

Name of meeting: **CABINET**
 Date: **22 September 2015**

Title of report: **Future Options for the Delivery of Housing Functions and Services (including repairs and maintenance)**

Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Yes
Is it in the Council's Forward Plan ?	Yes
Is it eligible for "call in" by Scrutiny ?	Yes
Date signed off by <u>Director</u> & name	Jacqui Gedman - 11/09/15
Is it signed off by the Director of Resources?	David Smith - 11/09/15 <i>Debbie Hogg on behalf of</i>
Is it signed off by the Assistant Director - Legal & Governance?	Julie Muscroft - 11/09/15
Cabinet member portfolio	Councillor Cathy Scott Housing and the Relief of Poverty

Electoral [wards](#) affected: All

Ward councillors consulted: None

Public or private: PUBLIC

1. Purpose of report

- 1.1 To set the direction for the future delivery of council housing management and maintenance services.
- 1.2 To consider different delivery models and confirm which option(s) best support the council's strategic priorities and bearing in mind the key drivers for change should be further evaluated in order to inform a final decision on the future delivery of services.
- 1.3 To consider information from the housing sector in relation to the length of housing management and maintenance agreements.

2. Context

There are number of key contextual considerations which need to be acknowledged before examining the different models and options.

- 2.1 Over the next three years, Kirklees Council will embark on a journey to become a very different council. The council vision is 'a district which

combines a strong, sustainable economy with a great quality of life – leading to thriving communities, growing businesses, high prosperity and low inequality where people enjoy better health throughout their lives.’ Each service must consider the role they play in delivering the vision and the council’s strategic priorities which are set out in the Kirklees Economic Strategy and the Joint Health and Wellbeing Strategy.

- 2.2 There is a strong relationship between the council and its Arms Length Management Organisation (ALMO) Kirklees Neighbourhood Housing (KNH), with established partnership arrangements which are demonstrated in reciprocal acceptance of the key strategic housing and wider strategic objectives of both organisations. This synergy of objectives provides a positive basis for future joint working.
- 2.3 The introduction of the self-financing of the Housing Revenue Account (HRA) in April 2012 has led to greater financial freedoms and opportunities which are within the control of the council. Current balances and borrowing headroom mean the council must make decisions on the delivery options to make the best use of this capacity.
- 2.4 The 8th July 2015 budget announcements will have major impacts on the financial projections for all social housing providers, including Kirklees and KNH. Initial estimates indicate a rent loss over four years of £24.4m arising from rent reductions of 1% per annum from 2016/17. The detailed implications arising from this announcement are not yet known but it is clear that any view of future investment capacity will be directly affected and must be considered as part of any decisions around future delivery models.
- 2.5 The Government’s Welfare Reform and Work Bill and Housing Bill are likely to introduce new legislation and requirements, the impact of which are not yet clear but will need to be given further consideration.
- 2.6 The key drivers for a review of the future options for housing management and maintenance services in Kirklees include the opportunity to provide:
 - Better services to tenants and residents
 - Improved value for money and efficiencies plus the opportunity to be innovative in generating income
 - A medium to long term asset management strategy that ensures we have fit for purpose, decent homes to meet the needs of the community and maximises the value of council housing
 - Flexibility for the existing or any new organisation the opportunity to grow. The existing ALMO contract is due for renewal in March 2017.

3. Background

- 3.1 Kirklees Neighbourhood Housing is an Arms Length Management Organisation (ALMO) established by Kirklees Council in 2002. KNH is a wholly owned subsidiary of the council.
- 3.2 KNH was set up to deliver improvements to the condition of the council’s housing stock through the government’s Decent Homes programme and to improve services to tenants and leaseholders. KNH successfully delivered the Decent Homes Programme and has continued to improve tenant satisfaction with services provided.

- 3.3 The current agreement with KNH to manage and maintain the council's 23,000+ homes expires in March 2017.
- 3.4 Kirklees Building Services provide a range of repairs and maintenance services and has an annual turnover of around £40m. Around 80% of its work is on council homes funded by the Housing Revenue Account and around 20% of its work and funding comes from facilities management for the council.
- 3.5 Kirklees Council has retained the strategic housing function and is responsible for the Council's overall housing strategy and policies. In addition the council continues to deliver operational services including housing options, homelessness, adaptations and property condition and tenancy management compliance and enforcement services especially in the private rented sector.
- 3.6 In February 2015 Council agreed through the budget setting process that an expansion of the activities of Building Services be implemented. It was noted this could cover work on private sector and private rented dwellings, and build on their expertise in areas such as gas servicing, pv cell installation and insulation, with the aim being to increase income generated to reinvest in services and also to assist the local private sector in providing high quality work for vulnerable people as part of this expansion.

4. Approach – High level option appraisal

- 4.1 Housing Quality Network (HQN) were commissioned to undertake a first stage high level evidence based review and evaluation of the future options for the delivery of housing functions and services (including repairs and maintenance) in Kirklees.
- 4.2 The review covered consideration of different options including:
 - Status quo – continue as is
 - Large scale stock transfer
 - Take KNH back to the council
 - Merge KNH and Kirklees Building Services
 - Merge some of the council's strategic housing services with KNH and Kirklees Building Services.
- 4.3 Bearing in mind the contextual landscape and the performance of KNH and Kirklees Building Services HQN considered for each of the options the:
 - Pros and cons including financial and legal aspects
 - Opportunities and risks
 - Best practice and knowledge from their expertise in the sector
 - Stakeholder views.

5. Current performance summary

5.1 Performance

KNH and Kirklees Building Services are said to be performing well and reasonably well against key delivery indicators and targets. Benchmarking information indicates however that there is potential for further improvement in both organisations.

5.2 Value for money

In relation to value for money HQN note that KNH demonstrate acceptable performance (HouseMark benchmarking) but recommends that the potential for further efficiencies is explored; especially in the context of the 1% rent reduction from 2016/17.

Kirklees Building Services is said to have tackled many of its less productive attributes by modernising service delivery and reward systems. An analysis of the charging mechanism used for reactive repairs suggests that there is the opportunity for the Council and KNH to further improve value for money by revising procurement or service delivery arrangements. As the market is changing it is suggested that further more detailed analysis of the overall repairs and maintenance costs for the full range and types of work delivered is considered.

In relation to winning work externally it is suggested that the approach taken has been opportunistic and that if the organisation is to grow and contribute in any significant way to resources from other activities that a more strategic 5 year business plan for growth/profit would be needed.

5.3 Support Services (back office)

Both KNH and Kirklees Building Services have service level agreements with the council for the provision of support services. It is recommended that further work is done to ensure value for money. It is noted that the impact of reviewing and possibly removing some or all of these services and the income received by the council for them must be considered in terms of the financial impact upon the council.

6. Option Appraisal HQN Summary and Conclusions

The following section provides a description of each option, a summary of the pros and cons, HQN view of the option and then comment on the high level financial appraisals. (Stake holder views are attached at Appendix 1)

6.1 Status quo

This option envisages no change in the current arrangements, and would involve the award of a further contract to KNH from 2017 onwards.

The following pros and cons were identified by HQN.

Pros	Cons
<ul style="list-style-type: none"> ▪ Avoids any distraction of effort away from dealing with key service issues created by a 'reorganisation' ▪ Maintains the existing, successful approaches and relationships ▪ The Council would maintain direct control of the DLO and Strategic Housing Services, and therefore be able to make decisions on priorities, resource usage and programmes/policies ▪ Council corporate services would maintain their 'client base' 	<ul style="list-style-type: none"> ▪ Opportunities to drive growth, and service efficiency in order to create investment options would be more limited ▪ All services would, to varying degrees, continue to be exposed to reductions in Council resources ▪ The ALMO would continue to be reliant on agreement of its management fee, and so have ongoing uncertainty around future investment and service development capacity ▪ Current frustrations at limitations on the use of resources to meet Council objectives would continue ▪ Opportunities to improve services through integration and greater synergy between ALMO,

	<p>Strategic Services and Building Services would be lost</p> <ul style="list-style-type: none"> ▪ Options to mitigate lost rental income arising from the 1% annual rent cut would be limited.
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There is a clear start point of 'if it ain't broke, don't fix it'; and whilst the success of the current arrangements is recognised it is considered that the potential for improving effectiveness and efficiencies and for opening up more innovative opportunities are greater under other options considered.

The financial position would remain the same and whilst it is noted that the separate organisations would continue to make decisions on spending and savings HQN do not explore this further.

6.2 Large Scale Stock Transfer (LSVT)

This is the disposal of the freehold of all the council's housing stock to another organisation. Either an existing housing association or one established for the purpose. This is a 'one-way' option, with the council retaining influence over future decisions (via a Transfer Agreement and Covenants etc.) and also remaining as a key partner of the new landlord, but never returning to a position of ownership and direct control.

The following pros and cons have been identified by HQN.

Pros	Cons
<ul style="list-style-type: none"> ▪ Creation of an independent organisation free to deliver investment and services within its business plan capacity ▪ Direct access to funding markets enabling use of the asset base ▪ Protection of new stock from the Right to Buy and therefore available as affordable, for rent, homes (but likely to change shortly) ▪ A new organisation can bring momentum for change, greater efficiency and clearer focus on some key objectives (which, to a point, may be agreed as part of the transfer 'deal' with the Council) 	<ul style="list-style-type: none"> ▪ Self-financing HRA open up some of the investment opportunities anyway ▪ Delivering a transfer requires a massive input of time and resources, both from the Council and the new organisation ▪ The access to funds for direct investment in the stock which drove many transfers has been dealt with via the ALMO route ▪ The Council inevitably has less influence over the activities and objectives of the new organisation ▪ There is evidence of opposition from both tenants and political leadership. (The Council would have to demonstrate that there was not a majority of tenants against this) ▪ Governance and accountability moves one step further away from the Council ▪ Protection of new build stock from the right to buy likely to be removed shortly ▪ HA constitutions do not necessitate Councillor and tenant representation within the governance structure ▪ The 2015 Budget announcements will limit the investment and funding capacity

HQN conclude that at this point in the history of housing services in Kirklees it is hard to construct a cogent argument in favour of LSVT; had it been the case that there may have been overwhelming advantage to tenants and / or the council the option would have been explored further.

A full financial appraisal was not carried out but some key areas of note have been identified for consideration should the option be given further consideration in future, this included for example whether any subsidy or dowry options are available from central government (none relevant to Kirklees are currently or likely in the foreseeable future). It is recognised that there are opportunities for cost savings in the establishment of a new organisations but little evidence to support this looking at other transfers. It is noted that a stock transfer would certainly impose significant financial and opportunity costs on the council.

6.3 Take KNH back to the Council

This option would see KNH (the ALMO) being wound up at the end of its current contract and all services would be returned to the council. This would involve a review of the way in which Building Services are organised within the council, and also the relationship with Strategic Housing Services.

The following pros and cons have been identified by HQN.

Pros	Cons
<ul style="list-style-type: none"> ▪ It would enable a review of all housing related services, as one service division within the Council ▪ Guarantees direct control of resources, priorities, programmes and policies ▪ Clear governance and democratic accountability ▪ Alignment of objectives with other related housing services and community investment ▪ Potential to better 'join up' front line services which interact (repairs, adaptations, options) ▪ Opportunities for longer term savings through improved synergy and reduced duplication of staffing/management (but by no means guaranteed) 	<ul style="list-style-type: none"> ▪ It would require major reorganisation of services, and therefore distract from the delivery of key objectives ▪ It has the feeling of a backward step, and could damage the future effectiveness of the housing landlord service which has built a strong reputation and culture of success ▪ Current funding restrictions mean that the Council would find it difficult to invest in developing a new service arrangement ▪ Future funding reductions would have direct implications for the landlord services ▪ No guarantee of generating any service efficiencies or other savings ▪ Options for income generation and the creation of resources to re-invest are limited. ▪ Examples from other Council's that have opted for this have demonstrated stagnation or deterioration in performance ▪ Loss of 'free' independent board expertise. ▪ There is no general support from decision makers or tenants for this approach

HQN used evidence from council's that have taken their ALMO back in house to show that there is a trend for worsening performance to support their view and the view of key stakeholders, such as Kirklees Federation of Tenants and Residents Association (KFTRA), as the reason why this option was not explored further. The reasons for worsening performance have not been investigated are thought to be many and complex but there is likely to be a connection with the revised arrangements, even if only as a result of a period of disruption.

There would be financial costs associated with reorganisation both on specific things like premises and possible redundancy costs and opportunity costs as staff at all levels are engaged in reshaping the

services and delivery arrangements. It is considered that there may be opportunities for savings should the move back be combined with an amalgamation of services.

6.4 Merge KNH and Kirklees Building Services

This involves the transfer of the whole or part of the Kirklees Building Services from the council, to join the ALMO.

The following pros and cons have been identified by HQN.

Pros	Cons
<ul style="list-style-type: none"> ▪ Clear opportunities for efficiencies and therefore savings ▪ The Council has already charged the DLO with generating surplus – the changes needed to move to a more commercial approach would be facilitated ▪ The ALMO has demonstrated effective governance and accountable links back to tenants; this would encompass a key front line service (repairs) ▪ Decreased direct exposure to reductions in finance and therefore lower risk of job losses ▪ Surpluses could be generated and potentially could be directed through alternative delivery models to support priorities around housing supply and community sustainability ▪ Change programmes to deliver the merger would also be an impetus to improve and modernise ▪ Repairs and asset management programmes would be run together with other landlord services supporting better planning alongside greater efficiency of delivery ▪ Integration would lead to better front end services to tenants ▪ In establishing the new arrangements the Council would maintain some control (through the management agreement and delivery plan) of the future investment plans, strategies and service performance, whilst gaining the benefits of focused leadership and management of the services ▪ An enlarged ALMO organisation would also offer opportunities for other services to be delivered in this way (such as housing options, adaptations, tenancy support), increasing the potential for efficiencies and integration ▪ A larger organisation has greater capacity and reach to contribute directly to regeneration projects (employment, apprenticeships, social enterprise options) ▪ DLO exposure to commercial expertise via independent board members ▪ A merged organisation would create the potential for efficiency savings to offset the loss of income generated by the rent formula reduction 	<ul style="list-style-type: none"> ▪ Efficiency savings would, in part, be in back office services supplied by the Council and would therefore increase pressure on those budgets. (General Fund) ▪ The DLO would be outside direct control of the Council and therefore alignment of priorities is more subject to relationships and partnership and less to specific in house decisions ▪ Repair services for other Council owned assets would be subject to a contractual relationship (which may also be a positive) ▪ There may be some union opposition to another Council service being moved out ▪ Does the DLO have the required leadership, capital, skills and commercial culture to compete effectively and therefore generate commercial activity and surpluses (at scale)?

It is concluded that the advantages of this option outweigh the disadvantages but noted that if this option is to be pursued that a number of practical issues around implementation need to be resolved,

not least the purpose, form and structure of the new organisation. HQN say it is imperative that the aims of the changes are clearly articulated and then arrangements are agreed which best deliver the outcomes sought.

The financial analysis indicates that savings from this option would be primarily generated from reductions in staffing costs and demonstrates how prudent efficiency savings could reduce costs by over £2m. A 5% reduction in staffing costs would equate to almost 50 jobs. There would be opportunities for a merged organisation to use resources differently, to increase turnover and generate surplus. This is however not a 'given' and the merged organisation would need the required leadership, skills and culture in place to behave differently with regard to the commercial bottom line as well as other outcomes and values.

In addition to the integrated model outlined above where KNH and Kirklees Building Services merge into one organisation as a subsidiary of the council there are other models that can be adopted under an integrated model. Exploration of the opportunities / advantages that other subsidiary or trading models offer could be further considered.

6.5 Merge Strategic Housing Services, KNH and Kirklees Building Services

This would involve the establishment of a contractual agreement between the ALMO and the council for the delivery of some elements of strategic housing services.

HQN did not do a full appraisal of this option as it is clear that if the council decide to merge KNH and Kirklees Building Services this will require significant input from leadership teams in both organisations and the corporate centre. A further reorganisation of services would be difficult at the same time and potentially disruptive to both staff and customers.

It is noted that housing options and homelessness and adaptations services are both services which could be considered for transfer to the ALMO but suggested that any such actions should be deferred to allow any new ALMO organisation to be set up and established.

6.6 Conclusion

HQN conclude that the evidence around returning the ALMO to the council or to transferring the stock via LSVT mean that these options are less likely to support the key drivers for change and so are unlikely to be pursued.

The option to retain the status quo is said to be possible and it is noted that services would continue to evolve as they have done over the last years since KNH was established. However this limits the potential to explore innovative ways to increase activity in new markets. Also it does not offer the best opportunity to seek out growth and thereby maximise beneficial impact on communities across Kirklees.

This leads to the view that a merger of KNH and Kirklees Building Services in an arrangement that needs to be defined in detail is the route which the potential for improving housing services across the piece, for identifying efficiencies and for making available investment capacity which may be used for a range of purposes to help the council achieve its overall strategic objectives.

HQN do however stress the importance in the second stage of this review of considering in greater detail the preferred option and of producing a deliverable implementation plan. The next stage must also consider further the impact of the four years of rent reduction announced in the July 2015 budget.

7. Length of agreement

- 7.1 Throughout the housing sector there is a trend towards awarding longer term agreements to ALMO. Longer term agreements are said to allow for greater strategic planning and also reduce the costs and distractions of undertaking regular and complicated reviews both for the council and the ALMO. It is reported that across the sector there a range of different agreement lengths – from 5 up to 30 years.
- 7.2 HQN suggest that the option to establish a longer term agreement is worthy of consideration but that this should include appropriate break clauses, a framework of operational and financial tests and robust performance measures, monitoring and liaison arrangements.

8.1 Implications for the Council

8.1 Finance

As the financial implications of the different options haven't been considered in detail by HQN these would need further consideration as part of more detailed work on Cabinet's preferred option. This should be done in the context of the significant financial challenge being posed by a rent reduction of 1% for 4 years from 2016-17.

Information on the financial implications and strategy will be included in a further report to Cabinet to inform the final decision on the future delivery of housing management and maintenance services and then again as part of the 2016-20 budget process.

8.2 Legal

Legal advice on Cabinet's preferred service delivery model will be required. This will include information in relation to the formation of any new organisation and any legal issues relating to the award of a new and possibly longer management agreement. Resource to support further work on the preferred option including clarifying expectations, roles and responsibilities and governance arrangements and to develop the implementation plan will be required. This will be outlined in the further report to Cabinet mentioned above.

8.3 Human Resources (HR)

HR advice and involvement in further work on the preferred option and to develop the implementation plan will be required. Should the final decision on the future delivery of services involve for example a merger of KNH and Kirklees Building Services the HR resource requirement is likely to be significant and will include support with consulting key stakeholders and ensuring compliance with TUPE regulations and managing the Industrial Relations.

8.4 New Council

The Council's transformation change programme 'New Council' is underway. It is timely to consider a review of housing management and maintenance services alongside other major changes taking place. This will provide the opportunity to maximise the contribution these services and any new organisation can play in delivering the council's vision and strategic priorities as set out in the Kirklees Economic Strategy and the Joint Health and Wellbeing Strategy.

Work to move forward the preferred option will draw on the same resources needed to take forward other significant changes happening within the council.

9. Consultees and their opinions

- 9.1 HQN interviewed and considered the views of key stakeholders. This included the Leaders or nominated representatives of political parties, KNH Board members, KFTRA Board members, senior managers from Kirklees Council and KNH, representatives nominated by Unison, Unite and GMB. The interviewees and a summary of the key points made are appended to the report. (Appendix 1)
- 9.2 Further consultation with key stakeholders will be carried out as part of a more detailed evaluation of Cabinet's preferred service model(s).

10. Next steps

- 10.1 To commission stage 2 of the option appraisal to take forward the necessary detailed analysis of the preferred option(s) to include further consideration of the impact of the four years 1% rent reduction from 2016/17 and the production of a deliverable implementation plan.
- 10.2 To produce a report and implementation plan outlining the key issues and implications of the preferred option which will inform the final decision on the future delivery model for housing management and maintenance services.

11. Officer recommendations and reasons

- 11.1 That Cabinet consider the range of delivery models outlined and note that the conclusions drawn from the high level option appraisal support the merger of KNH and Kirklees Building Services as the option which best supports the council's strategic priorities and takes account of the

key drivers for change. That Cabinet confirm that this option should therefore be further evaluated in order to inform a final decision on the future delivery of housing management and maintenance services.

- 11.2 That Cabinet having considered information from the housing sector in relation to the length of housing management and maintenance agreements agree that further work be carried out to develop and determine the length and content of any new management agreement and appropriate break and termination clauses, a framework of operational and financial tests and robust performance measures, monitoring and liaison arrangements.

12. Cabinet portfolio holder recommendation

- 12.1 The portfolio holder is minded to recommend to Cabinet the option to merge KNH and Kirklees Building Services and recommends that officers therefore be asked to produce a detailed analysis of this option and a longer term management agreement as outlined in section 11 above.
- 12.2 That having completed the more detailed analysis that a further report is brought back to Cabinet in January 2016 in order that the final decision on the future delivery of housing management and maintenance services can be made.

13. Contact officer and relevant papers

Helen Geldart, Head of Housing Services

Tel: 01484 221000 Email: helen.geldart@kirklees.gov.uk

14. Assistant director responsible

Kim Brear, Assistant Director, Place.

Appendix 1 – Stakeholders and Stakeholder Views

Stakeholder – interviewees

1. Kirklees Council

Councillors:-

David Sheard (Leader), Cathy Scott (Portfolio Holder), Nigel Patrick, Liz Smaje, (Conservative Party) Andrew Marchington, Phil Scott, John Lawson (Liberal Democrat Party) Julie Stewart-Turner, Andrew Cooper (Green Party) Charles Greaves, Terry Lyons (Valley Independent Party)

Officers:-

Kim Brear AD Place, Joanne Bartholomew AD Place, Sue Richards AD Social care and Well-being for Adults, Helen Geldart Head of Housing Services, Building Services Senior Management Team, Eamonn Croston strategic Council Finance Manager, Phil Carver, Finance Manager.

2. Kirklees Neighbourhood Housing

Board Members:-

Dave Harris, Tony Hood, Paul Webley

Officers:-

KNH Senior Management Team

3. Kirklees Federation of Tenants and Residents Associations (KFTRA)

Board Members:-

Cora Carter, Steve Washington, Steve Knight

4. Trade Union Representatives

GMB:-

Paul Appleton, Glyn Wydell

Unite:-

Lyall Singleton, Michael Boustead

Unison:-

Ian Brooke

Stakeholder Views (Summary of key points reported by HQN)

1. Status Quo

- Stakeholders recognise success of current arrangements from their different perspectives.
- A desire to find ways of improving effectiveness even further and opening up opportunities to create meaningful channels to direct investment capacity.

2. LSVT

- Hardly any appetite for this option views expressed that LSVT would gain little political support and outright opposition from active tenants and trade unions.
- Arguments around increased autonomy recognised but feel that the same outcomes could be achieved with stock remaining in council ownership.
- The council's duty to support vulnerable people and direct influence over social factors including housing would be eroded.

3. Take the ALMO back to the council

- Some felt it might bring better alignment of objectives and priorities and save money.
- Little support from others – savings would be minimal
- Would destroy a sound organisation (KNH) that has improved the housing management services to customers
- It would be an unwelcome distraction and disruption to services at a time when the council needs to focus on how to support the most vulnerable in society.
- An effective governance model, with experienced people, and a tenant's voice would be lost.
- KFTRA were dismissive if the option.
- Almost no political will to move in this direction.
- Opportunities to develop Building Services business would be limited.
- Exposure to the commercial experience of the ALMO Board would be lost, jeopardising its ability to generate external income.

4. Merge the ALMO and Kirklees Building Services

- The business would generate income outside the HRA, which would then be available to reinvest in services and/or homes.
- Jobs would be protected from ongoing cuts facing the council by placing distance between them and the cuts, plus exposure to new business could promote job creation.
- The merger would create the impetus to continue the change and improvement programme at the DLO.
- The key service to tenants (repairs) would be directly accountable to them.
- Better opportunities are gained to learn from other housing DLO who can demonstrate real commercial success.
- Duplication of support services and management would be avoided and savings made.
- The DLO could continue to deliver services to the council on a contractual basis but could do so more competitively and at lower cost.
- The combined organisation would be a more effective organisation for delivering regeneration, training, social enterprise support and other services to the whole community, often being able to attract funding not available to the council
- Integrated service delivery provides a greater degree of cohesion for corporate issues eg, safeguarding, crime reduction, vulnerable tenant identification.
- Asset management planning, use of resources and management of risk would be improved, delivering better, more timely services to customers and enabling the DLO to operate more efficiently and strategically.

- Clearly focused management and governance.
- Opportunity to extend the management agreement, some ALMO have up to 30 year arrangements: others have automatic contract renewal subject to certain checks. This would give greater certainty and is strongly supported by KFTRA.
- A cohesive end to end service model provides the opportunity to offer full management services to others external to Kirklees, thus enhancing external income generation opportunities.
- Some questioned if jobs would really be protected, a reduction in duplication may have opposite effect.
- The loss of central support service revenue to the council may be significant if the new organisation pursued a robust cost reduction agenda eg SLA.
- Is the actual capacity of the DLO to create surpluses of any significance? Many have tried, some have failed, and others have struggled to do this at scale.