>    | <b>85,971</b>  |
| <b>Baseline</b>                                |           |                  |                  |                  |                  |                  |                  |                |
| Housing Capital Plan                           | H         | 9,150            | 11,150           | 10,960           | 10,606           | 10,606           | 11,647           | 64,119         |
| Estate Improvements (Neighbourhood Investment) | H         | 400              | 600              | 700              | 800              | 900              | 3,897            | 7,297          |
| Compliance                                     | H         | 1,100            | 4,400            | 5,505            | 5,505            | 2,172            | 1,000            | 19,682         |
| Fuel poverty                                   | H/<br>G   | 826              | 826              | 826              | 825              | 825              | 825              | 4,953          |
| Adaptations                                    | H         | 2,300            | 3,455            | 3,000            | 2,964            | 2,928            | 2,964            | 17,611         |
| <b>Baseline Total</b>                          |           | <b>13,776</b>    | <b>20,431</b>    | <b>20,991</b>    | <b>20,700</b>    | <b>17,431</b>    | <b>20,333</b>    | <b>113,662</b> |
| <b>HRA CAPITAL PLAN TOTAL</b>                  |           | <b>19,938</b>    | <b>33,585</b>    | <b>35,322</b>    | <b>35,087</b>    | <b>36,171</b>    | <b>39,530</b>    | <b>199,633</b> |

## FUNDING KEY:

H = HRA revenue contribution/major repairs reserve

R = Capital receipts

G = Grant

B = Borrowing

| <b>GENERAL FUND SUMMARY - BASELINE FUNDING AND SPEND CHANGES</b>          |                  |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|------------------|
|   | <b>2021-22</b>   | <b>2022-23</b>   | <b>2023-24</b>   | <b>2024-25</b>   | <b>2025-26</b>   |
|   | <b>£K</b>        | <b>£K</b>        | <b>£K</b>        | <b>£K</b>        | <b>£K</b>        |
| <b>FUNDING</b>  |                  |                  |                  |                  |                  |
| <b>STARTING POINT (2020-23 MTFP)</b>                                      | <b>(308,255)</b> | <b>(313,695)</b> | <b>(313,695)</b> | <b>(313,695)</b> | <b>(313,695)</b> |
| <b>CHANGES</b>  |                  |                  |                  |                  |                  |
| <b>COUNCIL TAX</b>  |                  |                  |                  |                  |                  |
| 1.99% Basic Council Tax Increase  | (0)              | (0)              | (3,972)          | (8,140)          | (12,462)         |
| Adult Social Care Precept 3% year 1                                       | (5,612)          | (5,786)          | (5,989)          | (6,196)          | (6,387)          |
| Impact on taxbase - housing supply  | 929              | 1,079            | (554)            | (2,187)          | (3,820)          |
| Impact on taxbase - increase in CTR Claimants                             | 1,979            | 1,513            | 1,008            | 502              | (3)              |
| Council Tax Collection Rate Changes – economic impact                     | 1,463            | 1,508            | 762              | 0                | 0                |
|   | (1,241)          | (1,686)          | (8,745)          | (16,021)         | (22,672)         |
| <b>BUSINESS RATES RETENTION</b>   |                  |                  |                  |                  |                  |
| Continuation of 50% retention scheme all years                            | 2,082            | 2,117            | 2,151            | 2,186            | 2,222            |
| Reduction in Local Share - economic impact                                | 2,988            | 1,562            | 1,561            | 96               | 98               |
| NNDR Collection Rate - economic impact                                    | 1,493            | 1,020            | 510              | 0                | 0                |
| Settlement Funding Assessment Uplift at 0.55% yr 1 and 1.0% thereafter    | (551)            | (1,607)          | (2,612)          | (3,628)          | (4,656)          |
| Technical adjustments to RSG and s31 grants as per Provisional Settlement | (518)            | (518)            | (518)            | (518)            | (518)            |
|   | 5,494            | 2,574            | 1,092            | (1,864)          | (2,854)          |
| <b>UNRINGFENCED GRANTS</b>  |                  |                  |                  |                  |                  |
| Housing Benefit Admin Grant   | 0                | 0                | 150              | 300              | 450              |
| New Homes Bonus   | 658              | 658              | 658              | 658              | 658              |
| Lower Tier Services Grant   | (534)            | 0                | 0                | 0                | 0                |
| COVID Support Funding 2021/22   | (12,221)         | 0                | 0                | 0                | 0                |
| Local Council Tax Support Scheme Funding                                  | (5,373)          | 0                | 0                | 0                | 0                |
| Local Tax Loss Compensation Scheme Income                                 | (1,900)          | (1,900)          | (1,900)          | 0                | 0                |
|   | (19,370)         | (1,242)          | (1,092)          | 958              | 1,108            |
| <b>COLLECTION FUND</b>  |                  |                  |                  |                  |                  |
| Collection fund repayment   | 26,730           | 2,530            | 2,530            | 0                | 0                |
| <b>TOTAL FUNDING CHANGES</b>  | <b>11,613</b>    | <b>2,176</b>     | <b>(6,215)</b>   | <b>(16,927)</b>  | <b>(24,418)</b>  |
| <b>REVISED FUNDING BASELINE 2021-26</b>                                   | <b>(296,642)</b> | <b>(311,519)</b> | <b>(319,910)</b> | <b>(330,622)</b> | <b>(338,113)</b> |
| <b>SPENDING</b>   |                  |                  |                  |                  |                  |
| <b>2020/21 NET BUDGET</b>   | <b>322,308</b>   | <b>337,701</b>   | <b>337,701</b>   | <b>337,701</b>   | <b>337,701</b>   |
| <b>CHANGES</b>  |                  |                  |                  |                  |                  |
| <b>CHILDREN</b>   |                  |                  |                  |                  |                  |
| Social Care - Inflationary Pressures                                      | 0                | 0                | 550              | 1,100            | 1,650            |

| <b>GENERAL FUND SUMMARY - BASELINE</b>                           |                |                |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|
| <b>FUNDING AND SPEND CHANGES</b>                                 | <b>2021-22</b> | <b>2022-23</b> | <b>2023-24</b> | <b>2024-25</b> | <b>2025-26</b> |
|  | <b>£K</b>      | <b>£K</b>      | <b>£K</b>      | <b>£K</b>      | <b>£K</b>      |
| Schools Transport Pressure                                       | 300            | 300            | 300            | 300            | 300            |
| Schools PFI Base Budget Release                                  | (1,343)        | (1,343)        | (1,343)        | (1,343)        | (1,343)        |
| Special Educational Needs & Disability Inclusion Fund (SENDIF)   | 500            | 500            | 500            | 500            | 500            |
| SENDACT Capacity   | 188            | 188            | 188            | 188            | 188            |
| High Needs Demand Management Capacity                            | 160            | 160            | 160            | 160            | 160            |
| Family Hubs  | 230            | 230            | 230            | 230            | 230            |
| Young People - Tackling Inequalities Agenda                      | 265            | 265            | 265            | 265            | 265            |
| <b>CHILDREN TOTAL</b>  | <b>300</b>     | <b>300</b>     | <b>850</b>     | <b>1,400</b>   | <b>1,950</b>   |
| <b>ADULTS</b>  |                |                |                |                |                |
| Adult Social Care - Third Party Contracts                        | (2,700)        | (2,700)        | 4,286          | 11,476         | 18,666         |
| Adult Social Care - Demand Led Pressures                         | 0              | 0              | 4,164          | 8,324          | 12,484         |
| Adjustment for Adult Social Care Funding Uplift                  | 1,322          | (5,663)        | (16,663)       | (27,663)       | (38,663)       |
| Better Care Fund Government Inflation Uplift                     | 600            | 600            | 0              | (600)          | (1,200)        |
| <b>ADULTS TOTAL</b>  | <b>(778)</b>   | <b>(7,763)</b> | <b>(8,213)</b> | <b>(8,463)</b> | <b>(8,713)</b> |
| <b>ENVIRONMENT AND CLIMATE CHANGE</b>                            |                |                |                |                |                |
| Seasonal Weather Base Budget                                     | 600            | 600            | 600            | 600            | 600            |
| Waste PFI credit fall out  | 0              | 0              | 3,200          | 3,200          | 3,200          |
| Schools Transport Pressure                                       | 1,200          | 1,200          | 1,200          | 1,200          | 1,200          |
| Travel Assessment Unit - New posts                               | 250            | 250            | 250            | 250            | 250            |
| Public Protection Capacity                                       | 250            | 250            | 250            | 250            | 250            |
| <b>ENVIRONMENT AND CLIMATE CHANGE TOTAL</b>                      | <b>2,300</b>   | <b>2,300</b>   | <b>5,500</b>   | <b>5,500</b>   | <b>5,500</b>   |
| <b>GROWTH AND REGENERATION</b>                                   |                |                |                |                |                |
| Business Skills  | 200            | 200            | 200            | 200            | 200            |
| <b>GROWTH AND REGENERATION TOTAL</b>                             | <b>200</b>     | <b>200</b>     | <b>200</b>     | <b>200</b>     | <b>200</b>     |
| <b>CORPORATE STRATEGY, COMMISSIONING AND PUBLIC HEALTH</b>       |                |                |                |                |                |
| Family Bereavement Counselling                                   | 45             | 45             | 45             | 45             | 45             |
| Employee Health Care Budget Pressure                             | 316            | 316            | 316            | 316            | 316            |
| Group Health and Safety Advisors                                 | 150            | 150            | 150            | 150            | 150            |
| Governance Budget Pressure - Staffing                            | 112            | 112            | 112            | 112            | 112            |
| Office of Chief Executive Budget Pressure - Project Officers     | 276            | 276            | 276            | 276            | 276            |
| Assurance and Other Governance Pressures                         | 116            | 116            | 116            | 116            | 116            |
| Local Welfare Provision  | 115            | 115            | 115            | 115            | 115            |
| <b>TOTAL CORPORATE STRATEGY, COMMISSIONING AND PUBLIC HEALTH</b> | <b>1,130</b>   | <b>1,130</b>   | <b>1,130</b>   | <b>1,130</b>   | <b>1,130</b>   |
| <b>CENTRAL BUDGETS</b>   |                |                |                |                |                |
| Review of Employers Superannuation Rate                          | 0              | 0              | 1,600          | 1,600          | 1,600          |
| Realignment of Place Infrastructure Capacity Budget to Services  | (565)          | (565)          | (565)          | (565)          | (565)          |
| Fees and charges, sales and commercial rents                     | 5,000          | 4,000          | 3,000          | 2,000          | 1,000          |

| <b>GENERAL FUND SUMMARY - BASELINE</b>  |                |                |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|
| <b>FUNDING AND SPEND CHANGES</b>  | <b>2021-22</b> | <b>2022-23</b> | <b>2023-24</b> | <b>2024-25</b> | <b>2025-26</b> |
|   | <b>£K</b>      | <b>£K</b>      | <b>£K</b>      | <b>£K</b>      | <b>£K</b>      |
| Targeted Support to CTR Claimants   | 1,500          | 0              | 0              | 0              | 0              |
| Pay award (unfunded element of 20/21 award)                                     | 1,400          | 1,400          | 1,400          | 1,400          | 1,400          |
| Pay Differentials 2022/23   |                | 1,400          | 1,400          | 1,400          | 1,400          |
| Income Inflation reduced to 1.5%  | 450            | 900            | 900            | 900            | 900            |
| Inflation requirement yrs 3 to 5  | 0              | 0              | 4,550          | 9,100          | 13,650         |
| IT Inflation - mobile and agile   | 230            | 230            | 230            | 230            | 230            |
| Release of MRP Flexibility  | (13,700)       | (13,700)       | (13,600)       | 0              | 0              |
| Joint Committees Levy Uplifts   | 150            | 550            | 950            | 1,350          | 1,750          |
| <b>TOTAL CENTRAL</b>  | <b>(5,535)</b> | <b>(5,785)</b> | <b>(135)</b>   | <b>17,415</b>  | <b>21,365</b>  |
| <b>TOTAL NET BUDGET CHANGES</b>   | <b>(2,383)</b> | <b>(9,618)</b> | <b>(668)</b>   | <b>17,182</b>  | <b>21,432</b>  |
| <b>UPDATED NET BUDGET</b>   | <b>319,925</b> | <b>328,083</b> | <b>337,033</b> | <b>354,883</b> | <b>359,133</b> |
| <b>BUDGET GAP</b>   | <b>23,283</b>  | <b>16,564</b>  | <b>17,123</b>  | <b>24,261</b>  | <b>21,020</b>  |
| Transfer from Reserves - s31 Unringfenced Grant (Business Rates Deficit Offset) | (23,520)       | 0              | 0              | 0              | 0              |
| Transfer from Reserves - Waste Strategy   | (2,000)        | (2,000)        |                |                |                |
| Transfer to Reserves - set aside for Local Welfare Provision Initiatives        | 2,237          |                |                |                |                |
| <b>REVISED GAP</b>  | <b>(0)</b>     | <b>14,564</b>  | <b>17,123</b>  | <b>24,261</b>  | <b>21,020</b>  |

**GENERAL FUND RESERVES**

**APPENDIX Bii**

| <b>General Fund Reserves</b>                            | <b>Reserves at<br/>1 April 2020<br/>£000</b> | <b>Estimated<br/>Balance<br/>1 April 2021<br/>£000</b> | <b>Estimated<br/>Balance<br/>1 April 2022<br/>£000</b> | <b>Estimated<br/>Balance<br/>1 April 2023<br/>£000</b> | <b>Estimated<br/>Balance<br/>1 April 2024<br/>£000</b> | <b>Estimated<br/>Balance<br/>1 April 2025<br/>£000</b> | <b>Estimated<br/>Balance<br/>1 April 2026<br/>£000</b> |
|---|--|--|--|--|--|--|--|
| <i>Schools Reserves</i>                                 | (9,967)                                      | (9,967)  | (9,967)  | (9,967)  | (9,967)  | (9,967)  | (9,967)  |
| <i>DSG</i>  | 14,396                                       | 21,996   | 28,896   | 34,796   | 39,696   | 43,596   | 46,496   |
| <b><u>Earmarked Reserves</u></b>                        |  |  |  |  |  |  |  |
| Demand Reserve  | (15,706)                                     | (19,306)   | (19,306)   | (19,306)   | (19,306)   | (19,306)   | (19,306)   |
| Financial Resilience                                    | (37,146)                                     | (37,146)   | (37,146)   | (37,146)   | (37,146)   | (37,146)   | (37,146)   |
| Rollover  | (656)  | (301)  | -  | -  | -  | -  | -  |
| Revenue Grants  | (9,095)                                      | (7,720)  | (5,720)  | (3,720)  | (1,720)  | (104)  | (104)  |
| Public Health   | (1,150)                                      | (1,045)  | (1,045)  | (1,045)  | (1,045)  | (1,045)  | (1,045)  |
| Stronger Families                                       | (1,011)                                      | (1,011)  | (511)  | -  | -  | -  | -  |
| Insurance   | (1,900)                                      | (1,900)  | (1,900)  | (1,900)  | (1,900)  | (1,900)  | (1,900)  |
| Ward Based Activity                                     | (1,199)                                      | (1,165)  | (915)  | (665)  | (415)  | (165)  | -  |
| Property and Other Loans                                | (3,000)                                      | (3,000)  | (3,000)  | (3,000)  | (3,000)  | (3,000)  | (3,000)  |
| Adverse Weather   | (2,432)                                      | -  | -  | -  | -  | -  | -  |
| Strategic Investment Support                            | (4,229)                                      | (3,402)  | (1,402)  | -  | -  | -  | -  |
| Social Care   | (2,196)                                      | (2,039)  | (1,539)  | (1,039)  | (539)  | (39)   | -  |
| Mental Health   | (1,400)                                      | (1,377)  | (677)  | (677)  | (677)  | (677)  | (677)  |
| Inclusive Investment Reserve                            | (2,000)                                      | (3,000)  | (3,000)  | (3,000)  | (3,000)  | (3,000)  | (3,000)  |
| Waste Management  | (5,684)                                      | (3,684)  | (1,684)  | -  | -  | -  | -  |
| Place Partnership Theme                                 | (2,000)                                      | (1,500)  | (1,000)  | (500)  | -  | -  | -  |
| COVID 19 Risk Reserve                                   | (11,099)                                     | (4,320)  | -  | -  | -  | -  | -  |
| Transformation Reserve                                  | 0  | (1,000)  | (3,000)  | (1,500)  | -  | -  | -  |
| Other   | (8,220)                                      | (8,435)  | (7,985)  | (7,129)  | (6,829)  | (6,529)  | (6,229)  |
|   | <b>(110,123)</b>                             | <b>(101,351)</b>                                       | <b>(89,830)</b>  | <b>(80,627)</b>  | <b>(75,577)</b>  | <b>(72,911)</b>  | <b>(72,407)</b>  |
| <b>General Balances</b>                                 | <b>(9,998)</b>                               | <b>(9,998)</b>   | <b>(9,998)</b>   | <b>(9,998)</b>   | <b>(9,998)</b>   | <b>(9,998)</b>   | <b>(9,998)</b>   |
|   |  |  |  |  |  |  |  |
| <b>Grand Total</b>                                      | <b>(115,692)</b>                             | <b>(99,320)</b>  | <b>(80,899)</b>  | <b>(65,796)</b>  | <b>(55,846)</b>  | <b>(49,280)</b>  | <b>(45,876)</b>  |
|   |  |  |  |  |  |  |  |
| <b>Reserves excluding schools<br/>and public health</b> | <b>(104,575)</b>                             | <b>(88,308)</b>  | <b>(69,887)</b>  | <b>(54,784)</b>  | <b>(44,834)</b>  | <b>(38,268)</b>  | <b>(34,864)</b>  |
| <b>% of 2021 net revenue budget</b>                     | <b>35%</b>                                   | <b>29%</b>   | <b>23%</b>   | <b>18%</b>   | <b>15%</b>   | <b>13%</b>   | <b>12%</b>   |

**GLOSSARY OF RESERVES**

| <b>RESERVE</b>                      | <b>DESCRIPTION</b>  |
|-------------------------------------|---|
| <b>School Reserves / DSG</b>        | Statutory reserves relating to both individual school balances/deficits carried forwards, and Dedicated Schools Grant (ring-fenced for schools related expenditure; surpluses/deficits carried forward).  |
| <b>Demand Reserve</b>               | Set aside to mitigate the impact/volatility of a range of potential demand risks on statutorily provided service activity.  |
| <b>Financial Resilience</b>         | Covers a range of potential costs highlighted in the Council's corporate risk assessment, including budget risks as set out in the sensitivity analysis within this report.   |
| <b>Rollover</b>                     | To fund deferred spend commitments against approved rollover.   |
| <b>Revenue Grants</b>               | Represents grants and contributions recognised in the Comprehensive Income and Expenditure Statement before expenditure has been occurred.  |
| <b>Public Health</b>                | Timing issues on Public Health grant spend commitments (Public health grant is statutorily ring-fenced).  |
| <b>Stronger Families</b>            | Set aside reflecting timing issues on expenditure commitments supporting a range of Stronger Families activity, funded from external grant.   |
| <b>Insurance</b>                    | Mitigates against risk from increased liabilities and insurance claims.   |
| <b>Ward Based Activity</b>          | Set aside reflecting timing issues on ward-based activity spend commitments.  |
| <b>Property and Other Loans</b>     | Set aside in part against the potential risk of future loan defaults; in part to offset potential unfunded technical accounting entries on general fund revenue arising purely arising from the introduction of a new local government accounting code intended to strengthen balance sheet transparency. |
| <b>Adverse Weather</b>              | Mitigates against budget risk arising from severe weather events in the District (replaced by base budget provision from 2021/22 onwards)   |
| <b>Strategic Investment Support</b> | To address the scale of development costs required to support the upscaling of capital investment activity and major project activity over the MTFP.  |
| <b>Social Care</b>                  | Set aside to cover a range of social care expenditure commitments as agreed at Cabinet, August 2018.  |
| <b>Mental Health</b>                | To support a number of local area-based mental health initiatives.  |
| <b>Inclusive Investment Reserve</b> | Set aside for a range of targeted development activity that supports the Council's inclusive investment ambition.   |
| <b>Waste Management</b>             | To support the implementation of the Council's waste management strategy, including phased release over the MTFP to manage current PFI contract transition in light of the current Council PFI Waste Contract ending in 2022-23.  |

| RESERVE                        | DESCRIPTION   |
|--------------------------------|---|
| <b>Place Partnership Theme</b> | To encourage Place specific local initiatives.  |
| <b>COVID 19 Risk Reserve</b>   | Specific reserve set aside to cover the costs of the Council's COVID-19 response.         |
| <b>Transformation Reserve</b>  | Set aside for strategic transformation developments over the next 12 to 24 months.        |
| <b>Other</b>                   | A range of smaller reserves earmarked for specific purposes.                              |
| <b>General Balances</b>        | General reserve set at £10m to support general working capital and cashflow requirements. |



| <b>UNRINGFENCED GRANTS 2021-26</b>                      | <b>2021/22</b>  | <b>2022/23</b> | <b>2023/24</b> | <b>2024/25</b> | <b>2025/26</b> |
|---|-----------------|----------------|----------------|----------------|----------------|
|   | <b>£K</b>       | <b>£K</b>      | <b>£K</b>      | <b>£K</b>      | <b>£K</b>      |
| New Homes Bonus   | (2,780)         | (2,780)        | (2,780)        | (2,780)        | (2,780)        |
| Housing Admin Grant                                     | (877)           | (727)          | (576)          | (426)          | (276)          |
| Council Tax Admin Grant                                 | (571)           | (571)          | (571)          | (571)          | (571)          |
| Independent Living Fund                                 | (810)           | (810)          | (810)          | (810)          | (810)          |
| Lead Local Flooding                                     | (29)            | (29)           | (29)           | (29)           | (29)           |
| Extended Rights to Free Travel                          | (93)            | (93)           | (93)           | (93)           | (93)           |
| General COVID Grant Funding for 2021/22                 | (12,220)        | 0              | 0              | 0              | 0              |
| Council Tax Grant to offset CTR claims                  | (5,373)         | 0              | 0              | 0              | 0              |
| Tax Loss Compensation Scheme for Collection Fund Losses | (1,900)         | (1,900)        | (1,900)        | 0              | 0              |
| Lower Tier Services Grant                               | (534)           | 0              | 0              | 0              | 0              |
| <b>Total Unringfenced Grants</b>                        | <b>(25,187)</b> | <b>(6,910)</b> | <b>(6,759)</b> | <b>(4,709)</b> | <b>(4,559)</b> |

**Collection Fund Forecast (Council Share)**

|   | <b>Council Tax</b> | <b>Business Rates</b> | <b>Total</b>    |
|---|--------------------|-----------------------|-----------------|
|   | <b>£000</b>        | <b>£000</b>           | <b>£000</b>     |
| <b>(Surplus)/Deficit at 1st April 2020</b>                  | <b>1,180</b>       | <b>(3,685)</b>        | <b>(2,505)</b>  |
| Re-payments to/(from) General Fund                          | 58                 | 3,377                 | 3,435           |
| In year Financial Performance                               | 2,635              | 27,480                | 30,115          |
| <b>(Surplus)/Deficit at 31st March 2021</b>                 | <b>3,873</b>       | <b>27,172</b>         | <b>31,045</b>   |
| Adjustment for 3 year spread                                | (1,756)            | (2,559)               | (4,315)         |
| <b>Revised (Surplus)/Deficit at 31st March 2021</b>         | <b>2,117</b>       | <b>24,613</b>         | <b>26,730</b>   |
| <b>Planned Repayments to/(from) general fund in 2021-22</b> | <b>(2,117)</b>     | <b>(24,613)</b>       | <b>(26,730)</b> |
| <b>Adjusted (Surplus)/Deficit</b>                           | <b>-</b>           | <b>-</b>              | <b>-</b>        |

**HRA Reserves Forecast**



|   | <b>21/22</b> | <b>22/23</b> | <b>23/24</b> | <b>24/25</b> | <b>25/26</b> |
|---|--------------|--------------|--------------|--------------|--------------|
|   | <b>£000</b>  | <b>£000</b>  | <b>£000</b>  | <b>£000</b>  | <b>£000</b>  |
| <b>As at 1 April</b>  | (60,118)     | (45,223)     | (39,050)     | (32,074)     | (31,438)     |
| <b>Interest</b>   | (172)        | (143)        | (123)        | (112)        | (110)        |
| <b>In-year capital funding</b>                              | 9,567        | 6,316        | 7,099        | 748          | 419          |
| <b>Earmarked - business risk</b>                            | 4,000        |              |              |              |              |
| <b>Earmarked – working balance</b>                          | 1,500        |              |              |              |              |
| <b>As at 31 March (capital sinking fund rolled forward)</b> | (45,223)     | (39,050)     | (32,074)     | (31,438)     | (31,129)     |




**SENSITIVITY ANALYSIS**


| <b><u>OPTIMISTIC SCENARIO</u></b>  | <b>2021/22</b> | <b>2022/23</b> | <b>2023/24</b> | <b>2024/25</b> | <b>2025/26</b> |
|--|----------------|----------------|----------------|----------------|----------------|
|  | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      |
| <b>Baseline Scenario – Budget Gap</b>  | 0.0            | 14.6           | 17.1           | 24.3           | 21.0           |
| <b><u>Changes from baseline</u></b>  |                |                |                |                |                |
| <b>Council Tax Housing Growth - 1k p.a.</b>  | (0.8)          | (0.8)          | (0.8)          | (0.8)          | (0.9)          |
| <b>CTR Claimant Numbers – 3000 increase year 1</b>   | (0.5)          | (0.5)          | (0.5)          | (0.5)          | 0.0            |
| <b>Council Tax Collection Rate - 98.6% all years</b>   | (1.5)          | (1.5)          | (0.8)          | 0.0            | 0.0            |
| <b>Net Impact on Council Tax Base</b>  | <b>(2.8)</b>   | <b>(2.8)</b>   | <b>(2.1)</b>   | <b>(1.3)</b>   | <b>(0.9)</b>   |
| <b>Economic Impact on Council Share of Business Rates - 3% reduction year 1, recover by year 2</b> | (1.2)          | (1.5)          | (1.5)          | (0.1)          | (0.1)          |
| <b>Business Rates Collection Rate - 96% year 1, recover by year 3</b>                              | (0.5)          | (0.5)          | (0.5)          | 0.0            | 0.0            |
| <b>Net Impact on Business Rates</b>  | <b>(1.7)</b>   | <b>(2.0)</b>   | <b>(2.0)</b>   | <b>(0.1)</b>   | <b>(0.1)</b>   |
| <b>Service Income Reduction</b>  | (1.0)          | (1.0)          | (1.0)          | (1.0)          | (1.0)          |
| <b>COVID pressures not funded by Government</b>  | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            |
| <b>Total Changes from Baseline</b>   | <b>(5.5)</b>   | <b>(5.8)</b>   | <b>(5.1)</b>   | <b>(2.4)</b>   | <b>(2.0)</b>   |
| <b>Optimistic Scenario – Updated Budget Gap</b>  | <b>(5.5)</b>   | <b>8.8</b>     | <b>12.0</b>    | <b>21.9</b>    | <b>19.0</b>    |

| <b><u>PESSIMISTIC SCENARIO</u></b>  | <b>2021/22</b> | <b>2022/23</b> | <b>2023/24</b> | <b>2024/25</b> | <b>2025/26</b> |
|---|----------------|----------------|----------------|----------------|----------------|
|   | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      |
| <b>Baseline Scenario – Budget Gap</b>   | 0.0            | 14.6           | 17.1           | 24.3           | 21.0           |
| <b><u>Changes from baseline</u></b>   |                |                |                |                |                |
| <b>Council Tax Housing Growth - 0.5k reduction year 1, 1k growth p.a. re-established by year 3</b>  | 1.6            | 2.4            | 2.5            | 2.6            | 2.6            |
| <b>CTR Claimant Numbers - 5000 increase year 1</b>  | 0.5            | 0.5            | 0.5            | 0.5            | 0.5            |
| <b>Council Tax Collection Rate - 97.6% year 1, recover by year 3</b>                                | 1.4            | 1.5            | 1.0            | 0.5            | 0.0            |
| <b>Net Impact on Council Tax Base</b>   | <b>3.5</b>     | <b>4.4</b>     | <b>4.0</b>     | <b>3.6</b>     | <b>3.1</b>     |
| <b>Economic Impact on Council Share of Business Rates - 10% reduction year 1, recover by year 5</b> | 3.0            | 3.1            | 1.7            | 1.7            | 0.3            |
| <b>Business Rates Collection Rate - 96.6% year 1, recover by year 3</b>                             | 0.4            | 0.4            | 0.5            | 0.5            | 0.0            |
| <b>Net Impact on Business Rates</b>   | <b>3.4</b>     | <b>3.5</b>     | <b>2.2</b>     | <b>2.2</b>     | <b>0.3</b>     |
| <b>Service Income Reduction</b>   | 2.0            | 2.0            | 2.0            | 2.0            | 2.0            |
| <b>COVID pressures not funded by Government</b>   | 8.0            | 0.0            | 0.0            | 0.0            | 0.0            |
| <b>Total Changes from Baseline</b>  | <b>16.9</b>    | <b>9.9</b>     | <b>8.2</b>     | <b>7.8</b>     | <b>5.4</b>     |
| <b>Worst Case Scenario – Updated Budget Gap</b>   | <b>16.9</b>    | <b>24.5</b>    | <b>25.3</b>    | <b>32.1</b>    | <b>26.4</b>    |

| Risk No | Risk – Description of the risk   | Management actions already in place to mitigate the risk   | Control Opptnty | Trend  |
|---------|--|--|-----------------|--|
|         | <b>Emergency &amp; Immediate Risk</b>  |  |                 |  |
| 0       | The current national emergency as result of the Covid 19 coronavirus has huge implications on the Kirklees community, and the Council.   | There are additional risks and impacts on the council (and community) in the short and medium term, which relate to community, operational and financial matters<br>This is an ever-changing position, which requires regular reconsideration until the current crisis is declared under control/has passed, with a substantial number of areas of uncertainty.  | L               | ↑  |
|         | <b>Community Impacts &amp; Risks</b>   | The current national emergency has a serious and significant risk to the community citizens and services users, with particular concerns about the impact on specific user groups.   |                 |  |
| 1       | The council does not adequately safeguard children and vulnerable adults, as a result of increased complexity, referral volumes and a lack of service capacity to respond to the assessed need.<br><br>This risk may have worsened as a result of the full and partial coronavirus lockdown, with reduced referrals, an unwillingness of third parties to make referrals and a reduced ability to investigate. the basic controls described above remain valid | <ul style="list-style-type: none"> <li>• Disclosure &amp; Barring Service (DBS) checking, staff training, supervision, protection policies kept up to date and communicated.</li> <li>• Effective management of social work (and related services); rapid response to any issues identified and from any Safeguarding Practice Reviews (Children), Safeguarding adults reviews and Domestic Homicide Reviews</li> <li>• Active management of cases with media interest</li> <li>• Review of current practices following the child sexual exploitation in other authorities and the emerging requirements.</li> <li>• Ensure that workloads are balanced to resources.</li> <li>• Staff and skill development to minimise dependence on key individuals.</li> <li>• Use of agency staff and or contractors when necessary</li> <li>• Ideal manager training</li> <li>• Development of market sufficiency strategy; consider approaches to support the development of the available service offer both locally and regionally.</li> <li>• Ensure competence of the Safeguarding Boards and that they are adequately resourced to challenge and improve outcomes</li> <li>• Ensure routine internal quality assessment</li> </ul> | H               | ↑<br><br>(Covid related- otherwise probably neutral) |





|   |  |   |    |  |
|---|--|---|----|--|
|   |  | <ul style="list-style-type: none"> <li>• Take effective action after Safeguarding Practice Reviews (Children), Safeguarding adults reviews and Domestic Homicide Reviews</li> <li>• Effective listening to messages about threats from other parts of the council and partner agencies</li> <li>• Proactive recognition of Members role as “corporate parent”</li> <li>• Childrens Improvement Board to assist governance and quality improvement</li> <li>• Ensure effective record keeping</li> </ul> <p><i>Responsible for this risk – R Parry and M Meggs</i></p>   |    | 4x5=20   |
| 2 | Legacy issues of historical childcare management practices, and particularly, the heightened national attention to Child Sexual Exploitation and historical abuse cases leads to reputational issues, and resource demands to address consequential matters. | <ul style="list-style-type: none"> <li>• Additional resources and expertise allocated to new and historical Child Sex Exploitation (CSE) and other legacy work, as required.</li> <li>• Risk matrix and risk management approach implemented with the police and partners.</li> <li>• Understand relationship with the Prevent strategy, and issues linked to counter terrorism</li> <li>• Take steps per risk 7 to seek to avoid ongoing issues</li> <li>• Ensure effective record keeping</li> </ul> <p><i>Responsible for this risk –M Meggs</i></p>   | LM | <br><br>4x4=16  |
| 3 | Failure to address matters of violent extremism and related safer stronger community factors, including criminal exploitation, create significant community tension, (and with the potential of safeguarding consequences for vulnerable individuals).       | <ul style="list-style-type: none"> <li>• Prevent Partnership Action Plan.</li> <li>• Community cohesion work programme</li> <li>• Local intelligence sharing and networks.</li> <li>• Status as a Prevent Priority Area provides funding for a Prevent Coordinator Post and enables the development of bids for additional funding.</li> <li>• Counter terrorism local profile.</li> <li>• Awareness that campaigns such as black lives matter may give cause to action and reaction.</li> <li>• Global events can create ongoing potential issues and tensions, (national risk status raised recently) which the council needs awareness and mitigations strategies</li> <li>• West Yorkshire Violence Reduction Unit will assist</li> <li>• Anti-Lockdown protest risks or may create social tensions</li> </ul> <p><i>Responsible for this risk – R Parry and M Meggs (&amp; J Greenfield)</i></p> | M  | <br><br>4x5=20 |


|   |   |  |    |   |
|---|---|--|----|---|
| 4                                       | Significant environmental events such as severe weather impact on the Council's ability to continue to deliver services.  | <ul style="list-style-type: none"> <li>• Effective business continuity and emergency planning (including mutual aid) investment in flood management, gritting deployment plans.</li> <li>• Winter maintenance budgets are supported by a bad weather contingency.</li> <li>• Operational plans and response plans designed to minimise impacts (e.g. gully cleansing for those areas which are prone to flooding.)</li> <li>• Emergency Planning risks for current year reflect risks of (e.g.) staff sickness for both services such as gritting and meeting home care commitments-. This is always difficult, but more fragility than normal due to covid.</li> </ul> <p><i>Responsible for this risk – C Parr</i></p>   | M  | <br>4x5=20 |
| 5                                       | Risk of infection with a high consequence infectious disease (HCIDs airborne) with the consequent impacts of pressure on services through demand, and a reduced ability to deliver services resultant from staff absences and similar.<br><br>International transmission of HCIDs issues can also affect supply chains with the consequence of availability of products | <ul style="list-style-type: none"> <li>• National mitigation actions controlled through UK Government and devolved administrations.</li> <li>• Advice/instruction to/from, Chief Medical Officer, PHE, Health and Social care system. and schools (from DfE).</li> <li>• More local mitigations controlled through Public Health, Health protection.</li> <li>• Local lockdown processes in line with statutory positions</li> <li>• Business continuity planning and arrangements invoked.</li> <li>• Preparations for risk of recurrence</li> <li>• Understanding supply change and alternatives, and mitigations to retain essential existing suppliers where appropriate</li> <li>• Appropriate advice and Information cascaded to Kirklees citizens and staff</li> </ul> <p><i>Responsible for this risk –Rachel Spencer Henshall &amp; all of ET</i></p> | L  | <br>5x5=25 |
| <b>The UKs relationship with the EU</b> |   |  |    |   |
| 6                                       | The process of establishing new relationships between the UK and the EU lead to the following consequences and impacts: <ul style="list-style-type: none"> <li>• Supply chain issues (probably only a short term risk)</li> </ul>   | These risks are largely addressed elsewhere in the Matrix. Local businesses may consider that coronavirus related risk is a more severe threat now and impacts from the revised trading arrangement are likely to emerge over time; <ul style="list-style-type: none"> <li>• Monitor government proposals and actions, and their impact on council, partner services and local businesses</li> <li>• Working with the WY Combined Authority, and other WY local authorities and partners</li> </ul>  | LM |          |

|          |  |   |          |   |
|----------|--|---|----------|---|
|          | <ul style="list-style-type: none"> <li>• The economic outlook (with a lack of clarity) impacting on levels of trade and investment.</li> <li>• Impacting on business rates and housing growth,</li> <li>• Imports attract tariffs, which leads to increased costs -and inflation</li> <li>• Uncertainty about migration impacting on labour markets, particularly in key sectors like health and social care</li> <li>• The general uncertainty affecting the financial markets could lead exacerbate recessionary tendencies.</li> <li>• The potential for increased cuts in core government funding (as a result of economic pressures) in the context of ongoing increases in demand for council services.</li> </ul> | <ul style="list-style-type: none"> <li>• Continue to lobby, through appropriate mechanisms, for additional resources and flexibilities in the use of existing funding streams to e.g. Local Government Association (LGA)</li> <li>• Be aware of underlying issues through effective communication with partners, service providers and suppliers and other businesses about likely impact on prices and resources.</li> <li>• Ensure that budgets anticipate likely cost impacts</li> <li>• Local intelligence sharing and networks.</li> <li>• Continue to work with local employer representative bodies e.g. FSB, MYCCI to make best use of existing resources and lobby for additional resources to support businesses in the post EU period</li> <li>• Service and financial strategies kept under review to keep track of developments related to the UKs changed trading relationship with the EU.</li> <li>• Utilise supplementary resources to cushion impact of any cuts and invest to save.</li> <li>• Ensure (to the extent possible) adequacy of financial revenue reserves to protect the council financial exposure and that they are managed effectively not to impact on the council essential services</li> <li>• Working Group continues to monitor implications.</li> </ul> <p><i>Responsible for this risk –all ET</i></p> |          | 4x4=16  |
|          | <b>The finances of the Council</b>   | The current national emergency has a serious and significant risk to the councils financial position-   |          |   |
| <b>7</b> | A failure to achieve the Councils savings plan impacts more generally on the councils finances with the necessity for unintended savings   | <ul style="list-style-type: none"> <li>• Significant impacts on incomes (as a result of coronavirus impacts and similar), and cost pressures on certain service areas</li> <li>• Established governance arrangements are in place to achieve planned outcomes at Cabinet and officer level</li> <li>• Escalation processes are in place and working effectively.</li> </ul>   | <b>M</b> |  |










|    |   |   |    |   |
|----|---|---|----|---|
|    | impact on the ability of providers to deliver activities of the specified quality, and or impacting on the prices charged and impacting on the budgets of the Council.  | <ul style="list-style-type: none"> <li>Be aware of underlying issues through effective communication with service providers and suppliers about likely impact on prices</li> <li>Renegotiate or retender contracts as appropriate.</li> <li>Ensure that budgets anticipate likely cost impacts</li> <li>Seek additional funding as a consequence of government-imposed costs</li> </ul> <p><i>Responsible for this risk - E Croston &amp; R Parry</i></p>   |    | <br>4x4=16   |
| 10 | Making inappropriate choices in relation to lending or and borrowing decisions, leads to financial losses.  | <ul style="list-style-type: none"> <li>Effective due diligence prior to granting loans and careful monitoring of investment decisions.</li> <li>Effective challenge to treasury management proposals by both officers and members (Corporate Governance &amp; Audit Committee) taking account of external advice</li> </ul> <p><i>Responsible for this risk - E Croston</i></p>   | MH | <br>2x5=10   |
| 11 | Exposure to uninsured losses or significant unforeseen costs, leads to the necessity for unintended savings to balance the councils finances. Insurance market unwilling to cover certain risks.  | <ul style="list-style-type: none"> <li>Ensure adequacy of financial revenue reserves to protect the council financial exposure and managed effectively not to impact on the council essential services.</li> <li>Consider risks and most cost-effective appropriate approach to responding to these (internal or external insurance provision).</li> <li>Awareness of risk activity that is not insured or uninsurable.</li> </ul> <p><i>Responsible for this risk - E Croston &amp; J Muscroft</i></p>   | H  | <br>4x4=16   |
| 12 | <p>The financial regime set by government causes a further loss of resources or increased and under-funded obligations (e.g. in relation to social care), with impact on the strategic plans.</p> <p>This relates to the essential dependence on initial and medium-term financial support from government as a consequence of impact on the council's finances from coronavirus.</p> | <p>The current crisis has resulted in some changes to national finance proposals- but major and fundamental changes to national government funding of crisis costs and implications (e.g. loss of tax and trading revenues) impact more heavily.</p> <p>The government has promised continuing resource to meet coronavirus consequence, but it is unclear if this will be adequate, if the government will seek to risk share, and the financial consequence in the medium term. In the longer- term risks remain.</p> <ul style="list-style-type: none"> <li>Monitor government proposals and legislation, and their impact on council and partner services.</li> <li>Continue to lobby, through appropriate mechanisms, for additional resources e.g. Local Government Association (LGA)</li> <li>Be aware of underlying issues through effective communication with citizens, partners, service providers and suppliers about likely impact on resources</li> </ul> | L  | <br>5x5=25 |

|           |   |  |           |   |
|-----------|---|--|-----------|---|
|           | Future national budget position and allocation of funding to local authorities.   | <ul style="list-style-type: none"> <li>• Ensure that budgets anticipate likely impacts</li> <li>• Ensure adequacy of financial revenue reserves to protect the council financial exposure and managed effectively not to impact on the council essential services.</li> </ul> <p style="text-align: center;"><i>Responsible for this risk - E Croston &amp; ET</i></p>   |           |   |
|           | <b>Other Resource &amp; Partnership Risks</b>   | The current national emergency has a serious and significant risk to the councils position with regard to commercial and community suppliers, information management /technology/cyber, health and safety- addressed in more detail in the special report  |           |   |
| <b>13</b> | <p>Council supplier and market relationships, including contractor failure leads to;</p> <ul style="list-style-type: none"> <li>• loss of service,</li> <li>• poor quality service</li> <li>• an inability to attract new suppliers (affecting competition, and to replace any incumbent contractors who have failed)</li> <li>• complexities and difficulties in making arrangements in respect of significant and long running major outsource contracts, and their extension and renewal.</li> </ul> | <ul style="list-style-type: none"> <li>• Avoid, where possible, over dependence on single suppliers</li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• Consideration of social value, local markets and funds recirculating within the borough</li> <li>• Understanding supply chains and how this might impact on the availability of goods and services</li> <li>• Be realistic about expectation about what the market can deliver, taking into account matter such as national living wage, recruitment and retention issues etc.</li> <li>• Develop and publish in place market position statement and undertake regular dialogue with market.</li> <li>• Effective consultation with suppliers about proposals to deal with significant major external changes</li> <li>• Early consultation with existing suppliers about arrangements to be followed at the end of existing contractual arrangements</li> <li>• Realign budgets to reflect real costs</li> </ul> | <b>MH</b> |  |

5x4=20




|    |  |  |   |                        |
|----|--|--|---|------------------------|
|    |  | <ul style="list-style-type: none"> <li>• Commission effectively</li> <li>• Ensuring adequate cash flow for smaller contractors</li> </ul> <p><i>Responsible for this risk – J Muscroft</i></p>   |   |                        |
| 14 | <p>Management of information from loss or inappropriate destruction or retention and the risk of failure to comply with the Council's obligations in relation to Data Protection, Freedom of Information legislation and the General Data Protection Regulations (GDPR) leading to reputational damage, rectification costs and fines. Cyber related threats affecting data integrity and system functionality. (Volume of working from home may increase risks or change their perspective)</p> | <ul style="list-style-type: none"> <li>• Thorough, understandable information security policies and practices that are clearly communicated to workforce and councillors</li> <li>• Effective management of data, retention and recording.</li> <li>• Raised awareness and staff and councillor training</li> <li>• Compliance with IT security policy.</li> <li>• Compliance with retention schedules.</li> <li>• Compliance with information governance policy.</li> <li>• Business continuity procedures.</li> <li>• Recognition of increased risk from homeworking (e.g. destruction of paper records), and whether there is a need for additional security, training or other matters</li> <li>• Comply with new legislation around staff access to sensitive data.</li> <li>• Council has a Senior Information Risk Owner ("SIRO") officer and a Data Protection Officer (DPO) who are supported by an Information Governance Board</li> <li>• Development of action plan to respond to GDPR requirements and resourcing requirements as appropriate</li> <li>• Increased awareness of officers and members as to their obligations</li> <li>• Proactive management of cyber issues, including additional web controls</li> </ul> <p><i>Responsible for this risk – J Muscroft</i></p> | <p><b>H</b><br/>(INFO)<br/><b>M</b><br/>(CYBER)</p> | <p>↑</p> <p>4x5=20</p> |
| 15 | <p>Health and safety measures are inadequate leading to harm to employees or customers and possible litigious action from them personally and/or the Health and Safety Executive.(and the potential of prosecution and corporate</p>   | <ul style="list-style-type: none"> <li>• Ensuring appropriate H&amp;S responses re Coronavirus (appropriately balancing statutory obligations, desirable positions and commerciality/business risk)</li> <li>• New Fire Safety Policy approved and being implemented with improved monitoring of fire risk</li> <li>• Prioritised programme of remedial works to buildings to tackle fire safety and other issues</li> <li>• Review work practices to address H&amp;S risks</li> </ul>   | <p><b>H</b></p>                                     | <p>↑</p>               |

|    |  |  |   |   |
|----|--|--|---|---|
|    | /personal liability)(and in particular issues of fire safety,)   | <ul style="list-style-type: none"> <li>• Monitor safety equipment</li> <li>• Improved employee training as to their responsibilities, as employees and (where appropriate) as supervisors. Improved employee work practices</li> <li>• Approval of additional resources to improve corporate monitoring regime.</li> </ul> <p><i>Responsible for this risk – R Spencer Henshall</i></p>  |   | 3x5=15  |
| 16 | Exposure to increased liabilities arising from property ownership and management, including dangerous structures and asbestos, with reputational and financial implications.                                     | <ul style="list-style-type: none"> <li>• Active site management</li> <li>• Routine servicing and cleansing regimes (including coronavirus compliance in both operational and managed tenanted commercial property)</li> <li>• Work practices to address risks from noxious substances</li> <li>• Property disposal strategy linked to service and budget strategy</li> <li>• Review of fire risks Develop management actions, categorised over the short to medium term and resource accordingly.</li> <li>• Prioritisation of funding to support reduction of backlog maintenance</li> <li>• Clarity on roles and responsibilities particularly where property management is outsourced</li> </ul> <p><i>Responsible for this risk – C Parr</i></p> | H | <br>4x4=16 |
| 17 | A funding shortfall in partner agencies) leads to increased pressure on community services with unforeseen costs.  | <ul style="list-style-type: none"> <li>• Engagement in resilience discussions with NHS partners</li> <li>• Secure funding as appropriate</li> <li>• Consider extension of pooled funds</li> <li>• Understanding potential impacts on demand for council services</li> <li>• Accept that this may lead to an increase in waiting times</li> <li>• Strengthen partnership arrangements to ascertain whether other funding or cost reduction solutions can be introduced.</li> <li>• Assess dependency on voluntary organising, and impacts that coronavirus has on their sustainability, and consider actions.</li> </ul> <p><i>Responsible for this risk – R Parry &amp; all ET</i></p>   | L | <br>4x4=16 |
| 18 | The risk of retaining a sustainable, diverse, workforce, including <ul style="list-style-type: none"> <li>• aging and age profile</li> <li>• encouraging people to enter hard to recruit roles (which</li> </ul> | <ul style="list-style-type: none"> <li>• Effective Workforce Planning (including recruitment and retention issues)</li> <li>• Modernise Human Resources policies and processes</li> <li>• Increased accessibility to online training managers/ employees.</li> <li>• Selective use of interim managers and others to ensure continuity of progress regarding complex issues</li> </ul>   | H |          |

|    |  |   |   |   |
|----|--|---|---|---|
|    | <p>often have low pay, or challenging hours or tasks)</p> <ul style="list-style-type: none"> <li>encouraging entrants to professional roles where pay is often below market levels.</li> <li>and ensuring that the workforce is broadly content, without whom the council is unable to deliver its service obligations.</li> </ul> | <ul style="list-style-type: none"> <li>Ensure robust change processes including Equality Impact Assessments (EIA's) and consultation.</li> <li>Understand market pay challenges</li> <li>Promote the advantages of LG employment</li> <li>Emphasise the satisfaction factors from service employment</li> <li>Engage and encourage younger people through targeted apprenticeships, training, and career development (and recognising that young peoples skills, knowledge, and expectations may be impacted by coronavirus)</li> <li>Ensuring awareness to ensure employees safety and health (including stress)</li> <li>Consider issues about a workforce reflective of the community, inclusion, diversity and coronavirus issues</li> </ul> <p><i>Responsible for this risk – R Spencer Henshall</i></p> |   | 4x4=16  |
| 19 | National legislative or policy changes have unforeseen consequences with the consequence of affecting resource utilisation or budgets.   | <ul style="list-style-type: none"> <li>Reprioritise activities</li> <li>Deploy additional resources</li> <li>Use of agency staff or contractors where necessary</li> <li>Development of horizon scanning service</li> </ul> <p><i>Responsible for this risk – all ET</i></p>  | L | <br>5x4=20 |
| 20 | Compliance with the councils own climate change commitments, and or statutory climate change obligations fails to achieve objectives and ambitions, and or causes unanticipated costs or operational consequences  | <ul style="list-style-type: none"> <li>Reconsideration of priorities and potential achievability within timescales</li> <li>Monitoring of achievements</li> <li>Effective project planning and costing</li> <li>Awareness of local consequences</li> <li>Awareness of local consequences of national commitments and obligations</li> <li>Lobbying for financial and other government support in relation to the costs of meeting obligations</li> <li>WYCA related projects will require assessment of carbon impacts</li> </ul> <p><i>Responsible for this risk – C Parr</i></p>  | M | <br>4x4=16 |

All risks shown on this corporate matrix are considered to have a potentially high probability, or impact, which may be in the short or medium horizon  
20210111

TREND ARROWS

|                   |   |
|-------------------|---|
| Worsening         |  |
| Broadly unchanged |  |
| Improving         |  |

CONTROL OPPORTUNITIES

|   |  |
|---|--|
| H | This risk is substantially in the control of the council                             |
| M | This risk has features that are controllable, although there are external influences |
| L | This risk is largely uncontrollable by the council                                   |

**Risk Factor**    Probability    Likelihood, where 5 is very likely and 1 is very unlikely    Impact    The consequence in financial or reputational    Risk    Probability x Impact

**Introduction**

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

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

**Capital Expenditure and Financing**

Capital expenditure is where the Council spends money on assets, such as property or vehicles that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Council has some limited discretion on what counts as capital expenditure, for example assets costing below £10,000 are not capitalised and are charged to revenue in year.

In 2021/22, the Council is planning capital expenditure of £218.3 million as summarised below:

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

|                       | <b>2020/21<br/>forecast<br/>£m</b> | <b>2021/22<br/>budget<br/>£m</b> | <b>2022/23<br/>budget<br/>£m</b> | <b>2023/24<br/>budget<br/>£m</b> | <b>2024/25<br/>budget<br/>£m</b> | <b>2025/26<br/>budget<br/>£m</b> |
|-----------------------|------------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| General Fund services | 109.4                              | 172.8                            | 191.1                            | 98.8                             | 87.2                             | 71.6                             |
| Council housing (HRA) | 19.9                               | 33.6                             | 35.3                             | 35.1                             | 36.2                             | 32.7                             |
| Capital Investments   | 6.1                                | 11.9                             | 15.0                             | 4.0                              | 0.0                              | 0.0                              |
| <b>TOTAL</b>          | <b>135.4</b>                       | <b>218.3</b>                     | <b>241.4</b>                     | <b>137.9</b>                     | <b>123.4</b>                     | <b>104.3</b>                     |

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

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

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

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

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

Council Financial Procedure Rules also set out the specific financial governance requirements for consideration with regards the Council's capital investment. This includes the requirement for any schemes approved by Council at Programme level, to be considered subsequently for Cabinet approval through submission of a more detailed business case as required. Full details of the Council's multi-year capital plan is set out in the Council's annual 2021-26 budget report.

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

Capital financing

|                   | <b>2020/21<br/>forecast<br/>£m</b> | <b>2021/22<br/>budget<br/>£m</b> | <b>2022/23<br/>budget<br/>£m</b> | <b>2023/24<br/>budget<br/>£m</b> | <b>2024/25<br/>budget<br/>£m</b> | <b>2025/26<br/>budget<br/>£m</b> |
|-------------------|------------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| External sources  | 52.2                               | 85.9                             | 83.0                             | 35.3                             | 51.0                             | 52.8                             |
| Capital resources | 6.5                                | 9.2                              | 18.1                             | 14.2                             | 11.5                             | 8.8                              |
| Revenue resources | 17.2                               | 25.0                             | 25.9                             | 24.2                             | 24.8                             | 25.5                             |
| Debt              | 59.5                               | 98.2                             | 114.4                            | 64.2                             | 36.1                             | 17.2                             |
| <b>TOTAL</b>      | <b>135.4</b>                       | <b>218.3</b>                     | <b>241.4</b>                     | <b>137.9</b>                     | <b>123.4</b>                     | <b>104.3</b>                     |

Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP). The Council's minimum revenue provision (MRP) policy is set out in the Council's Treasury Management Strategy which is appended at Appendix I to the Council's 2021-26 Annual budget report.

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



### Replacement of debt finance

|  | <b>2020/21<br/>forecast<br/>£m</b> | <b>2021/22<br/>budget<br/>£m</b> | <b>2022/23<br/>budget<br/>£m</b> | <b>2023/24<br/>budget<br/>£m</b> |
|--|------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Revenue resource MRP (underlying cost)           | 13.7                               | 14.8                             | 16.5                             | 18.5                             |
| Revenue resources MRP (unwind of over-provision) | (13.7)                             | (13.7)                           | (13.6)                           | (0.1)                            |
| <b>Total</b>                                     | <b>0.0</b>                         | <b>1.1</b>                       | <b>2.9</b>                       | <b>18.4</b>                      |

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

### Prudential Indicator: Estimates of Capital Financing Requirement

|                            | <b>2020/21<br/>forecast<br/>£m</b> | <b>2021/22<br/>budget<br/>£m</b> | <b>2022/23<br/>budget<br/>£m</b> | <b>2023/24<br/>budget<br/>£m</b> |
|----------------------------|------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| General Fund CFR- Non PFI  | 504.4                              | 577.2                            | 661.0                            | 703.2                            |
| General Fund CFR- PFI      | 42.5                               | 39.4                             | 35.5                             | 33.6                             |
| HRA CFR- Non PFI           | 171.6                              | 173.8                            | 176.8                            | 176.3                            |
| HRA CFR- PFI               | 48.1                               | 45.2                             | 42.7                             | 40.6                             |
| <b>Total CFR</b>           | <b>766.6</b>                       | <b>835.6</b>                     | <b>916.0</b>                     | <b>953.7</b>                     |
| Less: PFI debt liabilities | 90.6                               | 84.6                             | 78.2                             | 74.2                             |
| <b>TOTAL Borrowing CFR</b> | <b>676.0</b>                       | <b>751.0</b>                     | <b>837.8</b>                     | <b>879.5</b>                     |

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

### [Disposals & Acquisitions Policy](#)

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

**Asset disposals:** When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. Repayments of capital grants, loans and investments also generate capital receipts. The Council plans to receive £3 million each year over the period of the Capital Plan (2021-26) from the sale of assets.

## Treasury Management

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

**Borrowing strategy:** The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheap short-term loans (currently available at around 0.10%) and long-term fixed rate loans where the future cost is known but higher (currently 1.5 to 2.5%).

Projected levels of the Council's total outstanding debt (which comprises borrowing, PFI liabilities, leases and transferred debt) are shown below, compared with the capital financing requirement (see above). The estimated debt cost in 2020/21 is £19.5 million.

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

|                               | <b>2020/21<br/>forecast<br/>£m</b> | <b>2021/22<br/>budget<br/>£m</b> | <b>2022/23<br/>budget<br/>£m</b> | <b>2023/24<br/>budget<br/>£m</b> |
|-------------------------------|------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Debt (incl. PFI & leases)     | 560.5                              | 622.5                            | 695.4                            | 735.4                            |
| Capital Financing Requirement | 766.6                              | 835.6                            | 916.0                            | 953.7                            |

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

**Liability benchmark:** To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances are kept to a minimum level of £30 million at each year-end. This benchmark is currently forecast at £477.3 million and is projected to rise to £745.1 million over the next three years.

### Prudential Indicator: Borrowing and the Liability Benchmark

|                       | <b>2020/21<br/>forecast<br/>£m</b> | <b>2021/22<br/>budget<br/>£m</b> | <b>2022/23<br/>budget<br/>£m</b> | <b>2023/24<br/>budget<br/>£m</b> |
|-----------------------|------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Outstanding borrowing | 466.2                              | 534.2                            | 613.6                            | 657.6                            |
| Liability benchmark   | 477.3                              | 590.0                            | 683.6                            | 745.1                            |

The table shows that the Council expects to remain borrowed below its liability benchmark. The liability benchmark takes into account reduction in reserves which is not offset with borrowing.

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

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

Prudential Indicators: Authorised limit and operational boundary for external debt

|   | 2020/21<br>limit | 2021/22<br>limit | 2022/23<br>limit | 2023/24<br>limit |
|---|------------------|------------------|------------------|------------------|
| <i>Authorised limit – borrowing</i>                       | 692.3            | 767.3            | 854.2            | 895.9            |
| <i>Authorised limit – other long term liabilities</i>     | 99.3             | 93.3             | 86.8             | 82.8             |
| <i>Authorised limit – Total</i>                           | 791.6            | 860.6            | 941.0            | 978.7            |
| <i>Operational boundary – borrowing</i>                   | 672.3            | 747.3            | 834.2            | 875.9            |
| <i>Operational boundary – other long term liabilities</i> | 94.3             | 88.3             | 81.8             | 77.8             |
| <i>Operational boundary – Total</i>                       | 766.6            | 835.6            | 916.0            | 953.7            |

As part of HRA self-financing reform, the Council is now required to report the limit on HRA indebtedness. The limit was set by the Ministry of Housing, Communities and Local Government (MHCLG) at £247.6 million. It is the HRA CFR excluding PFI liabilities which is compared to this limit and the HRA is over £70 million below the limit.

Further details on borrowing are highlighted in the Treasury Management Strategy appended at Appendix I to the Council’s annual 2021-26 budget report.

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

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

Treasury management investments

|                         | <b>2020/21<br/>forecast<br/>£m</b> | <b>2021/22<br/>budget<br/>£m</b> | <b>2022/23<br/>budget<br/>£m</b> | <b>2023/24<br/>budget<br/>£m</b> |
|-------------------------|------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Near-term investments   | 20                                 | 20                               | 20                               | 20                               |
| Longer-term investments | 10                                 | 10                               | 10                               | 10                               |
| <b>TOTAL</b>            | <b>30</b>                          | <b>30</b>                        | <b>30</b>                        | <b>30</b>                        |

Further details on treasury investments are highlighted in the Treasury Management Strategy appended at Appendix I to the Council's annual 2021-26 budget report.

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

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

### **Investments for Service Purposes**

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

In light of the public service objective, the Council is willing to take more risk than with treasury investments, however it still plans for such investments to break even after all costs.

**Governance:** Decisions on service investments are made by the Strategic Director - Growth and Regeneration, in consultation with the Service Director Finance, and must meet the criteria and limits laid down in the Investment Strategy. Most loans and shares are capital expenditure and purchases will therefore also be approved as part of the capital programme.

Further details on service investments are shown in the Investment Strategy appended to the Treasury Management Strategy (Appendix I in the Council's annual 2021-26 budget report).

### **Revenue Budget Implications**

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

**Prudential Indicator: Proportion of financing costs to net revenue stream**

|                                  | <b>2020/21<br/>forecast<br/>£m</b> | <b>2021/22<br/>budget<br/>£m</b> | <b>2022/23<br/>budget<br/>£m</b> | <b>2023/24<br/>budget<br/>£m</b> | <b>2024/25<br/>budget<br/>£m</b> | <b>2025/26<br/>budget<br/>£m</b> |
|----------------------------------|------------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Financing costs (£m)             | 30.5                               | 32.2                             | 34.6                             | 35.0                             | 37.0                             | 38.3                             |
| Proportion of net revenue stream | 9.1%                               | 9.5%                             | 9.9%                             | 9.6%                             | 10.1%                            | 10.3%                            |
| General Fund (excl PFI)          | 7.6%                               | 8.0%                             | 8.5%                             | 9.0%                             | 9.1%                             | 9.3%                             |
| HRA                              | 30.7%                              | 29.9%                            | 29.1%                            | 28.5%                            | 27.5%                            | 27.6%                            |
| HRA (excl PFI)                   | 29.4%                              | 28.7%                            | 28.1%                            | 27.6%                            | 26.7%                            | 26.9%                            |

Further details on the revenue implications of capital expenditure are detailed in the Council's annual 2021-26 budget report.

**Sustainability:** Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The Service Director Finance and Council s151 Officer is satisfied that the proposed multi-year capital plan and borrowing affordability remains prudent, affordable and sustainable. The context for this current judgement is also reflected in the s151 Officer's statutory Positive Assurance statement as part of the 2021-26 annual budget report.

**Liabilities**

In addition to debt detailed above, the Council is committed to making future payments to cover its pension fund deficit (valued at £825 million) and its PFI finance lease obligation (total liability of all schemes £96 million, offset by a net book value of assets of £75 million). It has also set aside provisions of £13 million to cover risks associated with Business Rates Appeals and the Council's Insurance Fund. The Council is also at risk of having to pay for a number of contingent liabilities (which are separately disclosed each year in the Statement of Accounts) and is satisfied that any potential future liabilities are covered as part of its overall financial resilience reserves.

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

**Knowledge and Skills**

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Service Director Finance is a qualified accountant with extensive local government experience, the Strategic Director – Growth and Regeneration has extensive experience of major Council regeneration schemes and partnerships with major business and

third party partners, as do key Service Directors. The Council pays for junior staff to study towards relevant professional qualifications including CIPFA and AAT.

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

KIRKLEES COUNCIL - FLEXIBLE USE OF CAPITAL RECEIPTS STRATEGY

1. Government guidance allows the capitalisation of certain types of qualifying revenue expenditure in-year, funded from the flexible use of 'in-year' generated capital receipts. It covers in-year capital receipts generated in-year, from 2016-17 to 2021-22 inclusive.
2. In-year generated capital receipts includes general fund receipts from the sale of general fund land and buildings. It also includes 'right to buy' (RTB) receipts from the sale of Council houses. These are remaining receipts that are also available to the Council, after taking account of the Council's other obligations in relation to RTB receipts generated in-year.
3. It is proposed that consideration be given to applying 'in-year' capital receipts generated, to fund the following qualifying capitalised revenue expenditure, in line with original DCLG guidance issued in March 2016, as follows :
  - i) *funding the cost of service reconfiguration, restructuring or rationalisation (staff or non-staff), where this leads to ongoing efficiency savings or service transformation;*
  - ii) *driving a digital approach to the delivery of more efficient public services and how the public interacts with constituent authorities where possible;*
4. The time period relating to the above qualifying expenditure covers 2018-19 and the following 3 years. The original DCLG guidance covered the 2016-19 period, but this was subsequently extended by a further 3 years, to 2021-22, following the Autumn Statement announcement on November 17th, 2017.
5. The extent to which capital receipts will actually be applied in-year will take into account the following factors :
  - i) the amount of capital receipts actually generated in-year;
  - ii) the amount of qualifying capitalisable revenue expenditure in-year;
  - iii) the affordability of borrowing to fund the capital plan in-year, where current funding assumptions include use of in-year capital receipts to part fund the Councils annual general fund capital plan
6. The proposals set out in 3. above are 'in principle', and allow officers the 'flexibility' to consider a range of funding options in-year that meet the intended objectives set out in the Council's budget strategy update.
7. It is intended that officers will update members as part of the annual budget report to full Council each February, and finalised proposals for the flexible use of capital receipts to be incorporated into an annual early closedown review report for Cabinet consideration early April.

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

**KIRKLEES METROPOLITAN COUNCIL**  
**COUNCIL MEETING - 10 FEBRUARY 2021**  
**COUNCIL TAX**

1. That the Revenue Budget for the year 2021-2022, as submitted, be approved.
2. That it be noted that at its meeting on 26 January 2021 the Council calculated the following amounts for the year 2020-2021 in accordance with regulations made under Section 31B of the Local Government Finance Act 1992, as amended (the "Act") and subject to the calculation of any consequential changes to the Council Tax Base delegated to the Service Director - Finance:-

(a) 119,177.54 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   | 5,784.34  |
| Parish of Holme Valley | 10,092.94 |
| Parish of Kirkburton   | 8,936.65  |
| Parish of Meltham      | 2,834.30  |
| Parish of Mirfield     | 6,611.24  |

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 2021-22 (excluding parish precepts) is £196,420,000
4. That the following amounts be now calculated by the Council for the year 2021-2022 in accordance with Sections 31 to 36 of the Act:-
  - (a) £ 879,056,089 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) £ 681,834,582 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) £ 197,221,507 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) £ 1,654.85 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) £ 801,507 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.
- (f) £ 1,648.13 being the amount at 4(d) above, less the result given by dividing the amount at 4(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its council tax for the year for dwellings in those parts of its area to which no Parish precept relates.

g)

| <u>Part of the Council's area</u> | Base Council Tax £ | Parish Precept £ | Resultant Council Tax £ |
|-----------------------------------|--------------------|------------------|-------------------------|
| Parish of Denby Dale              | 1648.13            | 25.62            | 1673.75                 |
| Parish of Holme Valley            | 1648.13            | 27.18            | 1675.31                 |
| Parish of Kirkburton              | 1648.13            | 15.72            | 1663.85                 |
| Parish of Meltham                 | 1648.13            | 48.25            | 1696.38                 |
| Parish of Mirfield                | 1648.13            | 15.39            | 1663.52                 |
| Other Kirklees areas              | 1648.13            | 0.00             | 1648.13                 |

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

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

(h) Kirklees Valuation Bands

| Part of the Council's area | <u>A</u><br>£ | <u>B</u><br>£ | <u>C</u><br>£ | <u>D</u><br>£ | <u>E</u><br>£ | <u>F</u><br>£ | <u>G</u><br>£ | <u>H</u><br>£ |
|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Denby Dale                 | 1,115.83      | 1,301.81      | 1,487.77      | 1,673.75      | 2,045.69      | 2,417.64      | 2,789.58      | 3,347.50      |
| Holme Valley               | 1,116.87      | 1,303.02      | 1,489.16      | 1,675.31      | 2,047.60      | 2,419.89      | 2,792.18      | 3,350.62      |
| Kirkburton                 | 1,109.23      | 1,294.11      | 1,478.97      | 1,663.85      | 2,033.59      | 2,403.34      | 2,773.08      | 3,327.70      |
| Meltham                    | 1,130.92      | 1,319.41      | 1,507.89      | 1,696.38      | 2,073.35      | 2,450.32      | 2,827.30      | 3,392.76      |
| Mirfield                   | 1,109.01      | 1,293.85      | 1,478.68      | 1,663.52      | 2,033.19      | 2,402.86      | 2,772.53      | 3,327.04      |
| All other parts            | 1,098.75      | 1,281.88      | 1,465.00      | 1,648.13      | 2,014.38      | 2,380.63      | 2,746.88      | 3,296.26      |

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 2021-2022 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><br>£ | <u>B</u><br>£ | <u>C</u><br>£ | <u>D</u><br>£ | <u>E</u><br>£ | <u>F</u><br>£ | <u>G</u><br>£ | <u>H</u><br>£ |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| West Yorkshire Fire & Civil Defence Authority | 44.79         | 52.25         | 59.72         | 67.18         | 82.11         | 97.04         | 111.97        | 134.36        |
| West Yorkshire Police Authority               | 140.85        | 164.33        | 187.80        | 211.28        | 258.23        | 305.18        | 352.13        | 422.56        |

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

6. That, having calculated the aggregate in each case of the amounts at 4(g) and 5, the Council, in accordance with Sections 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of council tax for the year 2021-2022 for each of the categories of dwelling shown below:-

| Part of the Council's area | <u>Valuation Bands</u> |               |               |               |               |               |               |               |
|----------------------------|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                            | <u>A</u><br>£          | <u>B</u><br>£ | <u>C</u><br>£ | <u>D</u><br>£ | <u>E</u><br>£ | <u>F</u><br>£ | <u>G</u><br>£ | <u>H</u><br>£ |
| Denby Dale                 | 1,301.47               | 1,518.39      | 1,735.29      | 1,952.21      | 2,386.03      | 2,819.86      | 3,253.68      | 3,904.42      |
| Holme Valley               | 1,302.51               | 1,519.60      | 1,736.68      | 1,953.77      | 2,387.94      | 2,822.11      | 3,256.28      | 3,907.54      |
| Kirkburton                 | 1,294.87               | 1,510.69      | 1,726.49      | 1,942.31      | 2,373.93      | 2,805.56      | 3,237.18      | 3,884.62      |
| Meltham                    | 1,316.56               | 1,535.99      | 1,755.41      | 1,974.84      | 2,413.69      | 2,852.54      | 3,291.40      | 3,949.68      |
| Mirfield                   | 1,294.65               | 1,510.43      | 1,726.20      | 1,941.98      | 2,373.53      | 2,805.08      | 3,236.63      | 3,883.96      |
| All other parts            | 1,284.39               | 1,498.46      | 1,712.52      | 1,926.59      | 2,354.72      | 2,782.85      | 3,210.98      | 3,853.18      |

7. The Council has determined that its relevant basic amount of Council Tax for 2021-2022 is **not** excessive in accordance with principles approved under section 52ZB Local Government Finance Act 1992.

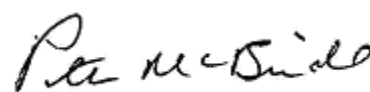
As the billing authority, the Council has **not** been notified by a major precepting authority that its relevant basic amount of Council Tax for 2021-2022 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK Local Government Finance Act 1992.

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

**Motion to be presented by Cllr Shabir Pandor and Cllr Peter McBride**



**Cllr Shabir Pandor**



**Cllr Peter McBride**

Budget Consultation

2021-2022

APPENDIX H

Report on the findings from feedback received during a 6-week consultation on the proposed Inclusive Involvement Priority 2021-2022

**Kirklees Council Research and Intelligence Team**

**January 2021**

## **Background**

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Every year Kirklees Council carries out engagement with its residents in order to aid with the development of the Budget plans for the following year.

Last year's budget we prioritised climate change, Place Based Working (developing services and approaches which differ according to the things that matter to people in their individual Kirklees communities) and improving services to support children.

Whilst the council will continue its work to deliver on these priorities, we know that ongoing Covid-19 pandemic also creates significant financial challenges for the budgets next year.

The impact of COVID -19 has sharpened the need for the council to invest in the economy to promote recovery, in a way that gives everyone an opportunity to benefit from our investment. This focus is called inclusive investment.

## **Aims and Objectives:**

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The overall aim of the consultation was to provide a resident perspective on the focus on inclusive investment and understand which areas residents feel should be prioritised in the council's budget 2021-2022.

Within this wider aim, the specific objectives of the consultation were to:

- Explore residents' views on the Inclusive investment approach proposed by the council.
- Gather residents' views and suggestions on any other areas they feel should be included within the focus of inclusive investment

## **Methodology**

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A consultation was carried out using an online survey made available to the public for a period of 6 weeks between 18th November and 30<sup>th</sup> December 2020.

216 responses were received.

The survey asked residents to rate the priority from high to low of a number of key areas proposed within the inclusive investment focus:

- Jobs for local people

- Increased opportunities for local businesses
- Bringing regeneration to the community
- Employment package to support jobs for young people in Kirklees
- Investment from partners in town centres
- Support for Businesses to benefit from grants, loans and other support

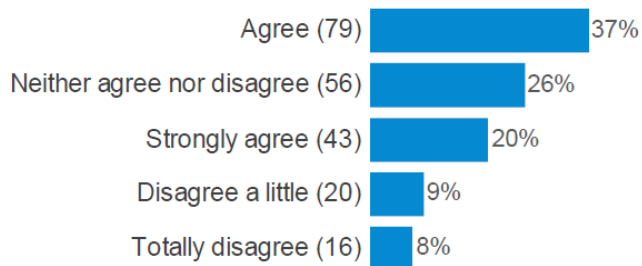
The residents were asked how much they agreed or disagreed with the council's focus of inclusive investment.

Residents were also asked to provide any other areas they feel should be included within the focus of inclusive investment along with providing comments on the overall approach proposed by the council.

A summary of the results is included in this report.

## Summary of results

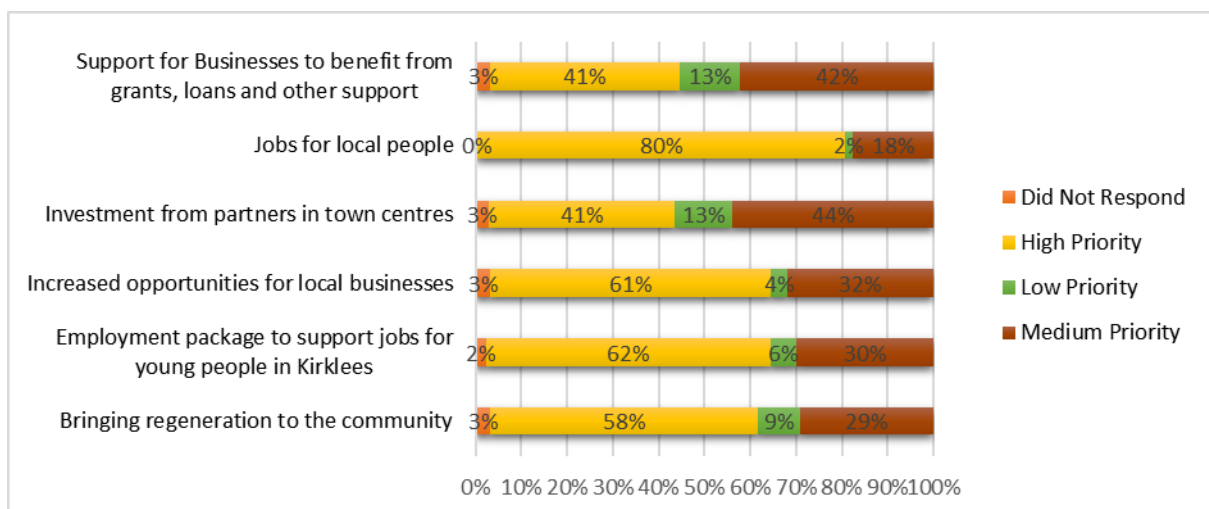
Respondents were asked how much they agreed or disagreed with the councils focus on inclusive investment:



- 57% of respondents felt they agreed or strongly agreed with the focus on inclusive investment
- 26% neither agreed nor disagreed
- 17% disagreed a little or a lot

Respondents were shown several key areas within the inclusive investment focus and asked to rate these with their views on priority level, either low, medium, or high.

The chart below shows how each of the individual areas were rated in terms of **priority from high to low** by all respondents.



The areas of focus that were rated as **highest priority** by all respondents can be seen in the following table.

| Priority Areas   | % of Total Highest priority area |
|--|----------------------------------|
| Jobs for local people  | 80%                              |
| Employment package to support jobs for young people in Kirklees        | 62%                              |
| Increased opportunities for local businesses                           | 61%                              |
| Bringing regeneration to the community                                 | 58%                              |
| Support for Businesses to benefit from grants, loans and other support | 41%                              |
| Investment from partners in town centres                               | 41%                              |

Respondents were asked to discuss any other areas that they felt **should be included** within the focus of Inclusive Investment; 72 comments were received.

Many comments received fall under the broad areas for prioritisation in the survey:

- Jobs for local people
- Increased opportunities for local businesses
- Bringing regeneration to the community
- Employment package to support jobs for young people in Kirklees
- Investment from partners in town centres
- Support for businesses to benefit from grants, loans and other support

Other comments fall under the three areas that were also set out as receiving continued support:

- Climate Change
- Place Based Working
- Improving Services to Support Children

### **Jobs for local people**

Most of the comments under this theme centred around providing education or training for people to be supported into jobs and had a focus on supporting adults with additional needs, such as SEND or social care needs, to help people into employment. Some comments were around inequalities and targeting work at those who need it most including those from deprived communities and those on zero hours contracts.

One comment was around working with neighbouring areas to support jobs growth as people do not always both live and work in Kirklees.



### **Increased opportunities for local businesses**

There were a few ideas for increasing opportunities for local businesses in Kirklees through the council's procurement processes including bringing outsourced services back in-house and commissioning for social value which would, in turn, create more local jobs.

Two comments mentioned supporting local businesses through improving infrastructure projects to make it easier for people to travel to town centres. Infrastructure projects included travel by bus, train and active travel.

One respondent wanted to see more support for local arts/artisan shops and manufacturers to grow and develop their reputation. Another felt investment in local producers would encourage people to buy local and therefore support the clean and green agenda.

### **Bringing regeneration to the community**

Within this theme there was a focus on making areas more attractive with the feeling that this would discourage anti-social behaviour, make people and places feel safer and would bring people into town with opportunities naturally following.

Examples included rubbish and fly tipping removal, repairs including roads, flowers and hanging baskets, modernising town centres, community events such as carnivals and creating more social spaces.

Some comments focussed on the redevelopment of existing, empty buildings for housing or business.

### **Employment package to support jobs for young people in Kirklees**

There was concern from respondents for young people in the wake of the pandemic following disruptions to education and job losses. Some respondents felt that support should focus on those furthest away from the labour market including those from deprived areas and those with SEND.

Types of support included volunteering programmes and a focus on employability skills and experience. One comment felt that support was required for new graduates entering the labour market.

One comment felt there were enough support programmes for young people and support should instead be directed to the elderly and town centres.

### **Investment from partners in town centres**

There was only one comment under this theme and this was around the importance of the third sector as a contributor to regeneration.

## **Climate change**

Commenters in this theme were largely concerned about creating a green recovery that focussed on creating jobs in recycling, renewables, housing upgrades, parks and recreation. There was a comment about incentivising businesses to be greener and two that mentioned improvements to infrastructure that supported walking, cycling and public transport.

Some commenters were concerned about recycling and there was the suggestion of a recycling strategy to support recycling as a resource and to increase education around recycling.

## **Place based working**

Many comments in this theme focussed on moving investment and development away from Huddersfield and Dewsbury and creating alternative hubs in other areas. Two comments were around creating inclusive spaces for people to share unique and diverse local stories, heritage and culture, to exercise and make physical activity part of daily life, and centres to support the needs that particular communities have including mental health, loneliness, finance classes.

Some commenters concerned their response with ensuring a variety of businesses within an area to avoid over-saturation of one type and so that people do not have to travel to other areas as often.

There were comments around ensuring we understand individual areas, so investment can be better focussed on the right things in the right areas.

## **Improving services to support children**

There were only a few comments under this theme. One focussed on providing early support and advice for parents. Others focussed on investing in activities for young people including sports and leisure and play areas.

There were also new areas that respondents felt needed investment and some respondents commented that it was difficult to respond without more detail on investment plans.

## **Additional areas for investment**

Some new areas for investment, not mentioned under the existing themes, were noted.

## **Inequalities**

Some respondents were keen that tackling inequalities is a golden thread through all the work that we do. Suggested areas of focus included enabling vulnerable people, reducing health inequalities and digital inclusion.

## **Housing and homelessness**

Several respondents felt that investment should include a focus on helping the homeless including using empty council buildings.

Other household related comments were around redeveloping industrial buildings for additional housing, a housing programme that helps lift people out of poverty by preventing landlords charging excessive rents and one comment that did not want more house building.

## **Using town centres differently**

There were a couple of comments about town centres moving away from retail and instead being promoted as cultural hubs with the assumption that people would spend money on hospitality instead.

## **Using council funds carefully**

A few respondents made comments about evidence-based decision making around investment to be sure that the Council invests where it will have the greatest long-term and community impact. One comment concerned itself with building up reserves to ensure local taxes don't need to increase following the pandemic. One final comment was around the collection of outstanding debt.

Another open question was also asked to gather any further comments respondents had on the focus of inclusive investment; 48 comments were received.

Several respondents **spoke positively** about what could be achieved with the focus of inclusive investment:

*“All the areas do look important and vital to help local businesses as much as possible generate jobs and wealth to feed back into the community.”*

Respondents highlighted the **importance of inclusivity** to ensure no further disparities are created.

*“There are many sectors of the community which are at increasing risk of being disadvantaged. It is vital that the way in which Kirklees spends money does not increase disparities.”*

*“When I hear the word inclusive it makes me think that there is a skew towards people who have learning difficulties, disabilities and other issues. Investment should be made into viable enterprises regardless of who presents the case. In a rush to prove you are including everyone you are inadvertently excluding others.”*

Ensuring that the **green recovery** was considered was a theme seen across a number of respondents.

*“Need to consider investment in green businesses. Need to think about economy in towns and villages and small local enterprises as well as town centres”*

*“I see no mention of the Green Recovery. I believe we are all 'sunk' if you shift the focus from mitigating the effects of Climate Change. I think that simply promoting 'Economic Recovery' is not enough.”*

*“I'm worried about the climate, and believe the local authority can play a leadership role by investing in green opportunities”*

**Further Clarification** of what inclusive investment means was highlighted as with the first open question by several people.

*“I'm not really sure what this means, or why it is being highlighted as something special. Surely this is what the council should be doing for its residents and businesses anyway?”*

*“This is a soundbite. What does it mean Inclusive of what and who With limited funds there have to be certain things excluded as cannot do all that is actually needed. Inclusive of place? People? Certain economic sectors? Which And which are left out?”*

Working together in a **joined-up** approach was suggested as an opportunity within the Inclusive investment approach.

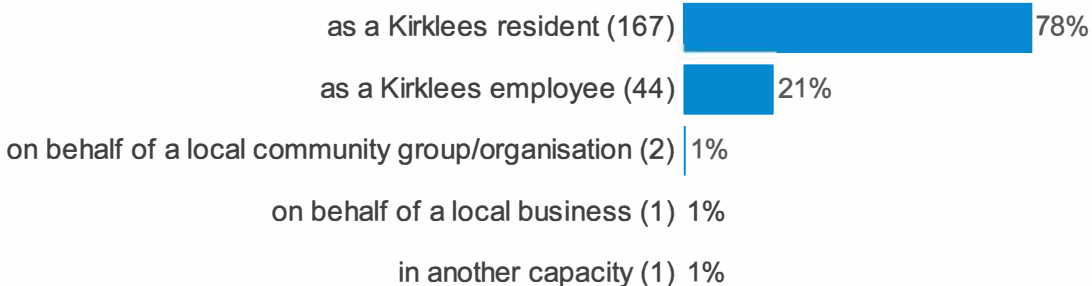
*“Use the opportunity provided by this approach to build strategic industries and develop a working relationship with the university to explore/ exploit opportunities derived from the efforts of students.”*

*“More truly joined up working”*

## **Next Steps**

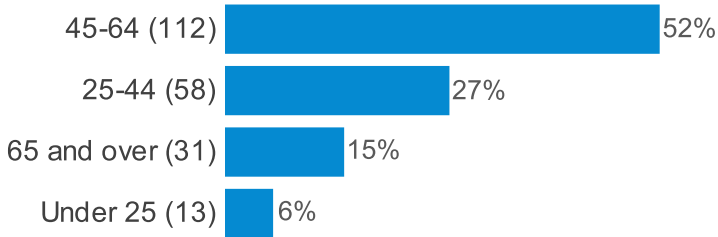
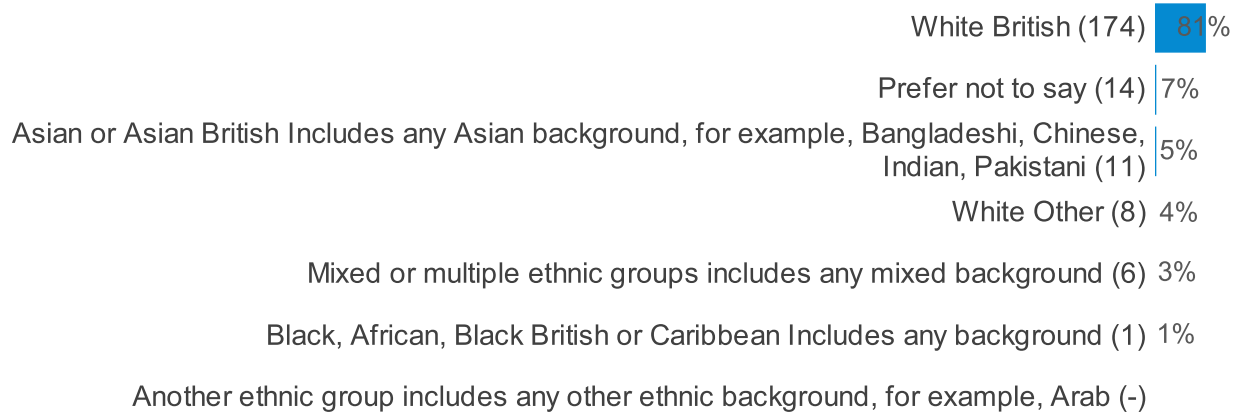
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The findings from this consultation will be taken to Full Council in January 2020 and considered alongside other sources, as part of the decision-making process to inform the council priorities and budget decisions going forward.

**Are you completing this questionnaire:****Please tell us the first part of your postcode (this will be 3 or 4 characters)**

|      |     |          |          |          |      |        |
|------|-----|----------|----------|----------|------|--------|
| HD8  | HD8 | HD9      | HD7      | Hd9      | Hd3  | Hd47   |
| HD9  | hd9 | HD5      | HD9      | HD80EH   | HD8  | HD1    |
| HD4  | hd6 | WF17 6EA | wf14 9au | HD80EH   | HD7  | HD3    |
| Wf15 | HD3 | wf16     | HD4 7BP  | HD3      | HD9  | hd7    |
| HD9  | hd5 | HD5      | wf1      | WF17     | HD4  | HD2    |
| wf12 | HG5 | WF14     | HD9      | Hd5      | WF16 | Hd3    |
| hd9  | HD2 | BD11     | BD6      | HD8      | WF14 | HD8    |
| HD4  | hd5 | HD3      | WF12     | BD11     | HD3  | HD3    |
| HD5  | HD1 | hd3      | HD9      | HD8      | HD1  | HD9    |
| HD8  | HD3 | HD9      | HD5      | WF17 8DR | M24  | WF16   |
| WF12 | HD8 | HD9      | Hd3      | HD3      | DN5  | HD7    |
| HD5  | HD7 | HD3      | Hd4      | Wf14     | HD3  | HD5    |
| Wf17 | HD1 | HD3      | HD3      | HD1      | BD11 | hd21yw |
| HD9  | HD3 | HD4      | Hd9      | Hd4      | wf14 | WF17   |
| WF17 | HD9 |          |          |          |      |        |

**Are you:**

**Are you:****How would you describe your ethnic origin?****Do you consider yourself to have a disability?**



**Name and date of meeting: Corporate Governance and Audit Committee  
20 January 2021**

**Cabinet  
26 January 2021**

**Council  
10 February 2021**

**Title of report: Treasury Management Strategy 2021/22**

**Purpose of report**

Under the CIPFA Code of Practice on Treasury Management (2017) and accompanying Prudential Code 2017 the Council must present a Treasury Management Strategy at the start of each financial year. Alongside the Treasury Management Strategy an Annual Investment Strategy must also be approved by Council.

|   |  |
|---|--|
| <b>Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?</b>   | <b>Yes</b>   |
| <b>Key Decision - Is it in the <a href="#">Council's Forward Plan (key decisions and private reports?)</a></b>  | <b>Key Decision: Yes</b><br><b>Private Report/Private Appendix: N/A</b>                                  |
| <b>The Decision - Is it eligible for call in by Scrutiny?</b>   | <b>No</b>  |
| <b>Date signed off by Strategic Director and name</b><br><br><b>Is it also signed off by Service Director</b><br><br><b>Is it also signed off by the Service Director Legal, Governance and Commissioning</b> | <b>N/A</b><br><br><b>Eamonn Croston – 12 January 2021</b><br><br><b>Julie Muscroft – 12 January 2021</b> |
| <b>Cabinet member <a href="#">portfolio</a></b>   | <b>Corporate<br/>Graham Turner</b>   |

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

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

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## **1 Summary**

- 1.1 The Council has adopted CIPFA's Code of Practice on Treasury Management (2017 Edition), and accompanying Prudential Code 2017, and is thereby required to approve a treasury management strategy before the start of each financial year. In addition, the Ministry for Housing, Communities and Local Government (MHCLG) issued guidance on local authority investments in February 2018, which requires the Council to approve an annual Investment Strategy before the start of each financial year.
- 1.2 This report meets the requirements of the current CIPFA Codes and current MHCLG Guidance (2017 Edition).
- 1.3 Cabinet is responsible for the implementation and monitoring of the treasury management policies. The Corporate Governance and Audit Committee undertake a scrutiny role with regard to treasury management. The last training for members of this Committee was provided in November 2019 by the Council's treasury management advisors/consultants, Arlingclose. Further training is to be provided following the Committee meeting in January 2021.
- 1.4 This report will:
- (i) outline the outlook for interest rates and credit risk, and in light of this, recommend an investment strategy (Treasury Management Investments) for the Council to follow in 2021/22;
  - (ii) outline the current and estimated future levels of Council borrowing (internal and external) and recommend a borrowing strategy for 2021/22;
  - (iii) review the methodologies adopted for providing for the repayment of debt and recommend a policy for calculating the Minimum Revenue Provision;
  - (iv) review other treasury management matters including the policy on the use of financial derivatives, prudential indicators, the use of consultants, and the policy on charging interest to the Housing Revenue Account;
  - (v) recommend an annual Investment Strategy (Non-Treasury Investments) for the Council in 2021/22 in line with MHCLG (2017) guidance.

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

The following paragraphs 2.1 to 2.4 have been provided by our Treasury Management external advisors, Arlingclose:

### **Economic Background**

- 2.1 The impact on the UK from coronavirus, lockdown measures, the rollout of vaccines, as well as the new trading arrangements with the European Union (EU),



will remain major influences on the Council's treasury management strategy for 2021/22.

- 2.2 The Bank of England (BoE) maintained Bank Rate at 0.10% in December 2020 and Quantitative Easing programme at £895 billion having extended it by £150 billion in the previous month. The Monetary Policy Committee (MPC) voted unanimously for both, but no mention was made of the potential future use of negative interest rates. In the November Monetary Policy Report (MPR) forecasts, the Bank expects the UK economy to shrink -2% in Q4 2020 before growing by 7.25% in 2021, lower than the previous forecast of 9%. The BoE also forecasts the economy will now take until Q1 2022 to reach its pre-pandemic level rather than the end of 2021 as previously forecast.
- 2.3 UK Consumer Price Inflation (CPI) for November 2020 registered 0.3% year on year, down from 0.7% in the previous month. Core inflation, which excludes the more volatile components, fell to 1.1% from 1.5%. The most recent labour market data for the three months to October 2020 showed the unemployment rate rose to 4.9% while the employment rate fell to 75.2%. Both measures are expected to deteriorate further due to the ongoing impact of coronavirus on the jobs market.
- 2.4 GDP growth rebounded by 16.0% in Q3 2020 having fallen by -18.8% in the second quarter, with the annual rate rising to -8.6% from -20.8%. All sectors rose quarter-on-quarter, with dramatic gains in construction (41.2%), followed by services and production (both 14.7%). Monthly GDP estimates have shown the economic recovery slowing and remains well below its pre-pandemic peak. Looking ahead, the BoE's November MPR forecasts economic growth will rise in 2021 with GDP reaching 11% in Q4 2021, 3.1% in Q4 2022 and 1.6% in Q4 2023.

### **Interest Rate Forecast**

- 2.5 The Council's treasury management adviser Arlingclose is forecasting that BoE Bank Rate will remain at 0.1% until at least the end of 2024. The risks to this forecast are judged to be to the downside as the BoE and UK government continue to react to the coronavirus pandemic and the new EU trading deal. The BoE extended its asset purchase programme to £895 billion in November while keeping Bank Rate on hold and maintained this position in December. However, further interest rate cuts to zero, or possibly negative, cannot yet be ruled out but this is not part of the Arlingclose central forecast.

### **Borrowing and Investment – General Strategy for 2021/22**

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

Table 1 below sets out the forecast CFR position for the Council as at 31 March 2021 and forecast CFR and borrowing requirements over the following 5 years:

Table 1: Balance Sheet Forecast

|                             | 2020/21<br>£m | 2021/22<br>£m | 2022/23<br>£m | 2023/24<br>£m | 2024/25<br>£m | 2025/26<br>£m |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General Fund CFR            |               |               |               |               |               |               |
| - Non PFI                   | 504.4         | 577.2         | 661.0         | 703.2         | 717.7         | 730.6         |
| - PFI                       | 42.5          | 39.4          | 35.5          | 33.6          | 31.3          | 28.8          |
| HRA CFR - Non PFI           | 171.6         | 173.8         | 176.8         | 176.3         | 180.5         | 182.7         |
| - PFI                       | 48.1          | 45.2          | 42.7          | 40.6          | 38.0          | 35.3          |
| <b>Total CFR</b>            | <b>766.6</b>  | <b>835.6</b>  | <b>916.0</b>  | <b>953.7</b>  | <b>967.5</b>  | <b>977.4</b>  |
| Less: PFI debt liabilities* | 90.6          | 84.6          | 78.2          | 74.2          | 69.3          | 64.1          |
| <b>Borrowing CFR</b>        | <b>676.0</b>  | <b>751.0</b>  | <b>837.8</b>  | <b>879.5</b>  | <b>898.2</b>  | <b>913.3</b>  |
| Financed by:                |               |               |               |               |               |               |
| Deferred Liabilities *      | 3.7           | 3.7           | 3.6           | 3.6           | 3.5           | 3.5           |
| Internal Borrowing          | 206.2         | 213.1         | 220.5         | 218.3         | 212.3         | 215.6         |
| External Borrowing          | 466.1         | 534.2         | 613.6         | 657.6         | 682.4         | 694.2         |
| <b>Total</b>                | <b>676.0</b>  | <b>751.0</b>  | <b>837.8</b>  | <b>879.5</b>  | <b>898.2</b>  | <b>913.3</b>  |
| Treasury investments        | 30.0          | 30.0          | 30.0          | 30.0          | 30.0          | 30.0          |

\* £94.3m other debt liabilities, incl leases and PFI (£6.1m falling due in 2020/21)

- 2.7 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 significant 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 internal balances to offset new borrowing requirements.
- 2.8 The Council has increasing CFR due to the capital programme. The external borrowing necessary to fund the projected rise in CFR will be a mixture of long and short-term borrowing. The cost of borrowing has been historically low over the past decade and short term borrowing rates remain extremely low. Longer term PWLB rates were reduced by 1% in November 2020 following a wide ranging consultation by HM Treasury. The rates are now back down to similar levels before the overnight increase in October 2019.
- 2.9 Table 1 above also reflects a fairly consistent level of internal borrowing forecast over the next 3 years. However as usable reserves start to diminish the internal borrowing will also reduce resulting in further external borrowing that will need to be required to fund the CFR.
- 2.10 The relative mix of future internal and external borrowing will be considered in conjunction with advice from the Council's external treasury management advisor,

noting that provision has been made in the updated Council budget plan revenue resource assumptions to accommodate a continued future mix of internal and external borrowing.

- 2.11 The Service Director Finance, supports the approach that the borrowing and investment strategy for 2021/22 continues to place emphasis on the security of the Council's balances. The credit ratings for many UK institutions were downgraded on the back of downgrades to the sovereign rating. Although credit conditions generally on banks and building societies have tended to be relatively benign despite the impact of the pandemic, the global economy is fragile. Looking forward credit will remain a risk suggesting the Council needs to take a cautious approach to bank deposits in 2021/22.
- 2.12 It is recommended that balances should continue to be invested to a level which is perceived to be reasonably secure and which is needed to meet the day-to-day cash flow requirements of the Council (around £20 million). The remainder of the balances will be effectively invested internally, that is used to offset borrowing requirements. As Covid impacts through 2021/22 expectations that Government will continue to deliver upfront COVID related grant funding, to ensure Councils can continue to manage their daily cashflow requirements effectively and efficiently, as has been the case throughout 2020/21.
- 2.13 In order to increase investment returns, the Council has invested £10 million in the Local Authorities Pooled Investment Fund (LAPF) as per the approved Council 2019/20 Treasury Management Strategy. The Council will not make any further investment in the property fund or similar investments.
- 2.14 Average current Council cashflow balances remain consistent at about £30 million (including the LAPF), with the investment in the LAPF leaving about £20 million for day-to-day cashflow requirement as noted above.

### **Borrowing Strategy**

- 2.15 The Council is forecast to hold around £556.7 million of external borrowing and other long-term liabilities as at 31 March 2021. This is analysed at Table 2 below:

Table 2 – year end estimate – 31 March 2021

|  | <b>£m</b>    | <b>%</b> |
|--|--------------|----------|
| PWLB loans (fixed rate)                  | 263.3        | 47       |
| LOBOs                                    | 60.0         | 11       |
| Loan stock (fixed rate)                  | 7.0          | 1        |
| Other long term loans (fixed rate)       | 43.6         | 8        |
| Temporary borrowing                      | 92.2         | 17       |
| <b>Total external borrowing</b>          | <b>466.1</b> |          |
| Other Long Term Liabilities (mainly PFI) | 90.6         | 16       |
| <b>Total external debt liabilities</b>   | <b>556.7</b> |          |

- 2.16 The approved sources of borrowing are:

- HM Treasury's PWLB lending facility

- 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
- Salix Finance Limited

2.17 The Council has previously raised the majority of its long-term borrowing from the PWLB, however will consider long-term loans from other sources including banks, pensions and local authorities, in order to lower interest. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield. The Council intends to avoid this activity in order to retain its access to PWLB loans.

2.18 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. 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 11% of long-term debt.

2.19 The Council's current approach is to borrow short term, although will be looking to fund the capital plan longer-term. This will be subject to ongoing review, in consultation with Arlingclose, as to when it may be more appropriate to borrow longer term with the PWLB or via an alternative source.

2.20 One example of an alternative source of funding is the Local Capital Finance Company established in 2014 by the Local Government Association. 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.

2.21 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. At the present time, the Council is not in a position to undertake early repayments due to the current prohibitive early repayment rates.

2.22 Salix Finance Limited provides interest free Government funding to the public sector to improve their energy efficiency, reduce carbon emissions and lower energy bills. The Council to date has taken the opportunity to secure £6.8 million interest free loans to part fund the £11.0 million approved street lighting replacement scheme in the Council's approved capital plan.

2.23 Borrowing policy and performance are monitored throughout the year and are reported to Members via a Half Yearly Report and also an Outturn Report in line with approved guidance.

## Treasury Investment Strategy

- 2.24 Investment guidance issued by MHCLG requires that an investment strategy, outlining the Council'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.
- 2.25 The Council will not place direct investments in companies as defined by the Carbon Underground 200 on 1 February each year.
- 2.26 A new regulatory update came into force from 3<sup>rd</sup> January 2018; the second Markets in Financial Instruments Directive (MiFID II), which meant that the Council had to formally apply to renew its status as a 'professional client' (also referred to as the 'opt up' option), but subject to certain criteria being met.
- 2.27 Following full Council approval on 13<sup>th</sup> December 2017, officers have now successfully 'opted up' the Council to professional client status, effective from 3<sup>rd</sup> January 2018. Given the size and range of the Council's treasury management activities, the Service Director Finance believes this to continue to be the most appropriate status.
- 2.28 The Council's investment criteria are detailed in Appendix A. The Council will continue to maintain a relatively low risk strategy giving priority to security and liquidity, and as such invest an average of around £20 million externally in relatively short-term, liquid investments through the money markets, for the purpose of managing day-to-day cash flow requirements. Any remaining balances, net of investment in the local authority property fund, will be used internally, offsetting borrowing requirements.
- 2.29 The Council uses credit ratings from the three main rating agencies - Fitch, Moody's and Standard & Poor's to assess the risk of investment defaults (Appendix B). The lowest credit rating of an organisation will be used to help determine credit quality. Long term ratings are expressed on a scale from AAA (the highest quality) through to D (indicating default). Ratings of BBB- and above are described as investment grade, while ratings of BB+ and below are described as speculative grade.
- 2.30 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.

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.

- 2.31 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.
- 2.32 If the UK enters into a recession in 2021/22, there is a small chance that the Bank of England could set its Base 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.
- 2.33 Annual cash flow forecasts are prepared which are continuously updated. Investment policy and performance will be monitored continuously and will be reported to Members during the year and as part of the annual report on Treasury Management.

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

- 2.34 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.
- 2.35 Prior to the Local Authorities (Capital Finance and Accounting) (England) Regulations 2008, which came into force on 31 March 2008, the set aside was specified as a percentage of a Council's CFR (2% for HRA debt, 4% for General Fund). The current Regulations are less prescriptive with a requirement to ensure the amount set aside is deemed to be **prudent**, although there is accompanying current MHCLG guidance which sets out possible methods a Council might wish to follow.
- 2.36 Current MHCLG guidance recommends that Council's prepare a statement of policy on making MRP in respect of the forthcoming year, with approval by full Council before the start of the financial year. If these proposals subsequently need to be varied, a revised statement should be put to full Council. Appendix C details the Council's policy for the provision of MRP. Within the revised MRP policy approved by Council last year, the unwinding of the previous over-provision was profiled equally over 10 years.
- 2.37 The maximum amount of un-wind in any one year cannot be more than the overall annual MRP calculation, as otherwise the Council would end up in a negative MRP position, which is not allowable under accounting rules. The current unwinding of the previous under-provision has been factored into the Council's CFR calculations set out earlier at Table 1.
- 2.38 Officer recommendation is that the impact of the additional unwind, will be transferred to Council financial resilience reserves as part of the Council's broader risk strategy set out in the overall annual budget report to Cabinet on 26 January and Budget Council on 10 February 2021.

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

- 2.39 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.
- 2.40 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.
- 2.41 Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

## **Non-Treasury Investments**

- 2.42 The Authority may also purchase property for investment purposes and may also make loans and investments for service purposes, for example in shared ownership housing, loans to local businesses and landlords, or as equity investments and loans to the Authority's subsidiaries. Such loans and investments will be subject to the Authority's normal approval processes for revenue and capital expenditure and need not comply with this treasury management strategy. They are however covered by the Council's Investment Strategy (see Appendix E).

## **Treasury Management Indicators**

- 2.43 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 D.

## **Other Matters**

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

- (i) Investment Consultants

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

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

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

(ii) Investment Training

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

(iii) Investment of money borrowed in advance of need

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

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

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

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

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

3.1 **Working with People**  
N/A

3.2 **Working with Partners**  
N/A



### 3.3 **Placed based working**

N/A

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

N/A

### 3.5 **Improving Outcomes for Children**

N/A

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

The revenue implications of the strategies outlined have been reflected in the Council's annual budget report 2021-26.

## 4 **Consultees and their opinions**

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

## 5 **Next steps**

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

Following consideration at Corporate Governance & Audit Committee, this report will be presented to Cabinet on 26 January 2021 and then full Council on 10 February 2021.

## 6 **Officer recommendations and reasons**

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

- (i) the borrowing strategy outlined in paragraphs 2.15 to 2.23;
- (ii) the investment strategy (treasury management investments) outlined in paragraphs 2.24 to 2.33 and Appendices A and B;
- (iii) the policy for provision of repayment of debt (MRP) outlined in paragraphs 2.34 to 2.38 and at Appendix C;
- (iv) the treasury management indicators in Appendix D;
- (v) the Investment Strategy (Non-Treasury Investments) at Appendix E.

## 7 **Cabinet Portfolio Holder recommendation**

The report and recommendations be submitted to Cabinet on 26 January 2021 and Council on 10 February 2021.

## 8 **Contact officer**

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

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

CIPFA's Code of Practice on Treasury Management in the Public Services; CIPFA's Prudential Code for Capital Finance in Local Authorities; Guidance on Local Government Investments (MHCLG 2018); The Local Authorities (Capital Finance and Accounting) (England) Regulations 2008; Localism Act 2011. CIPFA Treasury Management Code and Prudential Code 2017

10 **Service Director responsible**

Eamonn Croston      01484 221000

## **Investment Policy for 2021/22**

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

- The Council is able to invest an unlimited amount with the UK Government for up to 6 months.
- The Council is able to invest up to £10 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 three 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.
- The Council is able to invest up to £10million in Local Authority Pooled Investment Funds.

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

### **Note:**

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

The Council will not place direct investments in companies as defined by the Carbon Underground 200 on 1 February each year.

### **Liquidity management:**

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

|  | Short-term Credit Ratings / Long-term Credit Ratings |                          |                        | Investment Limits per Counterparty |                                       | Counterparties falling into category as at Dec 2020             |  |
|--|--|--------------------------|------------------------|------------------------------------|---------------------------------------|---|--|
|  | Fitch  | Moody's                  | S & P                  | £m                                 | Period (2)                            |   |  |
| UK Banks / Building Societies<br>(Deposit accounts, fixed term deposits and REPOs) | F1   | P-1                      | A-1                    | 10                                 | <3mth                                 | HSBC<br>Lloyds Group<br>Santander UK<br>Barclays<br>Coventry BS | Bank of Scotland<br>Handelsbanken<br>Nationwide BS |
|  | AAA,AA+,AA,AA-,A+,A,A-                               | Aaa,Aa1,Aa2,Aa3,A1,A2,A3 | AAA,AA+,AA,AA-,A+,A,A- |                                    |                                       |   |  |
| Foreign Banks<br>(Deposit accounts, fixed term deposits and REPOs)                 | F1   | P-1                      | A-1                    | 10                                 | <2mth                                 | Various   |  |
|  | AAA,AA+,AA,AA-,A+,A,A-                               | Aaa,Aa1,Aa2,Aa3,A1,A2,A3 | AAA,AA+,AA,AA-,A+,A,A- |                                    |                                       |   |  |
| MMF (1)  | -  | -                        | -                      | 10                                 | Instant access/<br>up to 2 day notice | Aberdeen Standard<br>Deutsche Bank                              | Aviva<br>Goldman Sachs                             |
| UK Government<br>(Fixed term deposits)   | -  | -                        | -                      | Unlimited                          | <6mth                                 |   |  |
| UK local authorities<br>(Fixed term deposits)                                      | -  | -                        | -                      | 10                                 | <2mth                                 |   |  |
| Local Authority Pooled<br>Investment Funds   | -  | -                        | -                      | 10                                 | >6mth                                 |   |  |

- (1) Overall limit for investments in MMFs of £50 million – the assets the funds invest in are securities and structures secured on government securities
- (2) The investment period begins from the commitment to invest, rather than the date on which funds are paid over.

**Credit ratings**

| Moody's   |            | S&P       |            | Fitch     |            |  |
|-----------|------------|-----------|------------|-----------|------------|--|
| Long-term | Short-term | Long-term | Short-term | Long-term | Short-term |  |
| Aaa       | P-1        | AAA       | A-1+       | AAA       | F1+        | Prime  |
| Aa1       |            | AA+       |            | AA+       |            | High grade                                   |
| Aa2       |            | AA        |            | AA        |            |  |
| Aa3       |            | AA-       |            | AA-       |            |  |
| A1        | 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         |            |           |            |  |
| /         | Not prime  | D         | /          | DDD       | /          | In default                                   |
| /         |            |           |            | DD        |            |  |

## CURRENT MINIMUM REVENUE PROVISION POLICY

### 1. Background

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

### 2 Policy for 2018/19 onwards

- 2.1 The Service Director Finance recommends the following policy for making prudent provision for MRP:
  - (i) General Fund Borrowing (pre 1<sup>st</sup> April 2008) - Provision to be made over the estimated average life of the asset (as at 1 April 2008) for which borrowing was taken - deemed to be 50 years (annuity calculation).
  - (ii) Calculations to compare this to the previous MRP charge indicated that between 2007/08 and 2015/16 the Council provided an additional £91.2 million with which it will "un-wind" over 9 years from 2017/18.
  - (iii) General Fund Prudential Borrowing – Provision to be made over the estimated life of the asset for which borrowing is undertaken. Provision to commence in the year following 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.
  - (iv) HRA Borrowing - Provision to be made for debt repayments equal to its share of any scheduled external debt repayments.
  - (v) PFI schemes - Provision to equal the part of the unitary payment that writes down the balance sheet liability, together with amounts relating to lifecycle costs incurred in the year.

## TREASURY MANAGEMENT INDICATORS

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

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

### Interest Rate Exposures

While fixed rate borrowing can contribute significantly to reducing the uncertainty surrounding future interest rate scenarios, the pursuit of optimum performance justifies retaining a degree of flexibility through the use of variable interest rates on at least part of the treasury management portfolio.

It is recommended that the Council sets an upper limit on its fixed interest rate exposures for 2021/22, 2022/23 and 2023/24 of £836 million, £916 million, £953 million of its net principal. It is further recommended that the Council sets an upper limit on its variable interest rate exposures for 2021/22, 2022/23 and 2023/24 of £200 million of its net principal.

### Maturity Structure of Borrowing

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

| <b>Amount of projected borrowing that is fixed rate maturing in each period as percentage of total projected borrowing that is fixed rate</b> |                        |                        |
|---|------------------------|------------------------|
|   | <b>Upper Limit (%)</b> | <b>Lower Limit (%)</b> |
| 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.

### Investment Strategy 2021/22

#### Introduction

The Council invests its money for three broad purposes:

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

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

#### Treasury Management Investments

The Council typically receives its income in cash (eg. from taxes and grants) before it pays for its expenditure in cash (eg. through payroll and invoices). It also holds reserves for future expenditure. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments is expected to average £30 million with fluctuations between £20 million and £50 million during the 2021/22 financial year.

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

**Further details:** Full details of the Council's policies and its plan for 2021/22 for treasury management investments are covered in the treasury management strategy report 2021/22 to which this Investment Strategy is appended.

#### Service Investments: Loans

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

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



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

The Council is planning on providing significant development finance loans to support major town centre regeneration and economic growth, up to a Council approved £37 million (per the 5 year Capital Plan 2020/21 to 2024/25), through a combination of Property Investment Fund (£24 million) and HD-One Fund (£13 million). Amounts have been set aside in the capital plan for this type of investment.

From 2021/22 the Council is earmarking (up to £1 million) to provide financial loans to support 3<sup>rd</sup> sector partners and anchor organisations. A further element (up to £1 million) will be provided for loans and/or match funding in support of community asset transfers. The Council is underwriting this provision from within the existing earmarked property and other loan reserve.

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

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

| Category of borrower                        | 31.03.2020 actual |                |                        | 2021/22        |
|---|-------------------|----------------|------------------------|----------------|
|   | Balance owing     | Loss allowance | Net figure in accounts | Approved Limit |
| Further education college                   | 15.1              | -0.8           | 14.3                   | 14.3           |
| Leeds City Region revolving investment fund | 3.1               | 0.0            | 3.1                    | 4.3            |
| Local businesses and charities              | 1.6*              | -0.1           | 1.5*                   | 38.0           |
| Local residents                             | 2.2               | 0.0            | 2.2                    | 2.2            |
| <b>TOTAL</b>                                | <b>22.0</b>       | <b>-0.9</b>    | <b>21.1</b>            | <b>58.8</b>    |

\* This is made up of numerous small investments, the largest of which are £0.8 million 103 New Street, £0.2 million for the Media Centre and £0.2 million for KSDL.

Accounting standards require the Council to set aside a loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Council's statement of accounts are shown net of this loss allowance. However, the Council

makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.

### **Risk assessment:**

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

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

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

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

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

### **Service Investments: Shares**

**Contribution:** The Council invests in the shares of local businesses to support local public services and stimulate local economic growth. The main share investment (£0.9 million) is a 9.9% holding in Kirklees School Services Ltd which operates 20 schools on our behalf on a 32 year contract under PFI. The Council also has a 40% shareholding in Kirklees Stadium Development Ltd, a 14% holding in QED KMC

Holdings Ltd (£0.2 million) and a 50% shareholding in Kirklees Henry Boot Partnership Ltd (£0.1 million).

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

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

| Category of company | 31.03.2020 actual |                     |                   | 2021/22        |
|---------------------|-------------------|---------------------|-------------------|----------------|
|                     | Amounts invested  | Gains or losses (-) | Value in accounts | Approved Limit |
| Local businesses    | 1.4               | -0.1                | 1.3               | 3.8            |

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

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

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

## **Commercial Investments: Property**

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

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

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

| Property type       | Actual        | 31.3.2020 actual    |                   | 31.3.2021 expected  |                   |
|---------------------|---------------|---------------------|-------------------|---------------------|-------------------|
|                     | Purchase cost | Gains or losses (-) | Value in accounts | Gains or losses (-) | Value in accounts |
| Commercial Property | *See below    | 0.8                 | 20.1              | 0.0                 | 20.1              |

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

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

A fair value assessment of the Council's investment property portfolio has been made within the past twelve months, and the underlying assets provide security for capital investment. Should the 2020/21 year end accounts preparation and audit process value these properties below their purchase cost, then an updated investment strategy will be presented to full Council detailing the impact of the loss on the security of investments and any revenue consequences arising there from.

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

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

**Liquidity:** Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice and can take a considerable period to sell in certain

market conditions. To ensure that the invested funds can be accessed when they are needed, for example to repay capital borrowed, the Council will ensure it has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to which are necessary for the achievement of its business/service objectives. Cash flow projections are prepared on a regular and timely basis.

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

Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments and financial guarantees carry similar risks to the Council and are included here for completeness. The Council does not have any loan commitments, however there are some guarantees that the Council holds including a guarantee on outstanding contributions to Pension Fund in the event of a default by certain bodies and a guarantee to the Homes & Communities Agency (HCA) in the event of a default by Kirklees Community Association (KCA) on the redevelopment of the Fieldhead Estate. The Council also act as a guarantor to a loan of £1.2 million that KSDL hold in the event of default

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

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

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

Cabinet is responsible for the implementation and monitoring of any Investment policy. The Corporate Governance and Audit Committee undertake a scrutiny role with regard to investment. Regular training for members of the Committee is provided by our treasury advisors to enable them to make decisions to ensure accountability and responsibility on investment decisions within the context of the Council's corporate values. Any new investment decisions are also approved at full Council.

## Investment Indicators

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

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

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

| <b>Total investment exposure</b> | <b>31.03.2020<br/>Actual</b> | <b>31.03.2021<br/>Forecast</b> | <b>31.03.2022<br/>Forecast</b> |
|----------------------------------|------------------------------|--------------------------------|--------------------------------|
| Treasury management investments  | 42.0                         | 30.0                           | 30.0                           |
| Service investments: Loans       | 21.1                         | 28.3                           | 39.8                           |
| Service investments: Shares      | 1.3                          | 1.3                            | 1.3                            |
| Commercial investments: Property | 20.1                         | 20.1                           | 20.1                           |
| <b>TOTAL INVESTMENTS</b>         | <b>84.5</b>                  | <b>79.7</b>                    | <b>91.2</b>                    |
| Commitments to lend              | 0.0                          | 0.0                            | 0.0                            |
| Guarantees issued on loans       | 1.3                          | 5.8                            | 5.8                            |
| <b>TOTAL EXPOSURE</b>            | <b>85.8</b>                  | <b>85.5</b>                    | <b>97.0</b>                    |

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

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

| <b>Investments funded by borrowing</b> | <b>31.03.2020<br/>Actual</b> | <b>31.03.2021<br/>Forecast</b> | <b>31.03.2022<br/>Forecast</b> |
|--|------------------------------|--------------------------------|--------------------------------|
| <b>Service investments: Loans</b>      | <b>18.0</b>                  | <b>24.5</b>                    | <b>28.0</b>                    |

**Rate of return received:** This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government

accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

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

| <b>Investments net rate of return</b> | <b>2019/20<br/>Actual</b> | <b>2020/21<br/>Forecast</b> | <b>2021/22<br/>Forecast</b> |
|---------------------------------------|---------------------------|-----------------------------|-----------------------------|
| Treasury management investments       | 1.1%                      | 0.8%                        | 1.3%                        |
| Service investments: Loans            | 0.6%                      | 0.6%                        | 0.6%                        |
| Service investments: Shares           | None                      | None                        | None                        |
| Commercial investments                | 4.7%                      | 5.0%                        | 5.0%                        |
| <b>ALL INVESTMENTS</b>                | <b>6.4%</b>               | <b>6.4%</b>                 | <b>6.9%</b>                 |