

Name of meeting: Cabinet
Date: 5 September 2022

Title of report: Council budget strategy update; 2023/24 and future years

Purpose of the report

To determine the Cabinet's approach to the annual update of the Council's Medium Term Financial Plan (MTFP). This is reported to full Council each year and sets a framework for the development of draft spending plans for future years by officers and Cabinet.

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?	Yes
Key decision - is it in the <u>Council's Forward Plan (key decisions and private reports)</u>	Key decision - Yes
The Decision - Is it eligible for "call in" by <u>Scrutiny</u>?	No
Date signed off by Strategic Director & name	Rachel Spencer-Henshall, 24 August 2022
Is it also signed off by the Service Director for Finance	Eamonn Croston, 24 August 2022
Is it also signed off by the Service Director – Legal, Governance & Commissioning ?	Julie Muscroft, 24 August 2022
Cabinet member <u>portfolio - Corporate</u>	Cllr Paul Davies

Electoral wards affected: All

Ward Councillors consulted: All

Public or private: Public

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

1. Summary

1.1 Introduction

1.1.1 Under the Council's constitution, Cabinet is required to submit a provisional budget strategy update to the Council no later than October each year. Commonly known

as the Medium Term Financial Strategy (MTFS), this report sets out a framework for the subsequent budget setting process and future financial planning.

- 1.1.2 The annual budget for 2022/23 was approved at Budget Council on 16 February 2022 and is also informed by the current approved Council Plan to March 2023, which sets out the Council's vision, values and how it will deliver against its 8 shared outcomes. The Council Plan also provides context and detail regarding the Administration's priorities, a focus on pandemic recovery and provides context for subsequent strategic developments and emerging priorities; incorporated into current approved multi-year Council revenue and capital budget plans.
- 1.1.3 The current approved Council plan sets out the Council's approach to recovery, based on learning from the Council's response to COVID and building on the opportunity to do things differently. The Plan emphasises that economic and social recovery must include all the District's citizens and communities and the ambition to transform the way the Council works, deliver services and achieve the outcomes set out in the plan. This is complemented by refreshing the Council's strategic framework across the Kirklees Economic Strategy, Joint Health and Wellbeing Strategy and Inclusive Communities Framework which describes how the Council will work with people and partners and in the District's places to do this.
- 1.1.4 The Council Plan also sets out how the Council is changing the way it works as an organisation, moving towards a more flexible way of working, and improving digital connectivity, wellbeing and workplaces for office-based and frontline staff. The People Strategy outcomes of supporting wellbeing, developing people, having compassionate and effective leaders, and becoming an inclusive and flexible employer of choice is also intended to help strengthen the Council's organisational resilience and support the delivery of the Council's ambitions for recovery. By working with citizens through the new outcome introduced in the plan and with inclusion at the heart of everything that the Council does, working with our partners we will tackle the Cost of Living crisis alongside our communities for all the citizens and places of Kirklees.
- 1.1.5 Since the Council agreed its budget for 2022/23, significant global and domestic events have combined to change the economic forecasts on which national and local financial planning were originally based. Following discussions between cabinet members and the Executive Team of the Council, the impact of these events for the Council were reported to the Corporate Scrutiny Panel (CSP) in July and to Cabinet through the Financial Outturn report and Quarter 1 Financial Monitoring report 2022/23.
- 1.1.6 This report takes stock of the financial challenges that have arisen in recent months and forecasts their impact on the Council's future plans. The forecasts will assist councillors in taking decisions on the next revenue budget, capital programme, use of reserves and other important aspects of the Council's financial planning.
- 1.1.7 The Council is already taking steps to manage the challenges presented to it by the external environment. These include a range of management actions to mitigate inflationary pressures on budgets in the current year as well as reviewing the capital programme. The Council has also indicated how it can use its reserves to mitigate the impact of some immediate inflationary demands. These actions will continue to develop as the Council enters its budget setting process.

- 1.1.8 The assumptions made in the report are based on the best available information at the current time. However, the global and national economic picture continues to be fast changing and unpredictable. Energy costs remain volatile and the Council is seeing increases in demand for action and services as a result of Cost of Living pressures on residents. Pay awards and inflation on goods and services remain major and uncertain factors that will affect future plans.
- 1.1.9 The Council also relies heavily on central government action to decide its financial baseline. The financial settlement for local government, due in the autumn, and the potential for an emergency national budget and/or spending review in the coming weeks will have a major impact on any assumptions. The Council will continue to work with other local authorities to highlight to government the historic challenges faced locally and the necessity of an equitable distribution of funding across councils in England.
- 1.1.10 Due to the unprecedented and unpredictable nature of the challenges facing local authorities and households in Kirklees, further financial reports will be brought forward over the coming months beyond those required by the Constitution. This detailed planning, alongside management action, will allow the Council to maintain its ambition for Kirklees against a challenging economic landscape.

1.2 National context

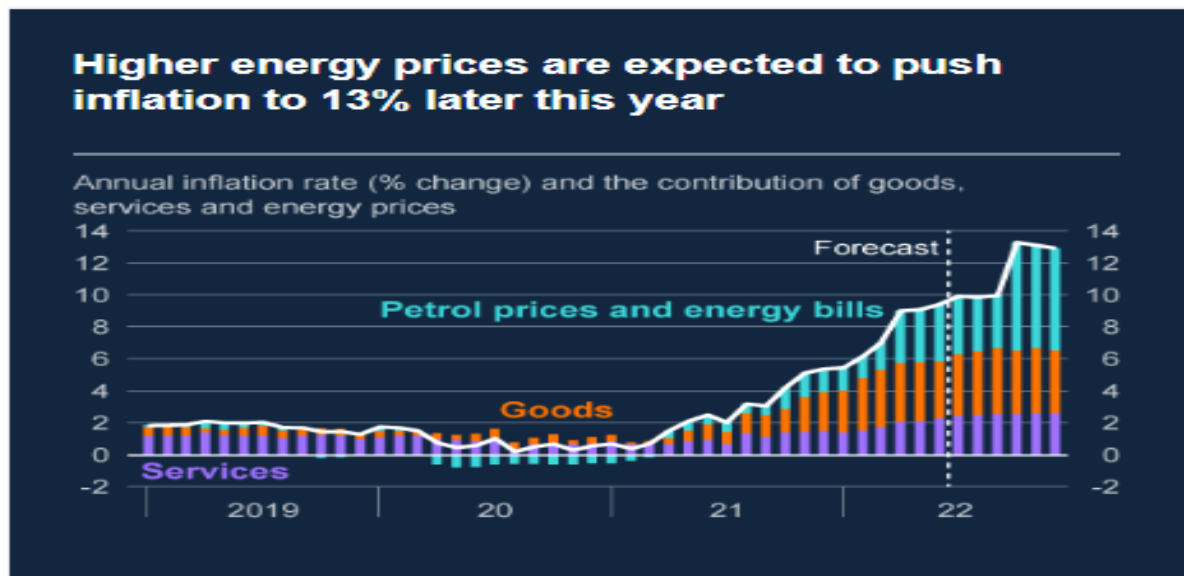
UK Economic Outlook

- 1.2.1 Table 1 below sets out a range of indicator trends across a 3 year period, extracted from KPMG's most recent quarterly UK Economic Outlook paper, published for June 2022:

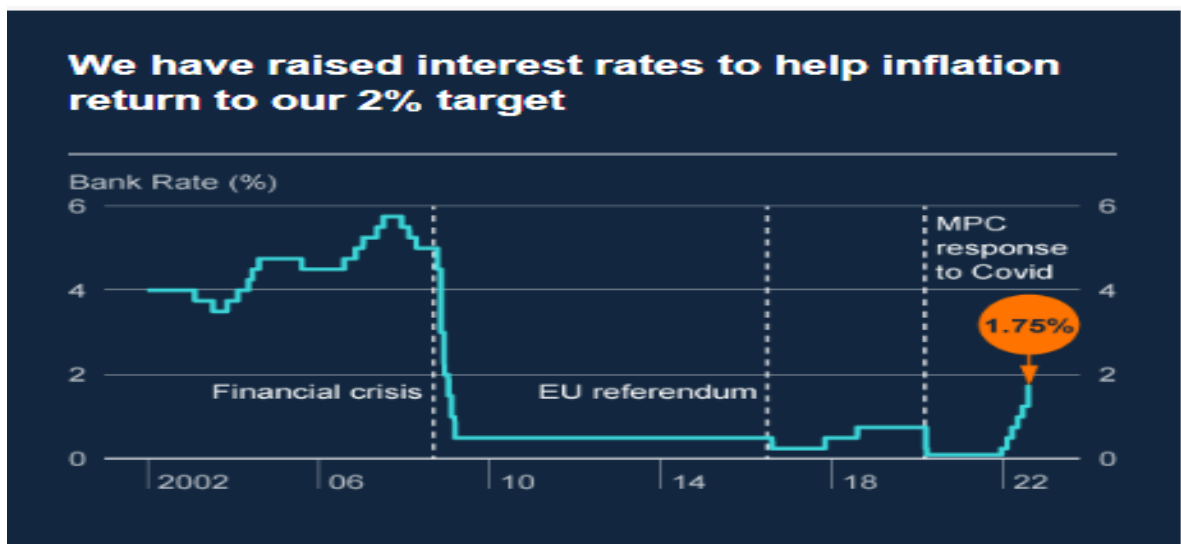
Table 1 – KPMG Economic Outlook Quarter 1 2022/23

Headline economic indicator	2020 actual %	2021 actual %	2022 forecast %	2023 Forecast %
Gross Domestic Product (GDP)	-9.3	7.4	3.2	0.7
Consumer Spending	-10.5	6.2	3.9	0.9
Investment	-9.5	5.9	5.4	-2.5
Unemployment rate	4.5	4.5	4.2	4.6
Inflation	0.9	2.6	8.1	4.1
Base Interest rate	0.1	0.25	1.75	1.75

- 1.2.2 The comparative data across years reflects the transition from initial pandemic impact to post-pandemic economic recovery compounded by the impact of Russia's invasion of Ukraine.
- 1.2.3 Subsequent updated UK economic trends suggest a worsening of the above predictions. The Bank of England's August 2022 Monetary Policy Report included a headline 13% inflation prediction by calendar year end as below:



- 1.2.4 The latest monthly Consumer Price Index (CPI) announcement for July 2022 is 10.1% (up from 9.5% in June 2020). The Bank of England expects inflation rates to remain at elevated levels through much of 2023, before falling back to the 2% target 2 years ahead.
- 1.2.5 From December 2021 to August 2022, the Bank of England base rate has increased from a historically low 0.1% to 1.75%, noting that what happens to interest rates over the coming months will depend on what happens to the economy. Below extract from the MPC August 2022 report gives some recent context to UK base rates over the past 2 decades:



- 1.2.6 Elsewhere, the Organisation for Economic Co-operation & Development (OECD, June 2022) forecasted potential zero economic growth for UK through 2023; 2nd lowest of the G20 countries and only ahead of Russia, and likely recession from the 4th quarter of 2022. The latest Bank of England forecasts for UK economic growth from Q4 2022 now expect a largely flatlining of the OECD's forecasts for the UK economy through to 2025.
- 1.2.7 In summary, the short to medium-term outlook for the UK economy remains

volatile and challenging and equally the short to medium term prognosis looks particularly challenging for Council financial planning.

- 1.2.8 The updated sensitivity analysis in section 2.4 of this report further illustrates the range of current uncertainty in forward assumptions across a range of spend and funding assumptions, but the potential range of financial pressures remains significant, regardless.

National Government Policy developments

- 1.2.9 There was a one-year financial settlement for local government for 2022/23 which included an additional £1.6 billion grant uplift for the local government sector; £700m of which related to social care grant. The Government's stated focus was Sectoral 'stability'. Alongside this, Government allowed Councils to apply up to 2% general council tax (the referendum threshold) and up to 1% Adult Social Care precept.
- 1.2.10 The 2022/23 financial settlement also stated that Government was committed to ensuring that funding allocations for councils (from 2023/24 onwards) were based on an up-to-date assessment of their needs and resources, noting that the data used to assess this had not been updated in a number of years"; effectively referring to the national Funding review which it is anticipated will be delayed again with no current indication when or if it may be implemented.
- 1.2.11 This Council remains one of the lowest funded Councils; third lowest of the 36 metropolitan authorities and in the lower quartile nationally in 2021/22. This statistic takes the Government's own spending power benchmark calculation and expresses it as spend per head of the population.
- 1.2.12 Kirklees had recently become a member of a newly established campaign group called F20. The group is made up of some of the lowest funded councils in the country and is lobbying ministers to level up local government funding, with the belief that without change, those at the bottom end of the funding tables would be the hardest hit as a result of delayed funding reforms.
- 1.2.13 Government also stated through the 2021 Spending Review that beyond 2022/23 it expected "...*demographic and unit cost pressures will be met through Council Tax, social care precept, and long-term efficiencies...*". It is anticipated that Government will clarify its previously stated SR21 approach to local government resourcing beyond 2022/23, in light of the scale of current Cost of Living impacts on Council finances, no earlier than October/November 2022, and whether or not it will be any more than a further one year financial settlement for 2023/24.
- 1.2.14 Additional national Government funding of £5.4 billion was also set aside for investment in social care over the 2022-25 period; earmarked from the Health & Social Care (national Insurance) Levy for funding and system reform commitments set out in the Health & Social Care Plan.
- 1.2.15 Councils with social care responsibilities are currently planning for these reform commitments which includes initial current Government consultation on distribution options of elements of this funding to support Council planning and preparation. It is however acknowledged that the extent of funding requirement relative to the amount of current Government earmarked funding remains a significant budget 'risk' for the sector, pending further maturity of the planning and

modelled impacts on service demand and funding.

- 1.2.16 Elsewhere, there are a number of other current national Government policy developments including social care/health care integration, Environment Bill, a raft of education reforms including proposals for expansion of Multi Academy Trusts, and Levelling Up agenda, that may be impacted on both by the outcome of the current national government leadership context, and in light of a broad range of economic/Cost of Living challenges set out earlier in this report. These agendas and any new ones should also require consideration of adequate funding for Councils in respect of any 'new burdens' responsibilities, but if not properly considered would again present potentially significant further budget risks.

1.3 Financial Planning Framework for 2023/24

GENERAL FUND - REVENUE

- 1.3.1 The starting point for the Council's annual updated Medium Term Financial Plan (MTFP) is the roll forward of existing multi-year 2022-27 revenue and capital budget plans approved at Budget Council on 16 February 2022; the latter subsequently updated also for capital rollover proposals from 2021/22 into 2022/23 (see also Financial Outturn & Rollover report – separate item on the Council agenda on 7 September).
- 1.3.2 Existing spend and funding assumptions for 2023/24 and future years have then been reviewed; in particular in light of emerging significant Cost of Living pressures expected to wash through from 2022/23 into subsequent years.
- 1.3.3 The updated baseline financial planning framework set out in this report covers the 2023-27 period. It will provide the basis for Cabinet to then formulate and recommend to Council on 22 February, draft revenue budget proposals for 2023/24 to deliver a balanced budget, updated revenue budget forecasts for subsequent financial years, and draft multi-year capital plans.
- 1.3.4 The intention is that subsequent budget development will also incorporate spend and funding forecasts for a new year 5 (2027/28) for revenue and capital, that will be included as part of the annual report to Budget Council on 22 February 2023.
- 1.3.5 The updated baseline planning framework also assumes minimum usable general fund reserves requirement over the medium term of £47m or 14% of annual net revenue budget; a combination of existing £37m financial resilience reserves and £10m general balances; now rolled into a single unallocated reserves line (see also section 2.2).
- 1.3.6 The absolute minimum usable reserves requirement set out here will be critical to supporting the Chief Finance (& s151) Officer judgement on the adequacy of reserves which forms part of the s151 Officer's positive assurance statement in the annual budget report. This judgement on a minimum reserves requirement is also informed by the Council's corporate risk register; the most current version of which is also appended to this report (Appendix C).
- 1.3.7 In summary, updated baseline general fund revenue budget spend and funding forecasts over the 2023-27 period, are summarised at Table 2 below:

Table 2 – Summary General Fund baseline Budget funding and spend forecasts, 2023-27 period, and including current year:

	2022/23	2023/24	2024/25	2025/26	2026/27
	£m	£m	£m	£m	£m
2022-27 MTFP Budget Gap	-	16.4	31.4	33.5	38.2
Government Funding Changes	-	(10.5)	(10.5)	(10.5)	(10.5)
Cost of Living – energy spend	13.4	14.7	14.7	14.7	14.7
Cost of Living – pay award	8.6	13.4	13.4	14.0	14.6
Cost of Living – other inflation	2.0	1.5	1.5	1.5	1.5
School transport pressures	2.4	2.4	2.4	2.4	2.4
Other Net Directorate pressures	2.4	-	-	-	-
Treasury management budget changes	-	3.4	5.7	8.7	8.3
Net Changes	28.8	24.9	27.2	30.8	31.0
Updated Budget Gap	28.8	41.3	58.6	64.3	69.2
Use of Reserves	(10.0)	-	-	-	-
Revised Budget Gap	18.8	41.3	58.6	64.3	69.2

- 1.3.8 The updated budget figures set out in the above table include the unbudgeted pressures included as part of 2022/23 Quarter 1 financial monitoring report, then rolled forward into future years as appropriate; noting that the Quarter 1 figures in Table 2 have been further adjusted upwards to reflect a revised national local government pay award offer for 2022/23 (see also sections 1.5.6-1.5.8 of this report).
- 1.3.9 Mainly as a result of Cost of Living pressures, the starting point budget gap for 2023/24 at £16.4m, as forecast in the annual budget report in February 2022, has now increased to a revised budget gap of £41.3m in 2023/24. The budget gap increases to £58.6m in 2024/25, £64.3m in 2025/26 and £69.2m in 2026/27.
- 1.3.10 The updated baseline position will continue to be reviewed in light of emerging national and local intelligence and factored into subsequent budget development through the remainder of the 2023/24 budget round to enable a balanced budget to be delivered for 2023/24, alongside updated forecasts for future years.

1.4 Government Funding changes

- 1.4.1 Updated budget plans assume an uplift of the annual Government funding allocation to Councils; also known as the Settlement Funding Assessment (SFA). The assumed figure here is 10.1%, using the most current July 2022 CPI figure as a proxy guide. Government annual uplifts of SFA have in recent years been based on the preceding September's CPI and, as such, 10.1% has been used as a proxy; being the latest available CPI uplift available at the time of writing this report.
- 1.4.2 Given the unprecedented level of financial pressures resulting from the Cost of Living crisis, updated budget plans also assume an uplift of 10.1% of the general Services Grant received by Government. Together, these uplifts result in an

additional £10.5m estimated funding allocation in 2023/24 compared to existing budget plans.

- 1.4.3 Elsewhere, it is anticipated that annual general Council Tax thresholds will continue to be capped at 1.99% per annum, and a further 1% per annum for Adult Social Care precept.

1.5 Cost of Living Pressures

Energy inflation

- 1.5.1 The Russian military invasion in Ukraine has seen an unprecedented spike in gas prices at 415% and electricity prices at 110% current year, and this is likely to be more structural in nature.
- 1.5.2 The estimated impact of the increased 2022/23 uplifts versus 20% budgeted inflation for energy costs is a forecast unprecedented £13.4m additional pressure in 2023/24 on energy costs. This includes pressures of £6.9m on directly operated buildings, £4.5m relating to Public Private Partnership (PPP) school contracts (paragraph 1.5.3) and up to £2m on Kirklees Active Leisure (KAL) budgets. In addition to this, the Council has set aside a further £3.5m over the 2022-24 period to support KAL with its post-pandemic recovery plan.
- 1.5.3 The £4.5m PPP pressure, outlined above, sits within Children & Families (Learning Services) as a result of the significantly increased annual energy price uplifts. These are costs borne by the Council in relation to utility costs relating to Public PPP 1 and 2 contracts with 19 schools. While there is a base budget to cover these costs, the unprecedented energy price uplift in 2022/23 has significantly increased these costs.
- 1.5.4 At this stage, while acknowledging the continued volatility of energy prices, the working assumption is that energy costs over the medium term will increase more incrementally at 20% for 2023/24 and revert to 7% per annum thereafter.
- 1.5.5 The Council is currently one of 13 members of the Yorkshire Purchasing Organisation (YPO) and we have a current consortium contract with YPO to broker gas and electricity prices on our collective behalf. The gas element of the contract has a further 2 years to run after 2022/23, but the electricity contract runs to 31 March 2023 and officers are currently considering options for 2023/24 and future years. Utility contracts are considered as day to day expenditure in the councils constitution where the expenditure could reasonably be regarded as having been in the contemplation of members when the revenue budget was approved. However, in light of the extent of volatility in the current energy markets, Cabinet are requested at this stage to enable delegated authority to the Strategic Director for Environment and Climate Change, in consultation with the Director of Finance and Corporate Portfolio-holder, to expedite electricity contract options in a timely fashion for 2023/24. Delegated authority is requested to: i) re-procure the Councils Electricity Supply Contract via a call off from a framework from an established Central Purchasing Body, ii) grant authority to award a contract for the Councils electricity supply from April 2023.

Annual Pay Award

- 1.5.6 The local government sector national employer representatives have offered a one-year deal for 2022/23 with a flat rate £1,925 to directly employed Council employees. This skews the pay award uplift to lower paid staff e.g. staff on the lowest grade would receive the equivalent of 10.5% pay uplift for 2022/23, the median uplift equivalent to 8.04% and at the highest grade, equivalent to 1.1%.
- 1.5.7 The 'average' pay award across the Council's staffing would equate to about 7.68%. The 2022/23 Quarter 1 financial monitoring report had forecast an unfunded budget pressure of £4.4m assuming an average 5% pay award versus 2% per annum in current budget plans. The subsequently updated flat £1,925 pay award offer now results in an unfunded pressure of £8.6m in 2022/23 that would roll into 2023/24. At this stage, the assumed pay award for 2023/24 is a prudent 5% in light of likely continuing inflationary pressures through 2023/24, resulting in an additional pressure of £4.8m. It is assumed that the pay award will revert to 2% per annum thereafter.
- 1.5.8 The current headline 2022/23 National Living Wage (NLW) is £9.50 (aged 23 and over); an increase of 6.6% from 2021/22. Current budget plans assume a further uplift of 6.7% in 2023/24. The significance of the annual NLW uplift is the impact, in particular on adult and children's care provider fee rates. Government will confirm the 2023/24 NLW rate in due course. At this stage, it is an acknowledged budget risk issue.

Fuel and Food inflation

- 1.5.9 Fuel inflation is also estimated to add further pressure of up to £0.5m on Council transport use in 2022/23, and up to £1m on food inflation within the Council's catering operation. Budgeted assumptions for 2023/24 have been updated to reflect these amounts, noting that as with energy costs, they will continue to be reviewed in light of overall current inflationary volatility.

Other Service Pressures

Social Care

- 1.5.10 As noted in paragraph 1.2.15, this Council, along with all other Councils with Statutory social care responsibilities, is currently preparing for a range of social care reforms anticipated to be implemented part way through 2023/24 onwards. At this stage, the funding set aside nationally to support the fair cost of care and client funding caps is assumed will be covered through the National Insurance Levy funding set aside for this purpose. However, the basis on which the national funding will be distributed locally has yet to be determined, and it is recognised that there will be differential impacts nationally. The Council is currently working with other Councils regionally and other key external partners to assess future demand and staff capacity impacts.
- 1.5.11 Across children and adult social care activity, demand and cost pressures continue to be closely monitored and reviewed, and remain a significant budget risk issue for the Council going forward; especially in light of the potential compounded longer term impacts of COVID and the current Cost of Living crisis on individuals mental, physical health and broader capacity and care support, in and amongst known demographic and other pressures in the system.

School Transport

- 1.5.12 In-year Directorate service pressures as reported as part of Quarter 1 financial monitoring to Cabinet on 9 August, are expected to be contained within Directorate budgets by current year end. The only exception is school transport pressures which continue to be significant, in spite of additional £3.5m base budget allocated to schools transport budgets over the past 3 budget rounds.

Treasury Management Budget

- 1.5.13 Current Treasury Management budgets assumed a Bank of England base rate of 0.25% in February 2022 with gradual rises to 0.5% by March 2023. This resulted in combined borrowing rates of circa 1.5% across all years.
- 1.5.14 In light of the intervening Bank of England base rate changes (currently 1.75%) and the consequential impacts on the current PWLB borrowing rates, the Treasury Management budget changes presented at Table 2, reflect an assumed combined borrowing rate of circa 3% across all years. This is based on the continuation of current borrowing strategy, which combines the continued use of both short and long term borrowing as set out in the 2022/23 Treasury Management Strategy. As noted later in the report (paragraph 1.10.2), the capital plan will be subject to a more fundamental corporate review and affordability assessment in light of the scale of financial challenges facing the Council. Treasury Management budgets will be updated to reflect any such changes.

Service Income

- 1.5.15 Sales, fees and charges (SFC) and commercial rents budgets are approximately £55m across the council. SFC income shortfalls are ongoing as a result of the protracted recovery of the economy post-COVID; with this also being compounded by the impact of the Cost of Living crisis on household disposable income levels. Likewise, commercial income remains under pressure; some of which is due to the result of regeneration investment activity as well as the prevailing economic conditions.
- 1.5.16 The 2022/23 Annual Budget Report included a provision of £4.0m within Central budgets, reducing by £1.0m per annum over the subsequent 2 years, reflecting the recovery of service income over time. Updated income projections, and the extent to which any pressures can be offset by this contingency, will continue to be reviewed and factored into subsequent budget development through the remainder of the 2023/24 budget round.

1.6 Dedicated Schools Grant (DSG)

- 1.6.1 The Council has reported extensively on the extent of year on year increasing spend pressures on High Needs pupils with Special educational and Disability needs (SEND), significantly in excess of annual funding available through the annual Schools grant (DSG).
- 1.6.2 While this has become an increasingly urgent issue for many Councils with statutory educational responsibilities, the extent of the emerging DSG deficit for this Council was especially acute; as at April 2021 it was £25.1m and was forecast to increase to £35.8m by 2021/22 year end. This put the Council firmly in the top

20% cohort of Councils with the largest DSG deficits, and over the medium term presented a significant threat to the Council's overall financial sustainability.

- 1.6.3 In response, Government established a Safety Valve Programme in 2021 and to date has invited a number of Councils from the 20% cohort referred to above, to participate. The intention is for participating Councils to negotiate individually with the Department for Education (DfE) to reach an agreement to eliminate their in-year DSG deficits over a multi-year period (typically 4 to 5 years) through targeted annual savings. In return, Government would provide participating Councils sufficient funding to clear their accumulated DSG deficits over the same period.
- 1.6.4 Kirklees Council was one of the Councils invited to participate in the Round 2 Safety Valve Programme, and was successful in negotiating a funding agreement with DfE. This included an initial Government funding contribution of £13.5m made on 31 March 2022, which effectively reduced the Council's DSG deficit at 2021/22 year-end to £22.3m.
- 1.6.5 A further £20m government funding contribution will be made; £4m each year over the next 5 years; dependent on the Council delivering target in-year savings over the period. An update report setting out in more detail the Safety Valve funding agreement and management plan was also presented to Cabinet on 26 July 2022.
- 1.6.6 The Council's management plan includes significant capital investment in district SEND placement sufficiency over the next 5 years; including the re-location and placement expansion of 2 existing special schools (includes £9m Government capital grant contribution and £27m Council prudential borrowing), alongside Government further capital funding of £8.2m to support alternative resource provision across the district's maintained schools. The management plan also includes Council earmarked demand reserves contributions of £10.5m over the next 5 years, and annual Council savings against High needs spend of £5m per annum by year 5.
- 1.6.7 The management plan resourcing assumptions set out above are also incorporated into the updated baseline MTFS multi-year spend and funding assumptions in this report as appropriate.

1.7 Collection Fund

- 1.7.1 Existing budget plan assumptions remain unchanged for collection fund including estimated housing growth at 1300 Band D properties per annum, business rates local share growth of 2.5% in 2023/24 and collection rates of 98.5% across all years of the MTFP. The collection fund assumptions will continue to be reviewed throughout the budget round, in particular with respect to the impact on residents and business of the Cost of Living crisis and the potential effect this may have on the target collection rates and bad debt provision requirement going forwards.

1.8 Leeds City Region (LCR) Business Rates Pool

- 1.8.1 Kirklees is part of the Leeds City Region Business Rates Pool in 2022/23. The levy gain to the Pool is 50%, with the remaining 50% returned to Government. The existing pool will cease at current year end and on 18 August 2022 Government invited new pool applications for 2023/24 with a deadline of 22 September 2022. Pool arrangements for 2023/24 will have the same benefits and risks as the current 2022/23 Pools.

- 1.8.2 Pool members will review options for 2023/24 to meet the Government deadline, and it is recommended at this stage that Cabinet approve delegated authority to the Chief Executive and Service Director – Finance, in consultation with the Leader and Corporate Portfolio holder, to consider options and decide whether or not to continue as a member of the Pool for 2023/24. At this stage this is an expression of interest and following the release of the provisional financial settlement expected mid-December 2022, prospective Pool members have a further 28 days to consider their final decision.

1.9 Housing Revenue Account (HRA)

- 1.9.1 HRA budget plans support the delivery of a high quality landlord service to 22,000 Council tenancies and 1,030 leaseholders alongside supporting the Council's strategic HRA capital investment ambitions, within a self-financed and wholly ring-fenced refreshed 30 year HRA business plan.
- 1.9.2 The Government social housing White Paper; 'The Charter for social housing residents' published in November 2020 set out proposals 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 through the forthcoming Housing Bill, will underpin the key HRA business plan priorities.
- 1.9.3 The HRA business plan will be updated to reflect continuing investment to meet enhanced regulatory and compliance standards and tenant and leaseholder expectations. The HRA is also wholly self-financed and must ensure that multi-year budget plans remain affordable over the longer term.
- 1.9.4 Under current Government policy guidelines, Councils are allowed to increase rents over the 2020-25 period by CPI+1%; CPI based on the prevailing September CPI, to inform the following April annual uplift. It is anticipated that Government may introduce a temporary cap on the allowable rent uplift for 2023/24 in light of an anticipated September CPI of 10%+ in 2022. Government confirmation is expected later this Autumn. The HRA rent and service charge setting report will be presented to Cabinet for approval in December 2022.

1.10 Capital Investment

- 1.10.1 The updated baseline multi-year capital plan presented in this report reflects the Council's current multi-year capital plan approved at Budget Council on 16 February ; subsequently updated to incorporate proposed 2021/22 financial capital rollover proposals from 2021/22 into 2022/23 as part of the Council financial outturn report 2021/22 (separate item on the Council agenda on 7 September), and approved in-year changes incorporated into the 2022/23 Quarter 1 financial monitoring report. This is summarised below and at more detail at Appendix B:

Table 3 – Updated Multi-Year Capital Plans - Spend

Capital Plan – Primary Outcomes	22/23 £m	23/24 £m	24/25 £m	25/26 £m	26/27 £m	Total £m
Aspire & Achieve	18.6	23.2	27.1	10.7	3.4	83.0
Best Start	3.3	5.3	0.2	0.0	0.0	8.8
Independent	8.7	7.8	7.9	0.3	0.0	24.7
Sustainable Economy	173.5	164.3	195.2	163.5	40.2	736.7
Well	7.2	4.4	2.5	1.7	0.3	16.1
Safe & Cohesive	0.2	0.0	0.0	0.0	0.0	0.2
Clean & Green	8.9	21.1	7.2	15.8	2.6	55.6
Efficient & Effective	2.8	1.8	1.9	1.9	1.5	9.9
General Fund	223.2	227.9	242.0	193.9	48.0	935.0
HRA - Independent	38.1	67.1	55.5	45.6	67.7	274.0
Council Total	261.3	295.0	297.5	239.5	115.7	1,209.0

Table 4 – Updated Multi-Year Capital Plans – Funding

	22/23 £m	23/24 £m	24/25 £m	25/26 £m	26/27 £m	Total £m
General Fund						
Capital Grants / Contributions	99.1	113.0	58.6	68.0	38.3	377.0
Earmarked Capital Receipts	1.2	6.4	4.9	24.5	0.5	37.5
Service Funded Prudential Borrowing	4.0	10.2	13.3	4.3	0.3	32.1
Revenue Contributions	0.5	0.2	0.2	0.0	0.0	0.9
Non-Earmarked Capital Receipts	3.9	4.0	4.0	4.0	4.0	19.9
Corporate Prudential Borrowing	114.5	94.1	161.0	93.1	4.9	467.6
	223.2	227.9	242.0	193.9	48.0	935.0
Housing Revenue Account						
Capital Grants / Contributions	3.5	3.2	3.3	2.3	14.4	26.7
Earmarked Capital Receipts	4.7	14.5	11.7	8.6	2.7	42.2
Reserves / Revenue Contributions	8.2	19.1	6.1	4.8	30.0	68.2
Reserves (MRR)	17.8	14.0	18.8	19.3	19.8	89.7
HRA Borrowing	3.9	16.3	15.6	10.6	0.8	47.2
	38.1	67.1	55.5	45.6	67.7	274.0
TOTAL	261.3	295.0	297.5	239.5	115.7	1,209.0

- 1.10.2 As with revenue, the baseline multi-year capital plan will be subject to a more fundamental corporate review and affordability assessment, in light of the scale of financial challenges facing the Council; in particular relating to Cost of Living pressures.
- 1.10.3 The overall affordability of the plan will be assessed against two key aspects. The first is annual revenue service debt requirements built into the baseline spend

forecasts to support £467m general fund prudential borrowing intent over the 2022-27 period and the extent to which this is now still considered affordable.

- 1.10.4 The second aspect is current significant inflationary pressures on capital costs, which impact across the totality of the plan, including schemes and programmes mainly or wholly externally funded, through various Government funding agencies and West Yorkshire Mayoral Combined Authority (WYMCA).
- 1.10.5 The review will cover prioritisation, phasing flexibility including impact and risk assessment, funding alternatives to prudential borrowing, stretching the plan over a longer time frame, and subsequent proposal brought forward through the remainder of the current budget round for member consideration.
- 1.10.6 The baseline capital plan update also includes at this stage a headline investment allocation of £18m in relation to the next phase of the Station Gateway development. Any proposals against this will be subject to a full business case appraisal for subsequent Cabinet consideration. As noted at paragraph 1.6.6 earlier, the Capital Plan also incorporates additional resource provision grant funding allocated by the Department for Education; part of the Council's sufficiency agenda for in-district SEND support over the medium term.

2. Information required to take a decision

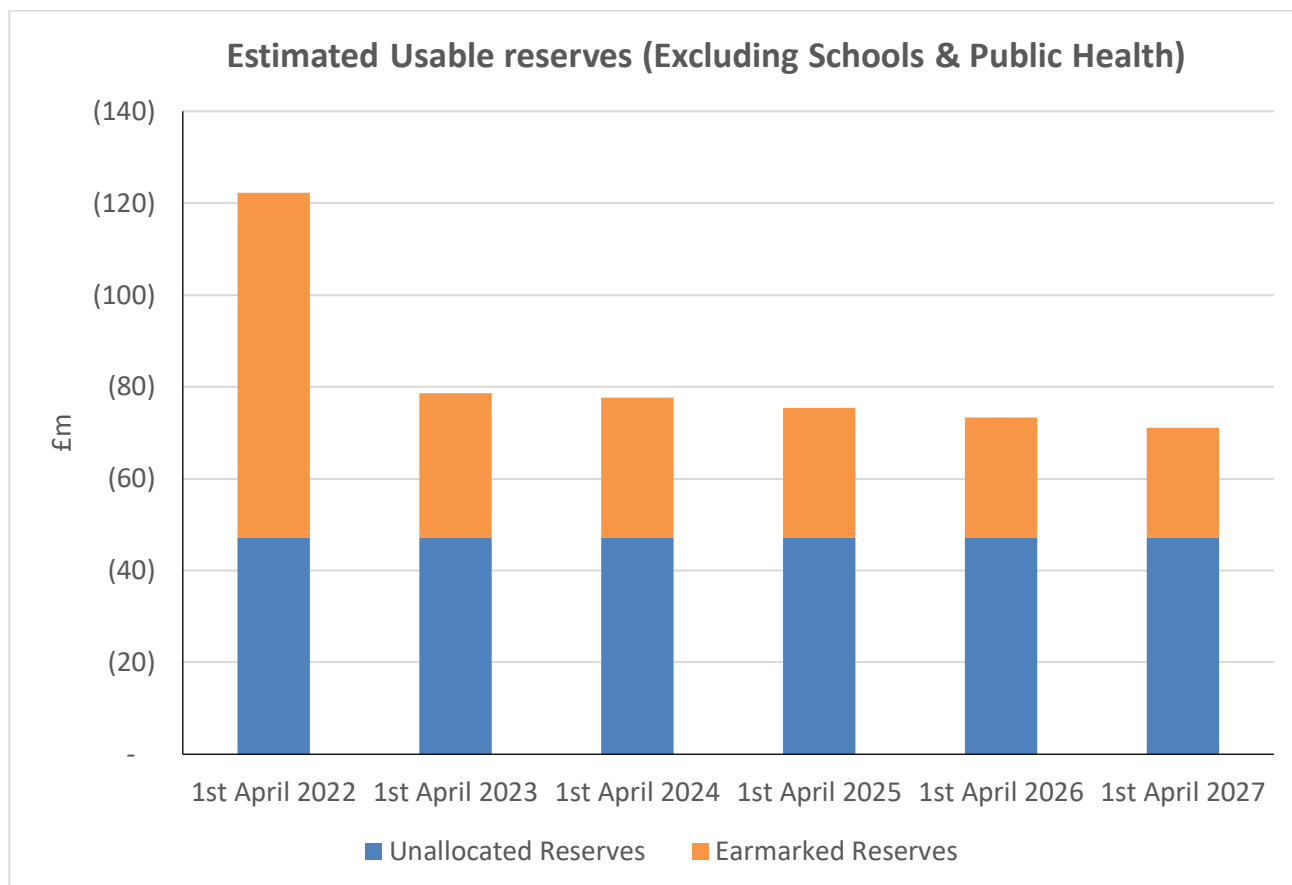
- 2.1 This report includes a range of supporting information set out in the following appendices:

Appendices

A	General Fund Reserves
B	Summary Updated Capital Investment Plan 2022-23 and future years
C	Corporate Risk Register
D	Corporate Budget Timetable
E	Sensitivity analysis – key assumptions

2.2 Revenue Reserves – General Fund

- 2.2.1 Current and forecast general fund revenue reserves over the 2022 to 2027 period are summarised graphically below. These reserves are set out in more detail at Appendix A together with a summary explanation of each reserve held.



2.2.2 Usable reserves (excluding Schools and Public Health) on 1 April 2022 at £122.2m, equates to 36% of the 2022/23 net annual revenue budget of £338.7m.

2.2.3 As per Appendix A, this indicator is predicted to reduce to just 23% at the end of the current financial year; in part reflecting some planned drawdowns in-year as per approved budget plans at Budget Council in February 2022 and also including the proposed unplanned drawdown of £10m earmarked reserves in-year to help mitigate some of the Cost of Living pressures; still leaving a remaining forecast in-year revenue £18.8m 'overspend' (includes the pay award update).

2.2.4 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.

2.2.5 The most current CIPFA resilience index uses 2020/21 revenue outturn data, and the Council's equivalent percentage was 54%; the Council ranking 23rd out of the 36 authorities (1st being highest percentage, 36th being lowest). The benchmarked figures as at 1 April 2022 will be published by CIPFA later this year.

2.2.6 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.*

2.2.7 In setting the budget for 2023/24, in order to give a positive assurance statement on the adequacy of reserves, the s151 Officer's recommendation in this report is to have a minimum usable reserves requirement (excluding ring-fenced public health reserves and school balances) of £47m at the start of 2023/24 (equivalent to about 14% of net revenue budget), informed by the following :

- i) the unplanned drawdown of £10m earmarked reserves, in-year to help mitigate unbudgeted Cost of Living pressures;
- ii) the overspend forecast at £18.8m as at Quarter 1 monitoring, which will further reduce usable reserves at year end;
- iii) the updated 2023/24 £41.3m budget gap set out earlier in this report;
- iv) the escalation of budget risks as set out in the most current corporate risk register included at Appendix C, and;
- v) Dedicated Schools Grant deficit statutory override reversal risk (see also 2.2.8 – 2.2.9 below)

The £47m is effectively the existing £37m financial risk resilience reserve and general balances £10m reserve, now amalgamated into a consolidated unallocated reserves line.

2.2.8 In relation specifically to the Council's Dedicated Schools Grant accumulated deficit at £23m as at 1 April 2022, normal accounting practice would mean that this would also offset usable reserves, as it is effectively a deficit balance on the Council's balance sheet. However, Government introduced a statutory instrument which covered financial years 2020/21, 2021/22 and 2022/23 and means Council DSG deficits must be moved to an unusable reserve for these years. In a pure technical accounting sense, the Council cannot recognise the deficit, as it falls within the definition of unusable reserves.

2.2.9 The rationale for the above statutory override was in recognition of the increasing number of Councils with growing DSG deficits that would otherwise have been offset against available Council usable reserves, and thereby became an increasing risk to financial resilience and sustainability for those Councils. The override also bought Government time to work out options for dealing with the DSG deficits, such as the targeted Safety Valve Programme. Government is currently consulting Councils with DSG's whether or not the sector would favour a further extension of the statutory override for 2023/24 and possible future years. This would give Councils further breathing space, especially in light of the scale of emerging Cost of Living pressures set out in this report. The outcome of the current consultation is expected later this year.

2.2.10 A further assessment of reserves requirements will be undertaken throughout the remainder of the budget round and will be reported as part of the Annual Budget report to Budget Council on 22 February 2023.

2.3 Revenue Reserves – Housing Revenue Account (HRA)

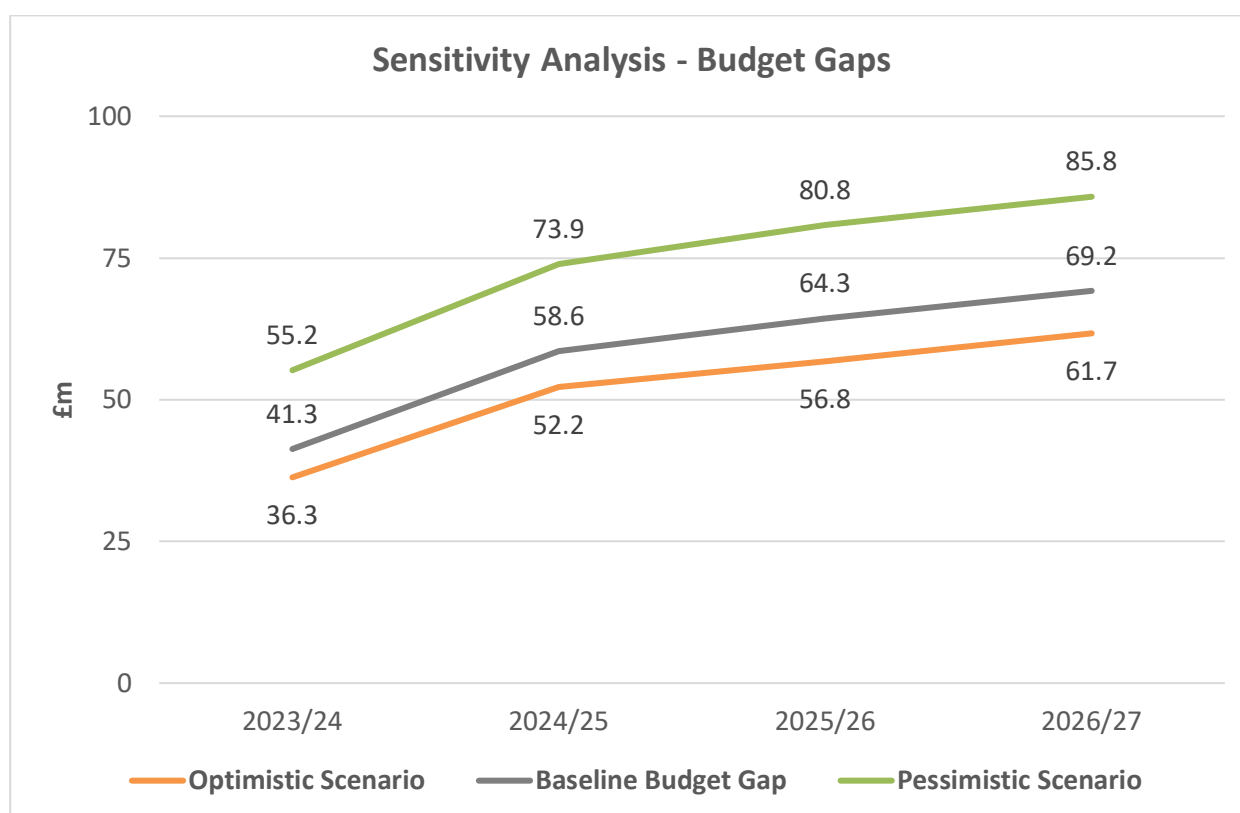
2.3.1 HRA revenue reserves commitments include a set aside of £4m for business risks; in particular, with regard to proposed welfare reform changes. The balance of commitments includes £1.5m working balance, and the planned build up (sinking fund) of reserves to support longer term HRA business plan capital investment requirements.

2.4 Budget Forecasts – Sensitivity Analysis

2.4.1 The baseline budget figures presented in this report are underpinned by a number of funding and spend assumptions. Included at Appendix E are a range of potential sensitivities relative to these baseline budget forecast assumptions. This has been expanded from previous summaries presented to Cabinet and Council to incorporate Cost of Living sensitivities on the Council's finances.

2.4.2 The range of sensitivities reflect marginal changes to a number of key assumptions but illustrate the potential extent of volatility of budget forecasts due to such adjustments, and the cumulative effect of these over time.

2.4.3 The impacts of the budget forecast sensitivities are summarised in the graph below.



2.4.4 It is intended that this sensitivity analysis will continue to be reviewed to include longer-range treasury management forecasts, together with expanded resources and spend sensitivity forecasts going forward.

3. Implications for the Council

- 3.1 The Council's budget plans support the overall delivery of the following Council objectives and Priorities within available resources:
- i) Working with People
 - ii) Working with People
 - iii) Place Based Working
 - iv) Climate Change and Air Quality
 - v) Improving Outcomes for Children
 - vi) Financial implications for Kirklees residents

Other (e.g Financial, Legal or Human Resources)

- 3.2 A robust Medium Term Financial Plan and budget strategy is a key element of financial and service planning and contributes to the council discharging its best value duty under section 3 Local Government Act 1999. This will be updated in detail by Budget Council in February 2023. This report sets a framework for development of draft plans by officers and Cabinet, for consideration by all Members in due course.
- 3.3 Key funding and spend assumptions factored into the MTFP update will be subject to further review, informed by most current local and national intelligence, including the outcome of the anticipated Autumn Spending Review 2022, funding arrangement for the Health & Social Care Plan, and forecast economic trends on current spending assumptions and service and local tax income assumptions over the medium term.
- 3.4 Any further material changes to funding and spend assumptions will be considered for incorporation into the finalised annual budget report as appropriate.
- 3.5 Section 28 Local Government Act 2003 requires the Council to monitor their income and expenditure against the budget and integral to ensuring a balanced budget under section 31A Local Government Finance Act 1992.
- 3.6 Sections 32 and 43 Local Government Finance act 1992 acknowledge the requirement for financial reserves needed to meet future expenditure when calculating the budget requirement.
- 3.7 Section 25 Local Government Act 2003 provides that where the Council are calculating the budget requirement for a financial year, the Chief Finance Officer is required to report on:
- (i) the robustness of the estimates; and
 - (ii) the adequacy of the financial reserves.

Under section 25(2), the council must have regard to the Chief Finance Officer's report when making decisions about budget requirements.

Section 65 Local Government Finance Act 1992 and regulations thereunder require the council to consult non-domestic ratepayers; and the Council's Budget and Policy Framework set out in part 4.3 of the Constitution further requirements about consultation with service users, residents and stakeholders on the budget proposals.

RISK ASSESSMENT

- 3.8 The MTFP update is based on a range of local and national intelligence, and risk assessments underpinning current and future funding and spend assumptions, acknowledging that the extent of these are all potential risk factors to the delivery of balanced budget plans over the medium term. These risk factors are summarised at Appendix C alongside identified management actions to mitigate the risks.

Financial Planning Framework

- 3.9 The updated budget plans set out in this report provide the planning framework for officers to bring forward proposals to Cabinet and members through the remainder of the current budget round, in order to deliver a balanced budget for 2023/24, indicative forward plan budget forecasts, and updated multi-year capital plans and associated funding.
- 3.10 The key budget timetable milestones for the remainder of this budget round are set out at Appendix D.

Budget Consultation

- 3.11 The Council's overall financial planning framework includes consideration of wider engagement, consultation and timetabling on residents and other stakeholder views on high level priorities in resource allocation, including consultation with representatives of non-domestic ratepayers.
- 3.12 In addition, there may be a requirement for more detailed service consultations, led by the relevant services, on specific service budget proposals. These will engage service users as early as possible and target the groups most likely to be affected.
- 3.13 There is also on-going engagement with the business and voluntary and community sectors.
- 3.14 The Council has a duty, under section 149 of the Equalities Act 2010, to comply with the Public Sector Equality duty when developing budget proposals. Key decisions include accompanying evidence available to members; namely officer led integrated impact assessments, which are reviewed and updated as appropriate, including key budget proposals. Integrated impact assessments are also made available on the Council's website, in a timely manner. This purpose of the assessments is to ensure that decision makers have due regard to the Council's equalities duties on key decisions.

4. Consultees and their opinions

- 4.1 This report is based on consultation with the Council's Executive Team and Cabinet members in assessing the current issues, risks and factors to be addressed.

5. Next Steps

- 5.1 The Council's Chief Finance Officer (& Service Director, Finance) will co-ordinate the development of draft budget proposals and options and supporting budget

documentation within the budget framework and planning totals along with the development of the budget consultation process.

- 5.2 Council officers will continue to work with Cabinet on a range of management actions and proposals to reduce the in-year forecast £18.8m general fund revenue overspend, as far as possible, in conjunction with concerted sectoral lobbying to Government for additional funding; both in-year and for 2023/24, that properly acknowledges the extent of the Cost of Living pressures across the sector, including schools sector, anchor partners, community and voluntary sector, and contracted services including care providers.
- 5.3 Given the early timeline of this report to members, it is intended that a further update will be presented to Cabinet and Council in the event of any subsequent government announcements that further inform the national funding position; relative to the assumptions set out in this report.
- 5.4 Cabinet will bring forward detailed budget proposals in the new year, for consideration at Budget Council on 22 February 2023.

6. Cabinet portfolio-holders recommendations

This financial year has been one of the most turbulent in living memory. The impact of spiralling energy costs and the cost-of-living crisis is affecting every household in Kirklees. The Council itself faces unprecedented increases in costs at the same time as demand for services is rising. In this context, the quality of our financial planning is more important than ever.

The budget strategy update is an important tool for us to manage the challenges. It considers the economic landscape, our spending and investment plans and the changes we can forecast over the coming months. These are the key factors we need to take into account as we set budgets and plan services for people across Kirklees.

Kirklees Council has a record of sound financial management. Despite low levels of central government funding compared to similar authorities and bearing the brunt of austerity for a decade, we have maintained a prudent financial platform. But good budget management is just a means to an end. Its main role is as a foundation for delivering the services residents rely on and a way of investing in our infrastructure to generate economic growth and opportunities.

As the financial and political environment changes, we will update our forecasts and assumptions to give us the clearest possible picture of the challenges we face. In particular, we await the impact of the government's funding settlement for councils across England which will go a long way to deciding our financial baseline for the coming year.

I encourage all members of the Council to read the report and carefully consider its content.

7. Officer recommendations and reasons

Having read this report and the accompanying Appendices, Cabinet are asked to:

- 7.1 note the funding and spend assumptions informing the updated budget forecasts as set out in this report and note in particular the minimum useable reserve requirement advised by the s 151 officer, being £47million as per paragraph 2.2.7 of this report along with the budget gap figures as per paragraph 1.3.9 of this report;
- 7.2 note current and forecast earmarked reserves and general balances as set out at Appendix A;
- 7.3 approve the financial planning framework set out in Section 1.3 of this report for general fund revenue and Section 1.9 for Housing Revenue Account;
- 7.4 approve the financial planning framework for general fund and HRA capital at Section 1.10 of this report;
- 7.5 note the corporate budget timetable and approach set out at Appendix D;
- 7.6 delegate authority to the Chief Executive and Leader of the Council, in consultation with the Director of Finance and Corporate portfolio-holder, to consider expression of interest to continue to participate in the Leeds City region business Rate Pool for 2023/24, by the Government deadline of 22 September 2022;
- 7.7 delegate authority to the Strategic Director for Environment & Climate Change, in consultation with the corporate portfolio-holder, Service Director - Finance and the Service Director Legal, Governance and Commissioning (monitoring officer), to conclude contract negotiations and on behalf of the council, enter into a new contractual arrangement in a timely manner for Council electricity supplies either directly or through a preferred broker, from 1 April 2023 onwards. Delegated authority is requested to: i) re-procure the Councils Electricity Supply Contract via a call off from a framework from an established Central Purchasing Body, ii) grant authority to award a contract for the Councils electricity supply from April 2023.
- 7.8 delegate authority to the Strategic Director Corporate Strategy, Commissioning and Public Health to agree the approach to budget consultation and relevant timescales in consultation with the Portfolio Holder for Corporate Services.

Reasons

The above approach allows the updated budget plans to be adjusted subsequently for major factors identified and sets the basis for officers to update draft service plans within a clear Council budget framework.

8. Contact Officer (s)

James Anderson, Head of Service, Accountancy
james.anderson@kirklees.gov.uk

Sarah Hill, Finance Manager, Finance
sarahm.hill@kirklees.gov.uk

9. Background papers and History of Decisions

Annual budget report 2022/23 and future years; Budget Council 16 February 2022
Financial update – Corporate Scrutiny Panel 5 July 2022
Quarter 1 financial monitoring report to Cabinet 9 August 2022
Annual Financial Outturn and Rollover Report 2021/22 to Council 7 Sept 2022

KPMG Economic Outlook report; Quarter 1 2022/23
Bank of England - Monetary Policy Committee August Report 2022.

10. Service Director responsible

Eamonn Croston, Service Director, Finance
eamonn.croston@kirklees.gov.uk

GENERAL FUND RESERVES

APPENDIX A

	Revised reserves position at 1st April 2022	Estimated Movements In-Year	Estimated reserves position at 1st April 2023	2022-27 MTFP approved movements	Estimated reserves position at 1st April 2023 (revised)	Estimated reserves position at 1st April 2024	Estimated reserves position at 1st April 2025	Estimated reserves position at 1st April 2026	Estimated reserves position at 1st April 2027
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Statutory									
Schools Balances	(15,503)	-	(15,503)	-	(15,503)	(15,503)	(15,503)	(15,503)	(15,503)
Public Health	(1,442)	-	(1,442)	-	(1,442)	(1,442)	(1,442)	(1,442)	(1,442)
Total Statutory	(16,945)	-	(16,945)	-	(16,945)	(16,945)	(16,945)	(16,945)	(16,945)
Earmarked							-		
Transformation/Development Funding									
Ward Based Activity	(1,286)	120	(1,166)	-	(1,166)	(1,166)	(1,166)	(1,166)	(1,166)
Strategic Investment support	(4,500)	375	(4,125)	-	(4,125)	(4,125)	(4,125)	(4,125)	(4,125)
Waste Management	-	-	-	-	-	-	-	-	-
Mental Health	(639)	32	(607)	-	(607)	(607)	(607)	(607)	(607)
Inclusive Investment	(3,045)	(400)	(3,445)	-	(3,445)	(3,845)	(3,845)	(3,845)	(3,845)
Place Partnership Theme	(2,000)	-	(2,000)	-	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
Transformation	(4,166)	818	(3,348)	-	(3,348)	(3,348)	(3,348)	(3,348)	(3,348)
Place Standard	(1,000)	19	(981)	-	(981)	(981)	(981)	(981)	(981)
Local Welfare provision initiatives	-	-	-	-	-	-	-	-	-
Apprenticeship Levy	(2,915)	-	(2,915)	-	(2,915)	(2,915)	(2,915)	(2,915)	(2,915)
Workforce Planning	-	(1,500)	(1,500)	-	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
Drawdown to offset budget pressures	-	-	-	-	-	-	-	-	-
Total Transformation/Development Funding	(19,551)	(536)	(20,087)	-	(20,087)	(20,487)	(20,487)	(20,487)	(20,487)
Revenue Grants/Other									
Revenue Grants (various)	(18,468)	2,220	(16,248)	-	(16,248)	(16,248)	(16,248)	(16,248)	(16,248)
Rollover	(353)	319	(34)	-	(34)	(34)	(34)	(34)	(34)
Stronger Families Grant	(1,524)	-	(1,524)	-	(1,524)	(1,524)	(1,524)	(1,524)	(1,524)
Social Care Reserve	(1,285)	-	(1,285)	-	(1,285)	(1,285)	(1,285)	(1,285)	(1,285)
School PFI	-	-	-	-	-	-	-	-	-
Other	(3,645)	302	(3,343)	-	(3,343)	(3,343)	(3,343)	(3,343)	(3,343)
Drawdown to offset budget pressures	-	5,000	5,000	-	5,000	5,000	5,000	5,000	5,000
Total revenue Grants/Other	(25,275)	7,841	(17,434)	-	(17,434)	(17,434)	(17,434)	(17,434)	(17,434)

Glossary of Reserves

RESERVE	DESCRIPTION
School Balances	Statutory reserves relating to both individual schools balances/deficits carried forwards.
Public Health	Timing issues on Public Health grant spend commitments (Public health grant is statutorily ring-fenced)
Ward Based Activity	Set aside reflecting timing issues on ward-based activity spend commitments
Strategic Investment Support	To address the scale of development costs required to support the upscaling of capital investment activity and major project activity over the MTFP.
Waste Management	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.
Mental Health (including Domestic abuse)	To support a number of local area based mental health initiatives.
Inclusive Investment Reserve	Set aside for a range of targeted development activity that supports the Council's inclusive investment ambition.
Place Partnership Theme	To encourage Place specific local initiatives
Transformation Reserve	Set aside for strategic transformation developments over the next 12 to 24 months.
Place Standard Reserve	Set aside to support the resourcing of emerging Place Standard action plans.
Local Welfare Provision Initiatives	Set aside for a range of existing Local Welfare Provision measures to support some of the borough's vulnerable families and individuals in financial hardship
Apprenticeship Levy	Set aside to fund future payments into the Apprenticeship levy
Revenue Grants	Represents grants and contributions recognised in the Comprehensive Income and Expenditure Statement before expenditure has been occurred.
Rollover	To fund deferred spend commitments against approved rollover
Stronger Families	Set aside reflecting timing issues on expenditure commitments supporting a range of Stronger Families activity, funded from external grant.
Social Care	Set aside to cover phased rollout of a range of social care expenditure commitments as agreed at Cabinet, August 2018.
Schools PFI Reserve	Utilised to cover reduced DSG budget contributions to council services in 2020/21 and 2021/22
Other Earmarked	A range of smaller reserves earmarked for specific purposes.
Insurance	Mitigates against risk from increased liabilities and insurance claims.
Property and Other Loans	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.
Treasury Smoothing Reserve	This reserve has been set aside to manage the volatility surrounding treasury management budgets with respect to both potential changes in interest rates and the level of delivery of the capital plan.
Financial Resilience	Covers a range of potential costs highlighted in the Council's corporate risk register, including budget risks as set out in the sensitivity analysis within the 2021-26 Annual Budget report.
Demand Reserve	Set aside to mitigate the impact/volatility of a range of potential demand risks on statutorily provided service activity
COVID Response Reserve	Specific reserve set aside to cover the costs of the Council's COVID response.
COVID Grants (various)	Represents specific COVID grants recognised in the Comprehensive Income and Expenditure Statement before expenditure was occurred.

RESERVE	DESCRIPTION
COVID Business Grants reserve	Reflects the balance of COVID Business Grants received and recognised in 2020/21 and 2021/22 before expenditure was incurred.
Extended Business Rate Relief Compensation	During 2020/21 and 2021/22, local authorities received S31 grants to offset the reliefs given to businesses during COVID. Under current collection fund accounting rules, the S31 grants received cannot be discharged against the Collection Fund deficit in-year. The additional s31 grants were therefore transferred into the extended business rates relief reserve, to be drawn down the following year against the rolled forwards collection fund deficit.
Local Tax Income Loss Compensation	Local authorities were compensated for the loss of local tax income in 2020/21 as a result of COVID. The compensation amount was transferred into the Tax Income Loss Compensation Reserve to be drawn down in future years against the rolled forwards collection fund deficit.
Unallocated Reserves	General reserve set at £47m to support general working capital and cashflow requirements. Covers a range of potential costs highlighted in the Council's corporate risk register.

Multi-Year Capital Plan

APPENDIX B

Capital Plan Expenditure Summary

	Revised Capital Plan					
Capital Plan Expenditure Summary	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	Total £'000
General Fund:						
Aspire & Achieve	18,610	23,233	27,126	10,700	3,400	83,069
Best Start	3,341	5,250	250	0	0	8,841
Independent	8,708	7,766	7,941	250	0	24,665
Sustainable Economy	173,502	164,257	195,206	163,500	40,164	736,629
Well	7,228	4,410	2,457	1,688	300	16,083
Safe & Cohesive	175	0	0	0	0	175
Clean & Green	8,862	21,149	7,183	15,761	2,635	55,590
Efficient & Effective	2,821	1,825	1,885	1,950	1,482	9,963
General Fund Capital Plan	223,247	227,890	242,048	193,849	47,981	935,015
Housing Revenue Account:						
Independent - Strategic Priorities	18,828	41,851	37,059	26,946	42,364	167,048
Independent - Baseline	19,284	25,302	18,416	18,699	25,275	106,976
HRA Capital Plan	38,112	67,153	55,475	45,645	67,639	274,024
TOTAL EXPENDITURE	261,359	295,043	297,523	239,494	115,620	1,209,039

Capital Plan Funding Summary

APPENDIX B

	Revised Capital Plan					
General Fund Funding Summary	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	Total £'000
<i>Direct / Earmarked Contributions to Schemes</i>						
Capital Grants/Contributions	99,152	112,952	58,629	67,938	38,247	376,918
Earmarked Capital Receipts	1,195	6,365	4,915	24,540	532	37,547
Service Funded Prudential Borrowing	4,008	10,201	13,285	4,300	300	32,094
Revenue Contributions	542	226	226	0	0	994
<i>Pooled Resources</i>						
Non-Earmarked Capital Receipts	3,852	4,000	4,000	4,000	4,000	19,852
Corporate Prudential Borrowing	114,498	94,146	160,993	93,071	4,902	467,610
GENERAL FUND FUNDING	223,247	227,890	242,048	193,849	47,981	935,015

	Revised Capital Plan					
Housing Revenue Account Funding Summary	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	Total £'000
Capital Grants/Contributions	3,482	3,253	3,254	2,276	14,394	26,659
Earmarked Capital Receipts	4,739	14,491	11,696	8,628	2,678	42,232
Reserves / Revenue Contributions	8,231	19,107	6,125	4,761	29,996	68,220
Reserves - MRR	17,800	14,002	18,800	19,300	19,800	89,702
Corporate Prudential Borrowing	3,860	16,300	15,600	10,680	771	47,211
HRA FUNDING	38,112	67,153	55,475	45,645	67,639	274,024

Multi-Year Capital Plan

APPENDIX B



GENERAL FUND CAPITAL PLAN		Funding	Revised Capital Plan					Total £'000
			2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	
ASPIRE & ACHIEVE								
	Strategic Priorities							
	New Special School for Woodley @ Almondbury	B/G	500	5,658	13,926	2,400	0	22,484
	New Special School for J.Norton @ Deighton	B	500	7,113	6,850	500	0	14,963
	District Sufficiency	T	1,000	12,771	20,776	2,900	0	37,447
	Additionally Resourced Provisions/Satellite Provisions	G	100	2,000	1,950	4,150	0	8,200
	Brambles Primary Academy	B S106	1,552	0	0	0	0	1,552
	King James High School	B	817	0	0	0	0	817
	Almondbury Community School	B	3	0	0	0	0	3
	Scissett Middle School	S106	208	0	0	0	0	208
	Birkby Junior Expansion	B	10	0	0	0	0	10
	Beaumont Academy	B	96	0	0	0	0	96
	North Huddersfield Trust School	B	1,042	1,500	0	0	0	2,542
	Manor Croft Academy	B	2,470	0	0	0	0	2,470
	Thornhill Community Academy	B	652	0	0	0	0	652
	Reprovision of Special School - Lydgate	B	37	0	0	0	0	37
	Secondary Places Basic Need	B	66	0	0	0	0	66
	New Pupil Places in Primary/Secondary Schools	T	6,953	1,500	0	0	0	8,453
	Libraries & Public Buildings	B	1,971	862	0	0	0	2,833
	Almondbury Library	B	55	0	0	0	0	55
	Birkby Library	B	85	0	0	0	0	85
	Libraries & Public Buildings	T	2,111	862	0	0	0	2,973
	Strategic Priorities Total		10,164	17,133	22,726	7,050	0	57,073

Multi-Year Capital Plan

APPENDIX B



			Revised Capital Plan					
GENERAL FUND CAPITAL PLAN		Funding	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	Total £'000
ASPIRE & ACHIEVE								
	Baseline							
	Basic Need	G/B	533	900	500	0	0	1,933
	Capital Maintenance	G	6,056	4,050	3,200	3,000	2,800	19,106
	Capital Maintenance (Newsome High)	B	194	0	0	0	0	194
	Devolved Formula Capital	G	822	750	700	650	600	3,522
	Baseline Total		7,605	5,700	4,400	3,650	3,400	24,755
	One Off Projects							
	SEND Provision	G	841	400	0	0	0	1,241
	One Off Projects Total		841	400	0	0	0	1,241
	ASPIRE & ACHIEVE TOTAL		18,610	23,233	27,126	10,700	3,400	83,069
BEST START								
	Strategic Priorities							
	Homes for Children including Magdale House	B	855	0	0	0	0	855
	Our Space Grant Scheme	B	972	0	0	0	0	972
	Young Peoples Activity Team Reprovision - Ravensthorpe	B	691	609	0	0	0	1,300
	Specialist Accommodation / Youth Services	B/G	750	4,641	250	0	0	5,641
	Strategic Priorities Total		3,268	5,250	250	0	0	8,768
	One Off Projects							
	Liquid Logic Portal	B*	73	0	0	0	0	73
	One Off Projects Total		73	0	0	0	0	73
	BEST START TOTAL		3,341	5,250	250	0	0	8,841



			Revised Capital Plan					
GENERAL FUND CAPITAL PLAN		Funding	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	Total £'000
INDEPENDENT								
	Strategic Priorities							
	Commissioning Option Appraisals to facilitate outcomes of Specialist Accommodation Strategy	B	10	13	10	0	0	33
	Knowl Park House	B	3,360	3,790	223	0	0	7,373
	Homestead Dementia Services	B	1,925	2,280	334	0	0	4,539
	Red Laithes Court	B	100	0	0	0	0	100
	Havelock St, Ravensthorpe	B	150	0	0	0	0	150
	Day Services Support for Vulnerable Adults	B	390	909	7,374	250	0	8,923
	Strategic Priorities Total		5,935	6,992	7,941	250	0	21,118
	One Off Projects							
	Adults Social Care Operation	G	195	330	0	0	0	525
	Adults Social Care Operation - AT IT Consultant	G	62	0	0	0	0	62
	Highfields	B	13	0	0	0	0	13
	Carefirst System Replacement	B/R	1,564	0	0	0	0	1,564
	Carephones - Digital Switchover	B	937	444	0	0	0	1,381
	Infection Prevention Control	B	2	0	0	0	0	2
	One Off Projects Total		2,773	774	0	0	0	3,547
	INDEPENDENT TOTAL		8,708	7,766	7,941	250	0	24,665



GENERAL FUND CAPITAL PLAN		Funding	Revised Capital Plan					Total £'000
			2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	
SUSTAINABLE ECONOMY								
	Strategic Priorities							
	A62 to Cooper Bridge Corridor Improvements	G/B	2,006	5,075	12,533	38,313	9,502	67,429
	A653 Leeds to Dewsbury Corridor (M2D2L)	G	2,356	6,824	2,448	0	0	11,628
	A629 Halifax Road Phase 5	G/B	4,409	1,556	4,630	0	0	10,595
	UTMC Urban Traffic Management	G	162	0	0	0	0	162
	Huddersfield Southern Corridors	G/B	6,551	4,725	0	0	66	11,342
	North Kirklees Orbital Route (NKOR)	G	46	0	0	0	0	46
	Corridor Improvement Programme							
	A62 Smart Corridor	G	4,899	1,628	0	0	0	6,527
	Holmfirth Town Centre Access Plan	G/B	12,838	0	0	0	0	12,838
	Fenay Lane	G	458	2,771	4,129	0	0	7,358
	CityConnect							
	CityConnect Cooper Bridge	G	1,360	0	0	0	0	1,360
	CityConnect Huddersfield Town Centre	G/B	2,052	63	0	0	0	2,115
	WYTF Rolling Fund	B	107	0	0	0	0	107
	<i>West Yorkshire plus Transport Schemes</i>	T	37,244	22,642	23,740	38,313	9,568	131,507



			Revised Capital Plan					
GENERAL FUND CAPITAL PLAN		Funding	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	Total £'000
SUSTAINABLE ECONOMY								
	Strategic Priorities							
	Emergency Active Travel	G	1,666	0	0	0	0	1,666
	Transforming Cities Fund							
	<i>Rail-Bus Better Connected Stations:</i>							
	Huddersfield Rail Station Access	B	247	0	0	0	0	247
	<i>TCF Main scheme:</i>							
	Heckmondwike Bus Station	G	2,915	1,799	0	0	0	4,714
	Dewsbury/Cleckheaton Sust Travel Corridor	G/B	6,506	5,475	0	0	0	11,981
	Dews TC Walking & Cycling Imps	G/B	5,229	5,817	0	0	0	11,046
	Huddersfield Rail Station Access	G/B	3,362	6,588	0	0	0	9,950
	Trinity Street Foot/Cycle Bridge	G	2,827	2,600	0	0	0	5,427
	A629 Wakefield Rd Sust Travel Corridor	G	1,191	4,061	500	0	0	5,752
	Huddersfield Bus Station	G/B	1,866	4,426	0	0	0	6,292
	Dewsbury/Batley/Tingley Sus Travel Corridor	G/B	1,430	6,174	0	0	0	7,604
	<i>Transforming Cities Fund</i>	T	25,573	36,940	500	0	0	63,013



GENERAL FUND CAPITAL PLAN		Funding	Revised Capital Plan					Total £'000
			2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	
SUSTAINABLE ECONOMY								
	Strategic Priorities							
	Aspirational Regeneration of Major Town Centres - Feasibility	B	142	0	0	0	0	142
	<i>Regeneration of Strategic Town Centres - Huddersfield</i>	B	93	0	0	0	0	93
	<u>Huddersfield Town Centre Schemes</u>							
	Station Gateway – next phase	B*	0	9,000	9,000	0	0	18,000
	Huddersfield TC - Shop Front Grants	B	349	430	207	202	0	1,188
	The Northumberland Street Regeneration Project	B	1,906	0	0	0	0	1,906
	Huddersfield Market LUF match funding	R	0	2,000	0	0	0	2,000
	Huddersfield TC Design Framework	B	723	0	0	0	0	723
	Cultural Interventions - Growing Seeds	B	9	0	0	0	0	9
		T	2,987	11,430	9,207	202	0	23,826
	<u>Heritage Action Zone</u>							
	The George Hotel HAZ Scheme	B/G	4,416	1,648	458	0	0	6,522
	Estate Buildings HAZ Scheme	B/G	2,621	944	0	0	0	3,565
	HAZ Complementary Initiatives	B/G	44	15	0	0	0	59
		T	7,081	2,607	458	0	0	10,146
	<u>Huddersfield Public Realm Works</u>							
	New Street Public Realm Development	B	1,412	0	2,822	0	0	4,234
	Huddersfield Town Centre Cameras	B	68	25	25	0	0	118
	Refurb of 2 New Street, Huddersfield	B	17	0	0	0	0	17
		T	1,497	25	2,847	0	0	4,369



			Revised Capital Plan					
GENERAL FUND CAPITAL PLAN		Funding	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	Total £'000
SUSTAINABLE ECONOMY								
	Strategic Priorities							
	Public Realm - Golden Route	B	812	0	0	0	0	812
	Huddersfield Town Centre	T	12,470	14,062	12,512	202	0	39,246
	Regeneration of Strategic Town Centres - Dewsbury							
	Better Spaces Strategy:							
	Better Spaces - Spring Upgrade	B	14	0	0	0	0	14
	BS Phase 2 - Town Park	B	123	200	272	0	0	595
	Town Park - matchfunding	R	300	1,000	4,500	1,600	0	7,400
	Town Park - Town Fund Grant	G	650	1,450	2,450	1,700	0	6,250
	BS Phase 2 - Public Art	B	85	0	0	37	0	122
	BS Phase 2 - Public Art Town Fund	G	0	100	100	100	0	300
	Dewsbury Town Hall Lighting	B	65	0	0	0	0	65
		T	1,237	2,750	7,322	3,437	0	14,746
	Dewsbury Revival Grant Scheme - Shop	B	0	300	300	633	0	1,233
	Building Revival Scheme - Town Fund Grant	G	460	700	1,314	676	0	3,150
	Heritage Action Zone	B/R/G	2,047	322	0	0	0	2,369
	Daisy Hill Neighbourhood	B/R/G	2,198	1,250	1,220	1,780	0	6,448
	Dewsbury Market Upgrade	B/R/G	700	7,100	4,872	500	0	13,172
	The Arcade	B/G	245	3,752	200	0	0	4,197



GENERAL FUND CAPITAL PLAN		Funding	Revised Capital Plan					Total £'000
			2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	
SUSTAINABLE ECONOMY								
	Strategic Priorities							
	<i>Regeneration of Strategic Town Centres - Dewsbury</i>							
	Footpath, Cycle Routes & Facilities	B	23	0	0	0	0	23
	Lighting For Royal Arcades	B	3	0	0	0	0	3
	Fibre Capability	G/R	298	50	50	0	0	398
	Construction Skills Village	G/R	1,100	1,150	0	0	0	2,250
	Creative Culture	G	404	412	459	309	0	1,584
	Sustainable Transport	G	1,325	0	0	0	0	1,325
	Dewsbury Town Centre Action Plan	B	320	188	0	0	0	508
	Dewsbury Town Centre	T	10,360	17,974	15,737	7,335	0	51,406
	<i>Town Centre Action Plans</i>	T	22,972	32,036	28,249	7,537	0	90,794
	Smaller Towns & Villages	B	400	1,000	1,000	1,000	600	4,000
	Batley Smaller Towns & Villages	B	791	700	0	0	0	1,491
	Cleckheaton Smaller Towns & Villages	B	445	800	250	0	0	1,495
	Holmfirth Smaller Towns & Villages	B	445	800	250	0	0	1,495
	Heckmondwike Smaller Towns & Villages	B	605	700	190	0	0	1,495
	<i>Regeneration and Greening of Smaller Towns and Villages</i>	T	2,686	4,000	1,690	1,000	600	9,976



GENERAL FUND CAPITAL PLAN		Funding	Revised Capital Plan					Total £'000
			2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	
SUSTAINABLE ECONOMY								
	Strategic Priorities							
	Dewsbury Staff Move & Regeneration	B	100	500	750	3,000	4,150	8,500
	Market Hall Multi-Storey Car Park	B	109	475	5,400	3,000	0	8,984
	Queensgate Underpass	B	39	25	0	0	0	64
	Cultural Heart	B	10,109	13,000	90,000	85,011	0	198,120
	<i>Additional Investment into Strategic Town Centres</i>	T	10,357	14,000	96,150	91,011	4,150	215,668
	Strategic Acquisition Fund	B	4,597	0	0	0	0	4,597
	Property Investment Fund:							
	Economic Recovery Fund	B**	0	2,700	0	0	0	2,700
	Stadium Development	B**	5,178	2,300	0	0	0	7,478
	103 New Street	B**	2,763	0	0	0	0	2,763
	Kingsgate Phase 2	B**	3,502	5,500	0	0	0	9,002
	<i>Property Investment Fund</i>	T	11,443	10,500	0	0	0	21,943
	Start Up and Retention Policy Capital Grants	Res	500	226	226	0	0	952
	Dewsbury Riverside	B/G	4,075	5,003	12,692	0	0	21,770
	Site Development	G/ S106	177	48	0	0	0	225
	Public Realm Improvements	B	133	0	0	0	0	133
	Strategic Priorities Total		121,423	125,395	163,247	137,861	14,318	562,244



			Revised Capital Plan					
GENERAL FUND CAPITAL PLAN		Funding	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	Total £'000
SUSTAINABLE ECONOMY								
	Baseline							
	Housing Private	G/R	3,799	4,151	4,150	4,150	4,292	20,542
	Highways							
	Maintenance							
	Principal Roads	B/G	2,758	7,926	1,744	1,744	1,744	15,916
	Roads Connecting Communities	G	1,653	1,096	1,096	1,096	1,096	6,037
	Local Community Roads	B/G	8,391	5,426	5,426	5,426	5,426	30,095
	Structures	G	1,874	1,200	1,200	1,200	1,200	6,674
	Unadopted Roads	B	50	50	50	50	50	250
	Streetlighting	B*/ G	2,219	1,000	1,000	1,000	1,000	6,219
	Locality Based U Roads Improvements	B	5,822	5,000	6,878	0	0	17,700
	Highways Maintenance	T	22,767	21,698	17,394	10,516	10,516	82,891
	Integrated Transport							
	Integrated Public Transport	G	585	0	0	0	0	585
	Network Management	B/G	1,312	950	950	950	950	5,112
	Cycling and Walking	B/G s278	311	178	178	178	178	1,023
	Safer Roads	B/G	2,778	1,199	1,200	1,199	1,199	7,575
	Flood Management and Drainage Improvements	B/G s278	558	450	450	450	450	2,358
	Developer Funded Schemes	s278	397	0	0	0	0	397
	Highways Integrated Transport	T	5,941	2,777	2,778	2,777	2,777	17,050
	Highways Total	T	28,708	24,475	20,172	13,293	13,293	99,941

Multi-Year Capital Plan

APPENDIX B



GENERAL FUND CAPITAL PLAN		Funding	Revised Capital Plan					Total £'000
			2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	
SUSTAINABLE ECONOMY								
	Baseline							
	Corporate Landlord Asset Investment	B	9,984	4,153	2,800	2,800	4,300	24,037
	Corporate Landlord Compliance	B	1,786	1,250	1,250	1,000	1,000	6,286
	<i>Corporate Landlord</i>	T	11,770	5,403	4,050	3,800	5,300	30,323
	Corporate Landlord Suitability Programme	B	1,531	1,400	1,000	1,000	1,000	5,931
	Sustainability of Huddersfield Town Hall - Conditions	B	800	400	500	1,500	300	3,500
	<i>Corporate Landlord Asset Strategy Review</i>	T	2,331	1,800	1,500	2,500	1,300	9,431
	Bereavement	B	497	200	150	150	150	1,147
	Vehicle Replacement Programme	B	1,727	1,250	1,250	1,109	1,250	6,586
	School Catering	B	383	200	200	200	200	1,183
	Baseline Total		49,215	37,479	31,472	25,202	25,785	169,153
	One-Off Projects							
	Housing (Regeneration)	G/R	25	0	0	0	0	25
	Strategic Asset Utilisation	B	250	843	0	0	0	1,093
	Operational Services Asset Mngt	B	1,008	276	276	276	0	1,836
	Asset Management Property Database	B	84	61	61	61	61	328
	Leeds City Region Revolving Fund	B	1,211	0	0	0	0	1,211
	School Catering - Compliance Essential Works	B*	245	150	150	100	0	645
	Ward Based Activity	B	41	53	0	0	0	94
	One-Off Projects Total		2,864	1,383	487	437	61	5,232
	SUSTAINABLE ECONOMY TOTAL		173,502	164,257	195,206	163,500	40,164	736,629

			Revised Capital Plan					
GENERAL FUND CAPITAL PLAN		Funding	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	Total £'000
WELL								
	Strategic Priorities							
	Spenborough Valley Leisure Centre	B	677	0	0	0	0	677
	Huddersfield Leisure Centre	B	25	0	0	0	0	25
	Dewsbury Sports Centre Priorities	B	359	150	185	0	0	694
	Strategic Priorities Total		1,061	150	185	0	0	1,396
	Baseline							
	Kirklees Active Leisure	B*/ B	2,150	676	200	300	300	3,626
	Play Strategy	B/G /Cont / S106	4,017	3,584	2,072	1,388	0	11,061
	Baseline Total		6,167	4,260	2,272	1,688	300	14,687
	WELL TOTAL		7,228	4,410	2,457	1,688	300	16,083
SAFE AND COHESIVE								
	Strategic Priorities							
	Youth Offending Team	B	175	0	0	0	0	175
	Strategic Priorities Total		175	0	0	0	0	175
	SAFE AND COHESIVE TOTAL		175	0	0	0	0	175



			Revised Capital Plan					
GENERAL FUND CAPITAL PLAN		Funding	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	Total £'000
CLEAN AND GREEN								
	Strategic Priorities							
	Depot Works	B	28	0	0	0	0	28
	Garden Waste Containers and Vehicles	B/G	1,881	1,800	0	0	0	3,681
	Waste Management Plant/ Infrastructure	B/B* /G	2,100	3,100	6,100	14,100	0	25,400
	Climate Emergency - Green Travel	B	1,033	0	0	0	0	1,033
	Air Quality	B	325	0	0	0	0	325
	Huddersfield Heat Network	G/B	297	13,666	0	794	0	14,757
	Trees for Climate Programme	G	2,805	2,483	983	767	2,535	9,573
	Strategic Priorities Total		8,469	21,049	7,083	15,661	2,535	54,797
	Baseline							
	Environment & Strategic Waste	B	100	100	100	100	100	500
	Baseline Total		100	100	100	100	100	500
	One Off Projects							
	Electric Vehicle Charge Points	G	293	0	0	0	0	293
	One Off Projects Total		293	0	0	0	0	293
	CLEAN AND GREEN TOTAL		8,862	21,149	7,183	15,761	2,635	55,590

Multi-Year Capital Plan

APPENDIX B



			Revised Capital Plan					
GENERAL FUND CAPITAL PLAN		Funding	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	Total £'000
EFFICIENT AND EFFECTIVE								
	Baseline							
	Information Technology	B/G	1,158	900	900	900	900	4,758
	One Venue Development	B	568	100	100	200	200	1,168
	Sustainability of Major Town Halls - Service Development	B*	593	375	435	400	0	1,803
	Baseline Total		2,319	1,375	1,435	1,500	1,100	7,729
	One Off Projects							
	Information Technology (Digital)	B	450	450	450	450	382	2,182
	Internal Renovation works	B	52	0	0	0	0	52
	One Off Projects Total		502	450	450	450	382	2,234
	EFFICIENT AND EFFECTIVE TOTAL		2,821	1,825	1,885	1,950	1,482	9,963
GENERAL FUND CAPITAL PLAN TOTAL			223,247	227,890	242,048	193,849	47,981	935,015

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

S106 = Section 106 developer contributions

*= Borrowing Addition



		Revised Capital Plan					
HOUSING REVENUE ACCOUNT CAPITAL PLAN	Funding	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	Total £'000
INDEPENDENT							
Strategic Priorities							
Housing Growth	H / R	2,500	3,742	3,240	3,770	5,409	18,661
New Build Phase 1 - Ashbrow Extra Care	H/R/ Cont/ S106	6,800	3,735	0	0	0	10,535
Remodelling / High Rise	H/G	2,311	5,824	7,819	5,376	35,670	57,000
IT System (Universal Housing Replacement)	H	1,417	750	0	0	0	2,167
Council House Building	B/R	5,800	27,800	26,000	17,800	1,285	78,685
Strategic Priorities Total		18,828	41,851	37,059	26,946	42,364	167,048
Baseline							
Housing Capital Plan	H	11,500	11,500	11,500	11,647	17,504	63,651
Estate Improvements (Neighbourhood Investment)	H	500	800	900	1,000	1,720	4,920
Compliance	H	3,314	7,275	2,263	2,263	2,262	17,377
Fuel poverty	H / G	470	2,274	825	825	825	5,219
Adaptations	H	3,500	3,453	2,928	2,964	2,964	15,809
Baseline Total		19,284	25,302	18,416	18,699	25,275	106,976
HRA CAPITAL PLAN TOTAL		38,112	67,153	55,475	45,645	67,639	274,024

FUNDING KEY:

H = HRA revenue contribution/major repairs reserve





R = Capital receipts


G = Grant



B = Borrowing






S106 = Section 106 developer contributions



Cont = Other external contributions

Risk No	Risk – Description of the risk	Management actions already in place to mitigate the risk and proposed actions with timeline	Residual Risk Rating (PxI) & Trend	Risk Matrix Symbol
	Community Impacts & Risks	Delivering service that customers and citizens need		
A1	<p>The risk that the Council's incident management / emergency planning is insufficient to manage a serious incident or series of related incidents leading to short term or prolonged impacts on the Kirklees community and Council employees and operations.</p> <p>Potential risk causes include, but are not limited to:</p> <ul style="list-style-type: none"> • Weather related events • Industrial accident • Infectious disease outbreak • Terrorist attack 	<ul style="list-style-type: none"> • The Council has an embedded emergency management system that aligns to National guidance, including annual assurance audit under EPRR core competencies assessment. • All our plans are subject to regular review as per work programme. We also regularly train people in their roles and test these via exercises. • Governance is provided via Kirklees Health Protection Board. • Debriefing following incidents so that lessons can be identified and plans modified where necessary. <p><i>Responsible for this chief executive and all strategic directors</i></p>	 Q2: 4x4=16	
A2i	<p>The council does not adequately safeguard children because of increased complexity, referral volumes and a lack of service capacity to respond to the assessed need.</p>	<ul style="list-style-type: none"> • Disclosure & Barring Service (DBS) checking, staff training, supervision, protection policies kept up to date and communicated. • Effective management of social work (and related services); rapid response to any issues identified and from any Safeguarding Practice Reviews (Children), • Ofsted – Ongoing preparation for ILACS inspection, collating evidence, understanding our narrative, refreshing service development plan. SEND transformation programme – workstream will address any issues arising from SEND inspection. • Monthly QA meetings focusing on key areas, giving assurance of grip, management oversight, quality of practice and performance. • Service Practice learning days in place contributing to children's services objective of being a learning organisation 	 Q2: 3x4 = 12	





		<ul style="list-style-type: none"> • Review of practice following the child sexual exploitation in other authorities and the emerging requirements. • Ensure that workloads are balanced to resources, and that this worked is prioritised when there are staff resource availability issues • Staff and skill development to minimise dependence on key individuals. <p><i>Responsible for this risk – M Meggs</i></p>		
A2ii	The council does not adequately safeguard vulnerable adults , and those subject to elder abuse, because of increased complexity, referral volumes and a lack of service capacity to respond to the assessed need.	<ul style="list-style-type: none"> • Disclosure & Barring Service (DBS) checking, staff training, supervision, protection policies kept up to date and communicated. • Effective management of social work (and related services); rapid response to any issues identified and from any Safeguarding Practice Reviews (Children), Safeguarding Adults Reviews and Domestic Homicide Reviews • Active management of cases with media interest, Adults have an Escalation pathway monitored by Safeguarding Service manager. • Completion of the development of the Corporate Safeguarding Policy (approved by Cabinet March 2022) • Joint development between Adults, Children's, Mental Health and external agencies to develop the transitional exploitation pathways (16-18 year olds) of the non-recent and recent exploitation pathways • Implementation of the self-neglect pathway • Ongoing awareness raising through functions such as Safeguarding Week • Review of current practices following the child sexual exploitation in other authorities and the emerging requirements. Adults have implemented a Survivors team to work with adult survivors of CSE. • Ensure that workloads are balanced to resources, and that this worked is prioritised when there are staff resource availability issues, Adults continue to review and prioritise risk and actively work with staff in monitoring workloads during workload management conversations. • Staff and skill development to minimise dependence on key individuals. • Use of agency staff and or contractors when necessary. Also responded to recruitment and retention issues by a bespoke recruitment drive, jobs fairs and offering certain roles a retention payment • Ideal manager training 	 <p>Q2: 4x5 = 20</p>	







		<ul style="list-style-type: none"> • Development of market sufficiency strategy; consider approaches to support the development of the available service offer both locally and regionally. • Ensure competence of the Safeguarding Boards and that they are adequately resourced to challenge and improve outcomes Adults Safeguarding Board has own specific risk register. • Operational Systems pressures meeting allow for an operational discussion around wider pressures within the systems. Adult social care has a well-developed Risk Escalation Conference for Self-Neglect cases which is multi-agency focused. • Effective listening to messages about threats from other parts of the council and partner agencies • Proactive recognition of Members role as “corporate parent” • Additional work to ensure that corporate safeguarding activities include appropriate control arrangements. • Comprehensive audit programmes ensure quality oversight (such as effective record keeping, risk management and decision making) • Adult’s representation on all strategic and operational groups related to safeguarding (such as Prevent, Domestic Abuse and Modern Day Slavery) <p><i>Responsible for this risk – R Parry</i></p>		
A3	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"> • Additional resources and expertise allocated to new and historical Child Sex Exploitation (CSE) and other legacy work, as required. • Risk matrix and risk management approach implemented with the police and partners. • Provision of support pathways to assist victims • Understand relationship with the Prevent strategy, and issues linked to counter terrorism • Ensure effective record keeping • Learning from external reports on CSE issues re Oxford, Rotherham etc <p><i>Responsible for this risk –M Meggs</i></p>	 Q2: 4x4 = 16	







A4	<p>Failure to address matters of violent extremism and related safer stronger community factors, including criminal exploitation, (and with the potential of safeguarding consequences for vulnerable individuals), or national or international incidents (e.g., terrorism), out with the councils control, create significant community tension, with the risk of public disorder, and threats to councillors going about their duties. National terrorism threat level raised as a consequence of Ukraine and Russia</p>	<ul style="list-style-type: none"> • Dedicated community tensions monitoring process and a clear procedure to process intelligence related to protests and tensions. Procedure includes Police and Emergency planning colleagues. • Weekly tensions monitoring meetings are held with all relevant partners – these can quickly switch to daily if required. • Prevent Partnership Action Plan. • Community cohesion work programme • Local intelligence sharing and networks. • Status as a Prevent Priority Area provides funding for a Prevent Coordinator Post and enables the development of bids for additional funding. • Counter terrorism local profile. • Global events can create ongoing potential issues and tensions, (national risk status raised recently) which the council needs awareness and mitigations strategies. • West Yorkshire Violence Reduction Unit will assist • Local measures to ensure councillors are/feel protected (and staff and others) including access to relevant information. • Protect and Prepare obligations to mitigate terrorism risk on publicly accessible locations (PAL) • Assurance processes re ensuring appropriate understanding associated with the use of public and client access to the internet (terrorism and extremism related) <p><i>Responsible for this risk – R Parry and M Meggs</i></p>	 Q2: 3x5=15	
A5	<p>Failure to adequately address the challenges of climate change is a risk both to operational processes, as a result of severe weather events and the Council's ability to maintain services, and reputationally, to demonstrate compliance with the Council's own climate change commitments. Certain government grants require demonstration of climate commitments, impacting on funding</p>	<p>Operational response:</p> <ul style="list-style-type: none"> • Operational and response plans designed to minimise impacts (e.g. gully cleansing for those areas which are prone to flooding, winter maintenance budgets are supported by bad weather contingency, gritting deployment plans etc..) • Investment in flood management • Awareness of local consequences such as ensuring appropriate levels of energy efficiency in residential and commercial property, and the financial consequences • Lobbying for financial and other government support in relation to the costs of meeting obligations <p>Strategic response:</p>	 Q2: 4x5=20	 



	<p>available and statutory obligations relating to climate change are becoming more stringent.</p>	<ul style="list-style-type: none"> • Climate Emergency declared in 2019 • Phase 1 climate emergency response, delivering immediate, ‘low hanging fruit’ action such as installing EV charge point infrastructure • Phase 2 will see a Climate Change Action Plan published in Autumn 2022, detailing how we will become carbon neutral and climate ready by 2038 • Consultant-led work, due to be completed by August 22, to understand Kirklees’ climate change risks and vulnerabilities and identifying possible adaptation measures. • PCAN (Placed-Based Climate Action Network) and UoL led work, completed in Jan 22, outlining the pathways to Net Zero for Kirklees, in-line with the districts 2038 net zero target and UK’s 2050 net zero target. • Climate Change engagement underway to inform the Action Plan, including a resident survey alongside workshops with Council and non-Council stakeholders. The results for which will be published as part of the Autumn 22 Action Plan. <p>Delivery capacity and funding</p> <ul style="list-style-type: none"> • Level of expectation in Climate Change programme area exceeds the current staff resources in this area. Additional scope being added is likely to outstrip the current capacity further. • Lack of funding means the service operate beyond set budgets and are unable to take specific actions or do so at risk of service delivery, as no funding has been allocated. <p><i>Responsible for this risk – C Parr</i></p>		
A6	<p>The impact of the “cost of living crisis” (specifically inflationary pressure leading to increased prices for food and fuel) on individuals, the community, partners and the business sector, and on their priorities, and their consequent demands for council service</p> <p>Understanding that impact on the voluntary sectors may reduce their</p>	<ul style="list-style-type: none"> • Launched local campaign which has detailed the various national and local sources of support available to residents. This is available digitally, but we have also taken a place-based approach to this and worked with local community organisations, frontline services, healthcare providers etc to ensure that physical leaflets are also available in order to support and facilitate conversations. There will also be a social media campaign to raise awareness to targeted groups. • Local Area Co-ordinators working in communities will signpost residents to the appropriate services/agencies etc wherever possible. • Second £3.7m support package now approved for implementation 	 <p>Q2: 4x4=16</p>	





	<p>ability to support communities, with a consequent impact on the council.</p>	<ul style="list-style-type: none"> • Our Local Welfare team fund 3 foodbanks in Kirklees to ensure residents can access crisis food. We are also working in partnership with third parties to provide a place-based response to food access. • Staff will be provided with information/training to enable them to provide accurate information and advice. Exploration of upskilling front line workforce to have brief intervention conversations - in order to provide appropriate support and signposting. • Supervisions will include discussions in relation to staff resilience and action taken to address any issues identified. Identify any suitable training including Resilience Training • Local Welfare team are currently facilitating the allocation of the governments Household Support Fund to local residents; • The Suicide prevention action group have prioritised cost of living/economical adversity as a significant risk factor for suicide prevention. • Engagement in resilience discussions with NHS partners • Understanding potential impacts on demand for council services • Strengthen partnership arrangements to ascertain whether other funding or cost reduction solutions can be introduced. • Understand if changes in the availability of council and / or community facilities is affecting Voluntary Organisations • Assess dependency on voluntary organising, and impacts that coronavirus has on their sustainability, and consider actions. <p><i>Responsible for this risk – R Parry / M Meggs / R Spencer-Henshall / All</i></p>		
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


	The finances of the Council	Keeping the Council solvent		
A7	A failure to achieve the Councils Budget impacts more generally on the councils finances with the necessity for unintended savings (from elsewhere) to ensure financial stability	<ul style="list-style-type: none"> Established governance arrangements are in place to achieve planned outcomes at Cabinet and officer level including quarterly reporting to Cabinet / ET etc... Escalation processes are in place and working effectively. Agreed 5 year plan with forecast reviewed and updated regularly. Alignment of service, transformation and financial monitoring. Tracker developed which allows all change plans to be in view and monitored monthly Ongoing budget monitoring with monthly (and quarterly) financial reporting Regular meetings with Service Directors Regular finance business meetings to share knowledge and best practice Use of Virements where appropriate Availability of reserves Review of Business Plan - HRA <p><i>Responsible for this risk - E Croston & ET</i></p>	 Q2: 4x5=20	
A8	<p>Inflationary pressures are resulting in cost increases, which impact on the council directly, and on the ability of contractors to deliver activities of the specified quality at the agreed price.</p> <p>And a reduction in expected income as both tenants, residents and businesses are struggling with the 'cost of living' and unable to meet financial commitments.</p>	<ul style="list-style-type: none"> Be aware of underlying issues through effective communication with service providers and suppliers about likely impact on prices (e.g., 5-year expectation of cost increases by one quarter on construction projects) Regular review of priorities and available resources Regular monitoring of expenditure and updated forecasts Follow contract procedure rules and renegotiate or retender contracts as appropriate. Ensure that budgets anticipate likely cost impacts with reasonable allowances built into budget costings to cover inflation risk Determine if increased costs such as energy make efficiency projects more financially attractive or reduce consumption by less use of heating. Internal Board to ensure a corporate approach <p><i>Responsible for this risk - E Croston & all strategic directors</i></p>	 Q2: 4x4=16	





A9	<p>The council has significant financial risks related to increasing (above budget) demand for services:</p> <ul style="list-style-type: none"> • Complex Adult Care • Childrens Care • Educational high needs • HRA Rent collection • Waste disposal and waste strategy • Social care legislation impacts • Grant schemes, where the council takes on cost or outcome risk 	<ul style="list-style-type: none"> • Dedicated Finance Managers for each service area • Maximisation of available income sources • Dedicated income management teams • There are regular links to performance meetings, monitoring KPIs and contract compliance. • Investment in technology or operational delivery arrangements also helps mitigate cost pressures or new legislative requirements. • Significant service pressures recognised as part of resource allocation • Responsibility for budgetary control aligned to Strategic and Service Directors. • Examine alternative strategies or amend policies where possible to mitigate growth in demand or reduce costs • Seek to recover additional costs where budgets held by other parties or partners • Utilise supplementary resources to cushion impact of cuts and invest to save. • Assess grant related risks and seek to mitigate (with the grant regime) <p>Responsible for this risk - E Croston & ET</p>	 <p>Q2: 4x5 = 20</p>	
A10	<p>Making inappropriate choices in relation to lending or and borrowing decisions, leads to financial losses.</p>	<ul style="list-style-type: none"> • Treasury management policy which sets out the policies and objectives of its treasury management activities and treasury management practices, how those policies and objectives will be achieved and how treasury management will be managed and controlled. • Treasury management strategy and plan recommended to and approved by the Corporate Governance & Audit Committee and Cabinet • Report to Council (via the Corporate Governance & Audit Committee and Cabinet) at least once in relation to treasury management activity during the year • Keeping updated in relation to rate changes <p>Responsible for this risk - E Croston</p>	 <p>Q2: 2x4 = 8</p>	
A11	<p>Exposure to uninsured losses or significant unforeseen costs, leads to the necessity for unintended savings to balance the council finances.</p>	<ul style="list-style-type: none"> • Ensure adequacy of financial revenue reserves to protect the council's financial exposure and maintain effective management to minimise impact on the council essential services. • Actively consider the appropriate treatment for known risks, accepting that insurance provided by 3rd party may not always be the optimum solution. 	 <p>Q2: 2x4 = 8</p>	

		<ul style="list-style-type: none"> Maintain awareness of risk activity that the insurance market is unwilling to cover and developments of offerings in this area. Eg: <ul style="list-style-type: none"> Combustible composite panelling (cladding) Cyber attack <p><i>Responsible for this risk - E Croston & J Muscroft</i></p>		
	Governance	Operating legally and ethically		
A12	The councils arrangements to effectively design, implement and monitor adherence to policies , are inadequate, leading to the potential for failure, error, illegality or delay	<ul style="list-style-type: none"> Open policy development Open decision making, including full consultation Effective challenge (between officers, officers and members, and between member), with sufficient time for adequate consideration and scrutiny (e.g. timely publication of Key Decision Notices) Doing the basics well eg. proper recording of all decisions. Strong training and effective assurance to ensure this happens Carefully following all rules and requirements, particularly those related to Financial Procedures Rules and Contract Procedure Rules Clarity of management responsibility and understanding <p><i>Responsible for this risk – chief executive and all strategic directors</i></p>	 Q2: 2x5 = 10	
A13	Statutory obligations create additional resource requirements that are not covered by existing government / other funding allocations and impact on the councils current policies and strategies.	<ul style="list-style-type: none"> Horizon scanning and work to ensure that the local impacts of national legislation, or other changes are fully understood as soon as practical Open consideration of options and how these may impact across communities, and impact on current activities Continue to lobby, through appropriate mechanisms, for additional resources e.g., Local Government Association (LGA) Be aware of underlying issues through effective communication with citizens, partners, service providers and suppliers about likely impact on resources Ensure that budgets anticipate likely impacts Ensure adequacy of financial revenue reserves to protect the council financial exposure and managed effectively not to impact on the council essential services. Lobby for appropriate shares of NI levies for local authorities- or similar funding. Ensuring efficacy of social care levy if ever shared 	 Q2: 4x3 = 12	  

		<ul style="list-style-type: none"> Understand, scenario plan and monitor financial implications from Health & Social Care legislation being prompted by government <p>Responsible for this risk – chief executive and all strategic directors</p>		
	Resource Utilisation	Operating successfully and effectively		
A14	<p>Council supplier and market relationships, including contractor failure leads to.</p> <ul style="list-style-type: none"> loss of service, poor quality service an inability to attract new suppliers (affecting competition, and to replace any incumbent contractors who have failed) complexities and difficulties in making decisions and arrangements in respect of significant and long running major outsource contracts, and their extension and renewal. Inability to secure contractors at all, or to achieve a clear open competition <p>(Recognising higher risk at times of inflation, especially against fixed price contracts)</p>	<ul style="list-style-type: none"> Proactively encourage and stimulate interest in tendering for council contracts Develop and publish market position statements and procurement pipeline opportunities and undertake regular dialogue with market. Ensure sufficient time is allocated to procurement activities to allow for pre-market engagement (where appropriate) and to allow time for potential suppliers to submit bids within timescales Adherence to procurement processes, including the agreed governance framework, to ensure the risks associated with approvals are documented and escalated appropriately Ensure appropriate consideration of procurement and financial risks; e.g. thorough financial assessment when a potential supplier failure could have a wide impact on the council's operations but take a more open approach where risks are few or have only limited impact. Recognise and mitigate for differing sources of risk such as reliance on single suppliers and contracting with firms that derive large proportions of their business from the public sector Commission effectively; ensuring specifications are fit for purpose Undertake robust contract management - ensuring suppliers are performing and delivering against any key performance indicators and plans in place to manage external pressures such as changes to NMW, recruitment / retention challenges, supply chain disruption Instigate early consultation with existing suppliers about arrangements to be followed at the end of existing contractual arrangements Adhere to payment terms to maintain adequate cash flow for smaller contractors <p>Responsible for this risk – J Muscroft</p>	 <p>Q2: 5x4 = 20</p>	

A15	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.	<ul style="list-style-type: none"> • Thorough, understandable information governance policies and practices that are clearly communicated to workforce and councillors • Effective management of data, retention and recording. • Compliance with retention schedules. • Comply with new legislation around staff access to sensitive data. • Council has a Senior Information Risk Owner ("SIRO") officer and a Data Protection Officer (DPO) supported by an Information Governance Board • Development of action plan to respond to GDPR requirements and resourcing requirements as appropriate • Recognition of increased risk from homeworking may increase risks or change their perspective (e.g., destruction of paper records, extra training) • Compliance with IT security policy. • Increased awareness of officers and members as to their obligations, responsibilities etc, through training • Recognising and understanding "cloud" based products and the advantages and risks that they provide • Business continuity procedures. <p style="text-align: right;"><i>Responsible for this risk – J Muscroft & R Spencer Henshall</i></p>	 Q2: 3x4 = 12	
A16	The risk of a data breach and / or impaired system functionality caused by a malicious cyber attack leading to inability to deliver council services, costs to recover / compensate and associated reputational damage	<ul style="list-style-type: none"> • Cyber Strategy approved by ET and IG Board being implemented by IT Service • Penetration tests and PSN accreditation is maintained on an annual basis • Immutable back up equipment to at least preserve data in the event of a cyber attack • Thorough, understandable security policies and practices that are clearly communicated to workforce and councillors and adherence monitored • Recognition of increased risk from homeworking which may increase or change mitigations required (e.g., additional training) • Increased awareness of officers and members as to their obligations, responsibilities etc, through training • Recognising and understanding "cloud" based products and the advantages and risks that they provide • Business continuity procedures (in various scenarios) including recognising that some solutions may involve a return to paper based solutions and records 	 Q2: 5x5 = 25	




		<ul style="list-style-type: none"> Proactive management of cyber issues, including additional web controls Continued adherence to NCSC guidance <p>Responsible for this risk – T Hudson, A Simcox & Rachel Spencer Henshall</p>		
A17	<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 /personal liability) (and particularly issues of fire safety)</p>	<ul style="list-style-type: none"> Health and Safety Oversight Board Bi-annual corporate performance reports. Audit of the health and safety management systems of Services within the Council, carried out in accordance with HSE guidance Successful Health and Safety Management (HSG (65). Management review and inspection of high risk premises at 3 yearly intervals and medium risk premises at 5 year intervals. Accident reports monitored and followed up and or investigated as necessary. The Council's online accident and incident reporting system provides regular information to managers and now includes near miss reporting to enable Services to learn lessons before a serious incident occurs. Mandatory health and safety training matrix developed to specify the minimum level of training dependent on role within the Council. A well-managed training programme will help to develop a positive health and safety culture as well as helping to ensure that the Council meets its legal duty to protect its employees. Corporate Landlord inspects low risk premises. <p>Responsible for this risk – R Spencer Henshall</p>	 Q2: 2x4 = 8	
A18i	<p>Exposure to increased liabilities arising from property ownership and management, including dangerous structures and asbestos, cladding and fire controls with reputational and financial implications.</p> <p>Residential property</p>	<ul style="list-style-type: none"> Housing Building Safety Assurance Board established to provide assurance across this risk Fire safety protocols established; fire door replacement programme is underway and waking watches implemented in high rise properties Asbestos replacement programme ongoing with procedures in place to identify and remove in compliant manner <p>Responsible for this risk – D Shepherd</p>	 Q2 4x5 = 20	

A18ii	<p>Exposure to increased liabilities arising from property ownership and management, including dangerous structures and asbestos, cladding and fire controls with reputational and financial implications.</p> <p>Non-residential property</p>	<ul style="list-style-type: none"> • Managed through Health & Safety Oversight Board • Compliance testing matrix in place identifying sources of risk, test requirement as detailed in legislation and test frequency • Asbestos and Legionella currently reported as AMBER H&S Risk Report • Embedded programme of fire risk assessments, inspections and audits in place, as documented in Corporate Fire Safety Policy • Active site management • Routine servicing and cleansing regimes in place with ongoing activity to improve data collection gaps • Work practices to address risks from noxious substances • Property disposal strategy linked to service and budget strategy • Corporate compliance guide being created to develop all servicing regimes and reasoning to allow areas that are more at risk to be addressed first <p><i>Responsible for this risk – C Parr/ D Shepherd</i></p>	 <p>Q2 4x3 = 12</p>	
A19	<p>The risk of failing to retain a sustainable, diverse, workforce, including</p> <ul style="list-style-type: none"> • An appropriately skilled workforce to meet the demands of the council / government agenda • aging and age profile • encouraging people to enter hard to recruit roles (which often have low pay, or challenging hours or tasks) • recognising that labour shortage affects a large part of economic activity • and ensuring that the workforce is broadly content, 	<ul style="list-style-type: none"> • Refreshed People Strategy now in place • Recruitment for dedicated resource to focus on workforce planning has been successful and is now in place • Regular monitoring of workforce data at ET and all SLTs • Ongoing pilot activity to trial workforce planning approaches and utilise benchmarking data across Adults, Growth & Regeneration, Communities, Catering & Cleaning • Support requirements for frontline services are being actively considered both within People Services and across services • My Learning (MiPod Xtra replacement) has now launched making learning easier to access for everyone • Continuing to support selective use of interim managers and others to ensure continuity of progress regarding complex issues • Recruitment strategy to promote the range of employee benefits and emphasise the job satisfaction factors, specifically from service employment • Engage and encourage younger people through targeted apprenticeships, training and career development opportunities • Focus on Mental Health Awareness, including stress, with promotion of Wellbeing surveys, Wellbeing network and dedicated support service 	 <p>Q2: 4x4 = 16</p>	

	without whom the council is unable to deliver its service obligations.	Responsible for this risk – R Spencer Henshall		
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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










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

Code

Community	Finance	Employees	Environmental/ Climate	Assets/ Property	Health & Safety	IT/Data	Goods/ supplies	Compliance/ Legal
								

Corporate Budget Timetable

Year	Date	Forum	Milestone activity
2022	5 Sept/ 7 Sept	Cabinet & Council	Budget Strategy Update report
	Sept-Dec	Budget & Council Priorities engagement	Consultation period
	Oct	Central Gov't	Comprehensive Spending Review 2022 announcement
	Mid-Dec	Central Gov't	Provisional Financial Settlement 2023/24
	21 Dec/ 11 Jan 23	Cabinet/Council	Council Tax Base report 2023/24 HRA rent & service charge setting report Schools funding reports
2023			
	Mid to late Jan	Central Gov't	Finalised Financial Settlement 2023/24
	31 Jan / 22 Feb	Cabinet & Council	Annual budget report

SENSITIVITY ANALYSIS

OPTIMISTIC SCENARIO	2023/24	2024/25	2025/26	2026/27
	£m	£m	£m	£m
BASELINE BUDGET GAP	41.3	58.6	64.3	69.2
<u>FUNDING</u>				
2023/24 Government Funding: no change	-	-	-	-
2023/24 Council Tax and NNDR Collection Rates: no change	-	-	-	-
TOTAL FUNDING	-	-	-	-
<u>SPEND</u>				
2023/24 Pay Award: 4%	(2.3)	(2.3)	(2.3)	(2.3)
2023/24 Energy Uplift: return to 22-27 MTFP baseline assumptions	(0.9)	(0.9)	(0.9)	(0.9)
2023/24 Fuel Inflation: return to 22-27 MTFP baseline assumptions	(0.5)	(0.5)	(0.5)	(0.5)
2023/24 Food Inflation: no change	-	-	-	-
Treasury Management Interest Rates: Reduced by 1%	(1.3)	(2.7)	(3.8)	(3.8)
TOTAL SPEND	(5.0)	(6.4)	(7.5)	(7.5)
TOTAL CHANGES FROM BASELINE	(5.0)	(6.4)	(7.5)	(7.5)
OPTIMISTIC SCENARIO - UPDATED BUDGET GAP	36.3	52.2	56.8	61.7

APPENDIX E

PESSIMISTIC SCENARIO	2023/24	2024/25	2025/26	2026/27
	£m	£m	£m	£m
BASELINE BUDGET GAP	41.3	58.6	64.3	69.2
FUNDING				
2023/24 Government Funding: 5% Inflation Cap	4.4	4.4	4.4	4.4
2023/24 Council Tax and NNDR Collection Rates: Reduced by 1.5%	4.2	4.2	4.2	4.2
TOTAL FUNDING	8.6	8.6	8.6	8.6
SPEND				
2023/24 Pay Award: 6%	2.3	2.3	2.3	2.3
2023/24 Energy Uplift: 40%	1.1	1.1	1.1	1.1
2023/24 Fuel Inflation: no change	-	-	-	-
2023/24 Food Inflation: 10%	0.6	0.6	0.6	0.6
Treasury Management Interest Rates: Increased by 1%	1.3	2.7	3.9	4.0
TOTAL SPEND	5.3	6.7	7.9	8.0
TOTAL CHANGES FROM BASELINE	13.9	15.3	16.5	16.6
PESSIMISTIC SCENARIO - UPDATED BUDGET GAP	55.2	73.9	80.8	85.8