

All Members of the Council

Dear Councillor,

**BUDGET COUNCIL MEETING - 14 FEBRUARY 2018**

I refer to the above meeting to be held at Huddersfield Town Hall, commencing at 5.30pm, to consider and determine the Revenue and Capital Budgets for 2018-2020 and related issues.

In connection therewith, I enclose, for your information, the following documents.

- (a) Report of the Service Director (Financial, IT and Transactional Services) headed 'Council Budget Report 2018-2020: incorporating Capital, Treasury Management and General Fund Revenue and Housing Revenue Account, including the text of the Motion proposed by Cabinet following its meeting on 30 January 2018, under the Council Procedure Rule 19(1) to be put before Council with regards to the Council Tax.

(Please note that provisional figures were included in respect of the major precepting authorities and Parish Councils. Council will be asked to authorise the Service Director (Financial, IT and Transactional Services) to amend how the finally approved precepts are recorded in the Council's revenue budget in line with the final notifications received following decisions by the Office of Police and Crime Commissioner, the Fire and Rescue Authority, and Parish Councils, should these be received after 14 February 2018).

- (b) Summary of Recommendations arising from the meeting of Budget Cabinet on 30 January 2018.

The detailed equality impact assessment documents are available via the Council Website at;

<http://www.kirklees.gov.uk/youkmc/deliveringServices/impactAssessments/impactassessments.asp>

With regard to the Motion I would remind Members that under Council Procedure Rule 19(3) any amendments will only be permitted if the text of the Amendment and the affect which it will have on the draft Revenue Budget has been given in writing to the Chief Executive, and that it cannot be accepted unless the Chief Executive is satisfied, upon the

advice of the Service Director (Financial, IT and Transactional Services), that the proposed amendment is financially sound and sustainable. In order to facilitate this, it has been agreed that proposed amendments shall be submitted to the Chief Executive on or before 10.00am on Monday 5 February 2018 to ensure that they are financially sound and sustainable prior to the final submission deadline of 7 February 2018.

Amendments to the Motion are considered by Council in the order which they are received by the Chief Executive.

Yours faithfully

A handwritten signature in black ink, reading "Andrea Woodside". The signature is written in a cursive, flowing style.

Andrea Woodside  
Principal Governance Officer

**Name of meeting:** Council  
**Date:** 14th February 2018

**Title of report:** Council Budget report 2018-20; incorporating Capital, Treasury Management, General Fund Revenue and Housing Revenue Account

**Purpose of the report**

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

<b>Key decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?</b>	Yes
<b>Key decision - Is it in the <a href="#">Council's Forward Plan (key decisions and forward reports)</a> ?</b>	Yes
<b>Is it eligible for "call in" by <a href="#">Scrutiny</a>?</b>	No
<b>Date signed off by Strategic Director and name</b>	Jacqui Gedman - 19 January 2018
<b>Is it also signed off by the Service Director for Finance, IT &amp; Transactional Services?</b>	Debbie Hogg, 19 January 2018
<b>Is it also signed off by the Service Director – Legal, Governance &amp; Commissioning?</b>	Julie Muscroft 19 January 2018
<b>Cabinet member <a href="#">portfolio - Corporate</a></b>	Cllr Graham Turner Cllr Musarrat Khan

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

**Ward Councillors consulted:** All

**Public or private:** Public

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

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

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

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

## 2. Summary

- 2.1 The structure of this report begins with an executive summary followed by a range of appendices. The reader will need to review these in conjunction with the Appendices in order to be informed of the overall consequences and implications.  
The Appendices are as follows:

### Appendices

A	General Fund & HRA Medium Term Financial Plan 2018-20 (revenue budget book)
B	Supplementary Tables – Revenue
C	Treasury Management Strategy (appended report)
D	Flexible Capital Receipts Strategy
E	Capital Investment Plan; spend and funding summary 2018-23
F	Prudential Indicators
G	Corporate Risk Matrix Summary
H	Motion to Council
I	Pay Policy Statement i) to iv)
J	Budget Consultation exercise - summary

### Equality Impact Assessments

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

Members' attention is drawn to the information and advice in paragraph 4.4.14 of this

report which makes reference to the Council's Public Sector Equality Duty.

### 2.3 The report will:-

- (i) review the general fund revenue budget strategies over the medium term financial plan (MTFP), and budget proposals to achieve a balanced general fund revenue budget in 2018-19, and an indicative revenue budget plan for the following year.
- (ii) incorporate the Government's announcement on the Local Government Finance Settlement for 2018-19 and indicative government funding forecasts for the following year, and consider the level of general fund revenue budget needed for Treasury Management and Central Contingencies
- (iii) review the current levels of general fund revenue reserves and balances and make recommendations on the level of reserves
- (iv) incorporate Housing Revenue Account (HRA) budget proposals to achieve a balanced HRA in 2018-19, and indicative revenue budget plan for the following year, informed by the HRA 30 year business plan
- (v) review the current levels of Housing Revenue Account reserves, and make recommendations on the level of reserves
- (vi) review the multi-year plan for Capital Investment. The Cabinet is required under Financial Procedure Rules to recommend to the Council a multi-year Plan for Capital Investment
- (vii) review and approve the Treasury Management Strategy 2018-19, which the Council must consider before the start of the financial year to comply both with the Chartered Institute of Public Finance & Accountancy (CIPFA) Code of Practice on Treasury Management, and with Department for Communities and Local Government (DCLG) guidance on local authority investments, requiring the Council to approve an Investment Strategy before the start of each financial year
- (viii) make recommendations on the Council tax requirement for 2018-19
- (ix) incorporate the Council's Pay Policy Statement for 2018-19; and
- (x) incorporate a statement of assurance from the Council's statutory s151 officer in relation to the robustness of budget estimates and adequacy of General fund and HRA reserves.

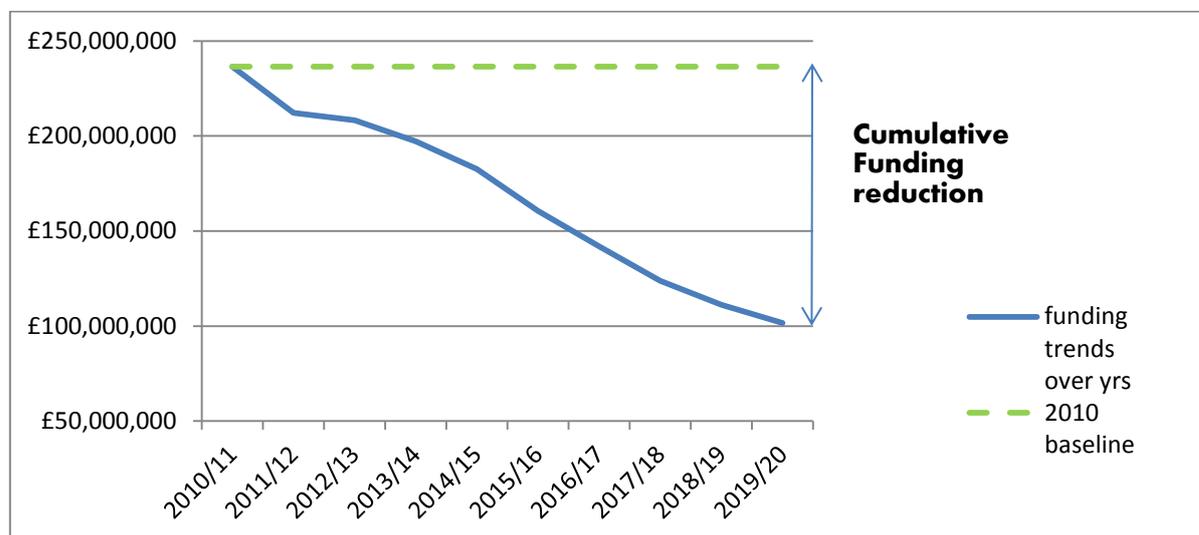
### **3. Information required to make a decision**

#### GENERAL FUND

- 3.1 The draft budget plans set out in this report reflect the continuing scale of the financial challenges facing the Council. This Council, like many, has been relatively dependent on Government funding, which has reduced significantly over successive parliaments. This reflects Government's commitment to reducing public expenditure over the 2010-20 period, as part of its national deficit reduction strategy.

3.2 Graph 1 below illustrates at a high level, the local impact for Kirklees Council of overall national funding reduction trends, based on the totality of annual revenue support grant and un-ringfenced grant allocations, over a 10 year period:

Graph 1 - Kirklees Council – National Government funding trends 2010-20



3.3 The Government’s 2017 Autumn Statement announcement on 22 November 2017, and subsequent provisional funding settlement for 2018-19 (which includes indicative funding allocations for 2019-20), confirms the forecast trend for 2018-20 set out above.

3.4 The Council remains one of the lowest funded Councils; seventh out of 150 comparable Councils, and second lowest of the 36 metropolitan authorities. This benchmark takes the Government’s own spending power benchmark calculation, based on most current data available (2017-18), and expresses it as spend per head of the population (source- Leicestershire County Council website).

**Local Government Funding Landscape post-2020**

3.5 Last year’s Council approved 2017-21 budget plans had assumed that Local Government funding reductions would continue beyond 2020, to the extent that the remaining revenue support grant at £12.8m, could fall out completely in 2020-21. This working assumption was also noted in the Council approved budget update report 2018-22 on 11 October 2017. The relevant report link is shown below:

[Council 11 October 2017 - Item 8](#)

However, while the 2017 Autumn Statement and subsequent Provisional Settlement 2018-19 set out national funding allocations for the 2018-20 period, there is no current Government indication regarding the national funding landscape for Local Government beyond 2020, nor is there likely to be until the next Spending Review.

- 3.6 The 2017 Autumn Statement and provisional Settlement 2018-19 did note that Government was still committed to promoting greater self-sufficiency in Local Government funding. The current six 100% business rates retention pilots in 2017-18 will now continue into 2018-19, with a further eleven confirmed for 2018-19, including the Leeds City Region, of which the Council is a member authority.
- 3.7 The Finance Bill, which had incorporated proposals for the implementation of a 'fiscally neutral' 100% local business rates retention scheme nationally, no later than 2020-21, is no longer being progressed following the most recent general election, in light of other pressing Government priorities. However, Government has indicated that within existing legislation, it may be looking at implementing a 75% business rates retention scheme by 2020-21.
- 3.8 This would likely also involve the transfer of some existing Government funding responsibilities (e.g. public health grant), to Councils, to maintain the principle of overall 'fiscal neutrality'. By this, Government means that because overall, it would be transferring more national funding to be directly controlled by Councils, there would need to be compensating transfers of other existing Government grant funding responsibilities, to Councils, at the point of implementation.
- 3.9 The 2017 Autumn Statement also noted Government's continued commitment to a Fair Funding Review of Local Government funding. As part of the national implementation of the 50% business rates retention scheme in April 2013, Government calculated Council baseline funding allocations at the point of implementation. The data underpinning Government assumptions on baseline Council funding, at that time, was informed by existing and complex Government formula calculations on Councils' relative needs and resources.
- 3.10 These calculations have not been reviewed since, and Government acknowledges that the baseline funding assumptions from 2013 do not appropriately reflect the changing characteristics of Councils over subsequent years e.g. with regard to population changes and demographic trends. The outcome of any review may result in a re-distribution of existing funding between Councils, but again, under Government principles of fiscal neutrality, there would be 'winners and losers', and most likely, extended transitional protection arrangements.
- 3.11 Both the proposal for a national 75% business rates retention scheme and the Fair Funding Review were confirmed as part of the 2018-19 Provisional Settlement, and are subject to further detailed consultation processes. The financial implications cannot be assessed at this stage, until the technical detail behind both proposals are more fully developed. Both have an intended current timeline for April 2020 implementation.
- 3.12 The 2017 Autumn Statement also acknowledged continued significant and growing pressures on both the Adult Social Care and health systems, and Government has committed to a forthcoming Green Paper on the future of Adult Social Care, timetabled for Summer 2018.
- 3.13 In more recent years, Government has funded Adult Social Care pressures through a combination of emerging funding streams. These include 'additional' Better Care Funding allocations, which by 2019-20 will be a significant funding source for this Council, totalling £15.4m. Within this total, £2.6m is assumed to be temporary

funding which falls out after 2019-20. Better Care Funding also has a range of current government conditions for how it should be spent and reported. This includes joint agreement with key health partners on spending plans. If reporting and performance targets set by Government are not met, individual Councils face potential funding reductions.

- 3.14 In addition, by 2019-20, a further £12.5m annual local funding will have been raised through the Adult Social Care (ASC) precept, or charge on Council tax. This was introduced originally by Government as a one-year precept ‘flexibility ‘ available to Councils for 2016-17 only, but further extended for upto a further 3 years, as part of the 2017-18 financial settlement.
- 3.15 Beyond Summer 2018, the impact of the green paper on future funding of Adult Social Care services post 2020, is unknown at this stage. In light of this, it is not clear whether the additional Better Care Funding allocations will continue in their current form beyond 2020, or the nature of any conditions attached to them. Nor is it clear if the ASC precept flexibilities introduced by Government since 2016, will continue beyond 2020.
- 3.16 Given the potential range of scenarios informing the national funding landscape beyond 2020, such as those set out in paragraphs 3.5 - 3.15 above, relatively robust funding forecasts and subsequent budget plans set out in this report, do not at this stage extend beyond the 2018-20 period. It is intended that officers will continue to work closely with members through 2018, to bring forward further service proposals and options, pending emerging clarity on the longer term national funding position for Councils.

### **Summary General Fund Budget Plans 2018-20**

- 3.17 Table 1 below sets out the summary general fund revenue budget plans for 2018-20, which incorporate key funding and spending adjustments, and both new and existing savings proposals, to produce a balanced budget requirement in 2018-19 and 2019-20, without the need to use “one-off” available reserves:

**Table 1 – high level summary; general fund revenue budget plans 2018-20**

<b>Summary general fund revenue position 2018-20</b>	<b>MTFP 2018-19 £000</b>	<b>MTFP 2019-20 £000</b>
Funding available 17-21 MTFP	<b>(281,171)</b>	<b>(276,756)</b>
Funding Adjustments	(10,056)	(7,465)
<b>Funding Available (18-20 MTFP)</b>	<b>(291,227)</b>	<b>(284,221)</b>
Spending plans 17-21 MTFP (before savings)	291,078	285,965
Net Spending adjustments	16,267	27,654
Existing savings (rolled forward from 17-21 MTFP)	(11,058)	(20,955)
New Savings (18-20 MTFP)	(5,060)	(8,443)
<b>Spending Plans (18-20 MTFP)</b>	<b>291,227</b>	<b>284,221</b>

- 3.18 Table 1 shows that in total, £5.0m new savings proposals are included within overall 2018-19 budget plans, and a further £3.4m in 2019-20; £8.4m cumulative. Existing savings in the 2017-21 MTFP have also been reviewed, and £11.0m existing MTFP savings also roll forward into 2018-20 budget plans, and a further £9.9m in 2019-20; £20.9m cumulative.
- 3.19 The new and existing savings proposal highlighted in Table 1 above are set out in more detail, including risks and impacts, at Appendix A attached. Appendix A also sets out overall proposed revenue resource allocations in 2018-19 and 2019-20 across Strategic Director Portfolios and Central Budgets.
- 3.20 Key funding and spend assumptions are described in more detail in the following sections in this report.

### **Key revenue funding assumptions 2018-20**

#### **Council Tax**

- 3.21 Funding adjustments factored into Council budget plans for 2018-19 incorporate the 2018-19 Council Tax Base (CTB) which was approved at full Council on 17 January 2018. The relevant link to this report is shown below:

[Council Meeting 17 January 2018 \(item 9\)](#)

- 3.22 The 2018-19 CTB reflects revisions to the Council Tax Requirement scheme approved at full Council on 13 December 2017. It also includes assumed CTB growth of 580 properties in 2018-19 and a further 700 properties in 2019-20 (Band D equivalent). The assumed bad debt provision requirement is 1.45% (reduced from current budgeted 1.7%), based on current year forecast improvements in overall collection rates. In-year actual CTB is higher than budgeted, and this is also built into the 2018-19 CTB.
- 3.23 The 2018-19 provisional financial settlement allows for a further 1% council tax uplift from the current 2% maximum allowable within the current referendum threshold limits. The Government rationale is in acknowledgement of current inflationary pressures. The budget plans reflect a proposed overall 5.99% Council Tax uplift (inclusive as well of the 3% Adult Social Care precept) in 2018-19. The indicative Council tax uplift in 2019-20 is 1.99%.

#### **Business Rates**

- 3.24 Council business rates (local share) has also been reviewed, and an additional £2.2m growth factored into base from 2018-19 onwards. The Council currently has a prudent £8.5m bad debt provision for appeals valuations outstanding (relating to the 2010 rating list). The business rates base review mainly reflects a reduced annual appeals bad debt provision requirement from current budget, from 2018-19.
- 3.25 It is anticipated that the new appeals system implemented by Government from April 2017 will reduce volumes of future appeals against the most current 2015 rating list. However, given the relative volatility on business rates base from appeals relating to

the 2010 and 2005 rating lists under the previous appeals process, this will continue to be subject to ongoing officer review through 2018-19.

### **Leeds City Region (LCR) - Business Rates Pilot**

3.26 As part of the 2017-18 Financial Settlement, Government had offered Councils the opportunity to bid for a new round of 100% business rates retention pilots for 2018-19. Leeds City Region (LCR) Business Rates Pool submitted a bid, which was subsequently accepted by Government, along with 10 other successful bid applications. Cabinet approved the Council's continued membership of the LCR Pool for 2018-19, as part of the 100% business rates pilot, on 15 January 2018. The link to the report is attached below:

[15 January 2018 Cabinet - Item 8](#)

3.27 Government has confirmed that a 'no detriment' clause applies to the pilot, which means that participating Councils will not be any worse off had they not been part of the pilot. The Council's participation in the pilot is reflected in technical 'one-off' funding adjustments in 2018-19 only, but the overall impact of these adjustments is budget neutral to the Council's bottom line. This is exemplified in more detail at Appendix B.

3.28 While it is anticipated that the pilot will generate some additional income to participating Councils, the amounts will vary between the Pool members depending on relative potential for local growth, and confirmation of the basis for re-distributing any such "one-off" gains, which is currently under consideration as part of the overall governance arrangements for the Pool currently being finalised by Pool members, for 2018-19.

3.29 As noted in the LCR Pool report to Cabinet on 15 January 2018, the pool will only run for one year, any as any gains will be one-offs and will not be able to be accurately quantified until the end of 2018-19, they have not been anticipated in 2018-20 budget plans.

### **Collection Fund**

3.30 There is a further £3.5m "one-off" re-payment to the general fund from the Collection Fund in 2018-19, reflecting a current year 2017-18 forecast year end surplus. Charges to the general fund each year from the Council (the billing authority) for council tax and business rates, and to the major precepting authorities (Fire & Rescue Authority, Office of Police & Crime Commissioner) are based on estimates. Actual income collected year on year will vary. These timing differences result in actual surpluses or deficits which are rolled forward year on year through the Collection Fund, and 'settled' over following years, through relevant payment adjustments to the general fund/major precepting authorities.

### **Un-ringfenced grants**

3.31 While these grants are separately identifiable, the Council can apply this funding flexibly to meet overall Council spend priorities. Budget plans for 2018-20 reflects

annual allocations set out in the Government provisional 2018-19 financial settlement. These are set out in more detail at Appendix B.

- 3.32 The main funding change in 2018-19 relates to Business Rates Relief Grant and a compensating inflation adjustment by Government to the annual inflation multiplier applied to rateable values. As noted earlier, the Council's participation in the LCR Pool 100% business rates Pilot in 2018-19, also includes a number of technical adjustments to a range of business rates relief grants, with offsetting adjustments on business rates income.
- 3.33 Elsewhere, the New Homes Bonus Grant allocations over the 2018-20 period have been re-freshed based on updated national data used by Government to calculate individual Council grants.

### **Schools Funding**

- 3.34 Government has introduced a revised National Funding Formula (NFF) for schools from April 2018. The NFF determines the amount of core revenue funding that goes directly to mainstream schools. However, because the current funding arrangements for each local authority are the result of a complex combination of historical national and local funding decisions, the move to a National Funding Formula will produce significantly different outcomes for local schools and academies.
- 3.35 The NFF for Kirklees maintained schools is less generous than the current system but the NFF contains protections to mitigate most of the reductions delivered by the pure application of the new formula. This includes a Government minimum uplift of 0.5% in 2018-19 for the funding allocation per pupil within the overall Schools Block allocation.
- 3.36 The NFF for schools will be introduced in a 'soft' format across funding years 2018-19 and 2019-20. The NFF will be used to calculate the bottom-line Schools Block allocation to local authorities with local discretion over its distribution then to be agreed following consultation via the local Schools Forum, and a 'hard' format from funding year 2020-21.
- 3.37 Schools block funding allocations from that point will be calculated directly by the Education & Skills Funding Agency. The other three funding blocks within the Dedicated Schools Grant (High Needs, Central School Services and Early Years) would continue to be the responsibility of the Council to manage and allocate as appropriate.
- 3.38 The Council's baseline Schools Block funding in 2018-19 is £287.7m, the High Needs block is £34.7m, the Early Years block £28.7m and the Central School Services block £2.3m.
- 3.39 One key issue for the Council is the removal of previous flexibilities to transfer resources between the component funding blocks from 2019-20 onwards. This will mean that if overspends arise within the three non-Schools funding blocks it becomes the Council's responsibility alone to address that problem – funds can no longer be moved from the Schools Block, as has been permissible until now, to deal with identified imbalances.

- 3.40 The High Needs block calculation under the new NFF acknowledges the level of previous under-funding, and Government intention is to increase the annual allocation by £7m from current, but due to transitional arrangements, this will be phased over a seven year period, at £1m per annum.

There is a separate report on this Cabinet agenda which sets out in more detail, the Kirklees School Funding Formula for 2018-19.

### **Key revenue spending assumptions 2018-20**

#### **Current year financial performance**

- 3.41 Organisational intelligence informing 2018-20 budget plans includes consideration of current year financial performance, which at month 8, 2017-18 indicates significant overall progress towards the delivery of £54m net savings requirement in-year. Forecast planned savings are projected to be just over £50m, but with other compensating underspends, there is an overall forecast underspend of £2.2m; equivalent to 0.7% against a revised budget of £304.9m.
- 3.42 Within the overall forecast position, there are some significant underlying current pressures and risks, in particular in relation to Child Protection & Family Support, which have been addressed as part of a more fundamental service budget re-alignment to the Children's Improvement Plan (see also, paragraph 3.46 further below).
- 3.43 Other in-year pressures, where significant, have been reviewed and considered in terms of formulating overall budget plans for 2018-20, including an emerging and significant unbudgeted pressure in relation to Special Educational Needs activity. (see also, paragraph 3.47 further below).
- 3.44 There is a forecast Collection Fund surplus at current year end, (see paragraph 3.30 earlier), and this is reflected in the proposed re-payment to the general fund in 2018-19. The year end forecast is summarised at Appendix B.
- 3.45 Month 8 monitoring also includes a current estimate of year end reserves, forecast at about £55m (excluding statutory schools reserves). The Reserves section in this report further below (paragraphs 3.62 to 3.74) considers Council reserves strategy in more detail.

#### **Strategic Director Portfolios**

- 3.46 The Council faces continuing and increasing service pressures; in particular in Children's and Adult Services. Children's budget plans include £5.5m additional base budget resources over the 2018-20 period for Child Protection and Family Support. Existing budget plans for this service area have also been fundamentally reviewed and re-shaped, to ensure they align to the Children Improvement Plan. The Plan is based on a long-term Partnership with Leeds Council, and approved by the Department for Education. This Partnership is intended to drive significant improvements in outcomes for children, and meet the recommendations set out in the original OFSTED report on 28 November 2016.

- 3.47 Elsewhere within the Children's Strategic Director Portfolio, there are current year financial pressures against Special Education Needs activity, in excess of £4m. The Council intends to carry forward this financial pressure into 2018-19 as a funding deficit against Dedicated Schools Grant (DSG). This is allowable within current Department for Education DSG conditions, but any overspend carried forward must be mitigated by a cost reduction plan over the medium term. Officers intend to bring forward proposals to Cabinet in March 2018 as part of a broader strategic review of this activity.
- 3.48 Adults budget plans 2018-20 include additional base budget resources of £5.3m over the period for increasing demand led pressures, especially in Learning Disabilities. Existing plans had previously factored in for Older People demographic growth only over the 2018-20 period, totalling £2m. There is also a further £5m factored in for external social care contractor cost pressures in 2018-19; impacted on by Government's national minimum wage uplift to £7.83 per hour (equivalent to 4.7%) in 2018-19, for the over 25's. The service calculation of annual nursing and residential fees for 2018-19, and other contractor costs across all client groups, will factor in the impact of the Government's national minimum wage increase.
- 3.49 The additional service pressures at paragraph 3.48 above have been offset in part by £5m which relates to a proposed 3% Adult Social Care (ASC) precept included within the overall proposed Council tax uplift in 2018-19. Government has allowed Councils with adult social services responsibilities the flexibility to apply upto 2% precept on the Council Tax, outside the 2% council tax referendum threshold, in 2016-17. The funding raised from the precept has to be ring-fenced in full as 'growth' income to support increasing adult social care spending pressures.
- 3.50 As part of the 2017-18 financial settlement, Government extended the ASC precept flexibility available to Councils, by upto 3% each year, for a further 2 years, or upto 2% each year, over 3 years.
- 3.51 The Council opted for the further 3% flexibility each year, over 2 years; 2018-19 being year 2. The resources raised by the 3% ASC precept uplift in 2018-19, as before, are pass-ported in full to Adult Services. The Council has also applied the Government's additional Better Care Funding allocation of £5.3m in 2018-19, included as part of their March 2017 Budget Statement. This additional funding reduces to £2.6m in 2019-20.
- 3.52 There has also been a review of corporate capacity requirements in key areas to support key strategic initiatives around economic regeneration, as well as ensuring sufficient corporate capacity in key areas to effectively support Council wide transformation and service change. As well, updated budget plans also reflect the agreed recommendations of the Democracy Commission.

### **Central Budgets**

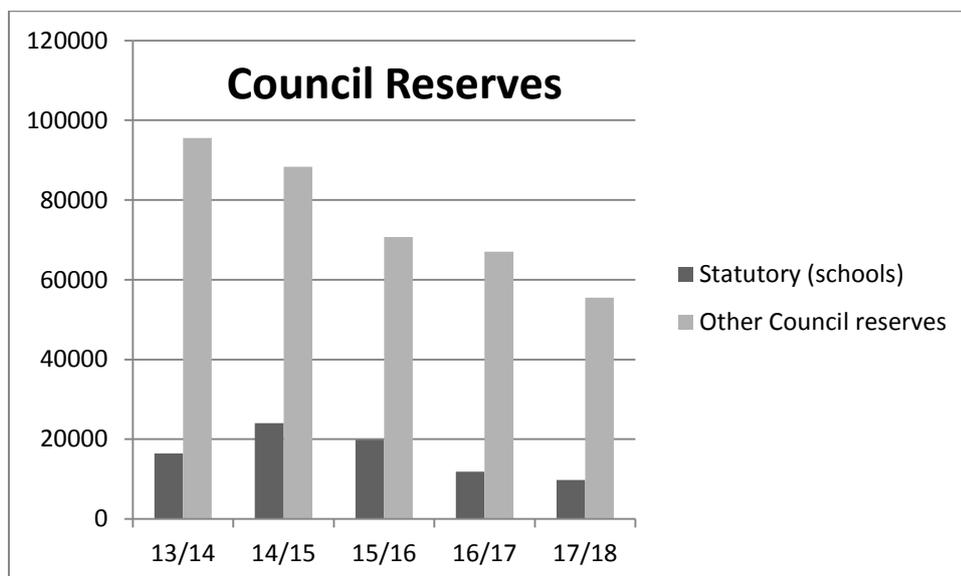
- 3.53 Central contingency budgets have been reviewed. The most significant impact is the 'headline' national employer two year pay offer of 2% per annum for local government staff, which is factored into 2018-20 budget plans. Existing budget plans had assumed a headline 1% pay award each year for the next 2 years. At the time of writing this report, the national employer offer is still subject to final confirmation and staff side agreement.

- 3.54 The impact of the above is a further £6m cost pressure over the next 2 years against inflation contingency. Actual pay increases for low paid staff up to spinal column point 19, are within the range 7.6% to 3.7% in year one and 6.2% to 2.6% in year two. About one-third of Council directly employed staff are paid within this pay range. These changes are intended to keep pace with Government's national minimum wage uplifts over the 2018-20 period.
- 3.55 The Council implemented an entry level local living wage from April 2015, for directly employed staff, which set out a minimum hourly rate of £7.83 per hour at the time (at spinal column point 11). One of the outcomes from the current national employer pay offer is that the Council's entry level or local living wage hourly rate will effectively be £8.82 from April 2018, which is now 7p per hour higher than the Resolution Foundation equivalent 'real' living wage hourly rate of £8.75.
- 3.56 Price inflation will not be uplifted across the next 2 years, which means that Strategic Director portfolios will effectively be operating within cash limit budgets over this period. The only exceptions relate to energy (7.1%), waste contract (2.5%) and third party contracts relating to adult and children social care providers (1.0%), set aside as contingency inflation. Income inflation is assumed at 2% per annum, other than acknowledgement of ongoing pressures on car parking and markets income, which have zero inflation over the next 2 years.
- 3.57 Treasury management budget provision over the next 2 years reflects updated capital funding (borrowing) requirements underpinning the updated multi-year capital plan. It also reflects assumed short-term borrowing rates of 0.45% in 2018-19 and 0.7% in 2019-20, based on the continuation of current borrowing strategy as set out in the attached 2018-19 treasury management strategy report, included at Appendix C.
- 3.58 The interest rate calculations also reflect the fact that any assumed net commercial interest rate gains from Property Investment Fund loans would be set aside as a prudent provision against the potential for future loan default risk.
- 3.59 Treasury management budgets also factor in the further proposed revision to the current Council's treasury management policy relating to minimum revenue provision (or MRP; annual revenue resources set aside for repayment of debt), which would be implemented from 2017-18 onwards.
- 3.60 The 2018-19 treasury management strategy report attached at Appendix C sets out the background, detail and rationale for the proposed further revision to the current MRP policy, in more detail. The revised policy proposal results in a calculated MRP over-provision over the 2007-15 period, totalling £91m.
- 3.61 It is proposed that the MRP over-provision be offset against future year budgeted MRP, by £9.1m, each year, for the next 10 years, and that the benefit of the resulting offset be ring-fenced for transfer to Council reserves at each year end. This proposal aligns with the Council's medium and longer term budget risk strategy, which is set out in the following section.

## Reserves

- 3.62 The Council uses the term “reserves” to mean accumulated one-off resources built up over time, that have been set aside or earmarked for specific purposes under 3 broad categories; statutory, earmarked, and financial resilience based. Remaining reserves not set aside are referred to as general reserves, or balances.
- 3.63 More recent Council approved budget plans included the planned drawdown of available reserves to support the Council’s annual budget plans. This is in addition to planned drawdowns of earmarked reserves to support a range of key Council initiatives, including transformation. The net effect of the above has contributed to an overall significant reduction in Council reserves in more recent years.
- 3.64 This is illustrated in Graph 2 below, split between statutory and other Council reserves (other here means earmarked plus general reserves). The distinction reflects the fact that statutory reserves relates to ring-fenced school reserves that cannot be transferred to other Council reserves.

**Graph 2 – Reducing Council reserves over recent years**



- 3.65 A more detailed breakdown of the forecast £55m other Council reserves at 31 March 2018, is shown at Appendix B.
- 3.66 The current forecast position includes £6.5m planned drawdown of earmarked reserves in-year for transformation activity. The Council’s existing flexible capital receipts strategy allows for the use of in-year flexible capital receipts (forecast to be £8m plus by current year end) against transformation related spend in 2017-18. This would release £6.5m back into earmarked reserves, and enable a carry forward of £10m Transformation and Workforce Restructure Reserves, combined, into 2018-19.
- 3.67 It is anticipated that the £10m combined would be sufficient to meet earmarked reserves requirements commitments at least over the 2018-20 period, including:

- i) £0.5m to support the establishment of a Council Housing Development Company;
- ii) £0.5m to support process and system changes required in order for the Council to meet the more stringent General Data Protection Requirements (GDPR) which come into force from May 2018;
- iii) £7m estimated workforce restructure costs based on an assumed 300 workforce reduction requirement over the period, as per the detailed plans set out at Appendix A (based on current average full time equivalent severance costs); and
- iv) £2m to support the continuation of existing transformation related activity Council wide, over the next 2 years.

3.68 Financial resilience reserves are a key element of the Council's budget risk strategy in terms of organisational financial resilience to manage unbudgeted risks and pressures, not just over the next 2 years, but over longer term as well, beyond 2020. The purpose of this reserve is to mitigate against unbudgeted risks such as those highlighted as part of the corporate risk assessment summarised at Appendix G.

3.69 As noted at the outset of this report, there is current uncertainty regarding the national funding landscape for Local Government post 2020. The range of potential funding scenarios could be in the factor of tens of millions either way compared to the relative certainty of budget plan funding assumptions over the 2018-20 period.

3.70 While in-year financial performance shows significant progress towards delivering the planned revenue savings requirement of £54m in 2017-18, there are some underlying material unbudgeted pressures in 2017-18 which will be carried forward 'at risk' into future years; the most significant one relating to the £4m plus current pressure on special educational needs activity within Learning & Early Support.

3.71 The scale of continuing financial challenges facing the Council over the next 2 years remains significant, with a further £8.4m new savings proposed over the next 2 years, plus a further £21.0m existing savings planned over the same period; £29.4m in total.

3.72 Longer term, the Council's current 30 year Waste Contract ends in 2022-23, and is acknowledged to be one of the most cost effective contracts of its type. Work has already commenced to review options for 2023-24 onwards. The financial implications of this work will need to be factored into future year MTFP updates. The potential scale of the financial impact on current Council revenue budgets could be in the order of millions additional recurrent cost per annum, notwithstanding all options being explored to mitigate this impact as far as possible.

3.73 Given the potential scale of unbudgeted risks set out above, at the same time as declining Council reserves over more recent years, the Council's re-freshed approach to budget risk is directed at strengthening organisational flexibility and financial resilience over the medium to longer term. To support the former, the following approach is proposed:

- i) requirement to deliver an annual balanced budget position without continued reliance on Council reserves over the 2018-20 period;

- ii) 'ring-fenced' resources released from the proposed further MRP revision to be transferred to reserves at each year end, and their proposed use to take account of medium to longer term organisational flexibility and financial resilience requirements, reviewed periodically;
- iii) use of existing flexible capital receipts strategy where appropriate, to release resources to support future earmarked reserves requirements, thereby reducing pressure on financial resilience reserves;
- iv) Council reserves should be retained for their agreed purposes as set out at Appendix B; and
- v) general balances should be retained at a minimum £5m, for working capital purposes

3.74 A further assessment of reserves requirements will be undertaken as part of the 2017-18 final accounts process, and will be reported as part of the financial outturn and rollover report later in the year.

### **Flexible Capital Receipts Strategy**

3.75 The current flexible capital receipts strategy which covers the period 2016-19, was approved as part of the Council MTFP update report 2018-22 at Council on 11 October 2017. This strategy allows for the annual capitalisation of transformation related revenue costs over the 2016-19 period, which can instead be funded from available in-year capital receipts.

3.76 Government's provisional financial settlement 2018-19 allows for a further extension of the application of flexible capital receipts, by another 3 years, to 2021-22. This further 3 year extension has been incorporated into the existing flexible capital receipts strategy for member approval, at Appendix D.

3.77 Consideration of specific options for flexible use of capital receipts within this framework will be considered by Cabinet as part of the annual early closedown reviews at each year end. The timing is important as actual capital receipts generated in-year, quantification of qualifying revenue expenditure, and actual capital plan funding requirements in-year will not be accurately quantified until each financial year end.

### **CAPITAL**

3.78 For capital purposes, longer term planning horizons are required to undertake feasibility work, design, plan & build. The Council's multi-year capital investment plan proposals are summarised at Table 3 below:

**Table 3 – Overall Capital Expenditure Summary 2018-23**

	<b>2018-19 £m</b>	<b>2019-20 £m</b>	<b>2020-21 £m</b>	<b>2021-22 £m</b>	<b>2022-23 £m</b>	<b>Total £m</b>
<b>Strategic Priorities</b>	31.2	46.8	27.0	8.2	0.6	113.8
<b>Baseline</b>	35.1	29.2	26.7	22.4	22.1	135.5
<b>Risks &amp; Pressures</b>	1.0	1.0	1.0	1.0	1.0	5.0
<b>Total General Fund</b>	<b>67.3</b>	<b>77.0</b>	<b>54.7</b>	<b>31.6</b>	<b>23.7</b>	<b>254.3</b>
<b>HRA</b>	30.7	22.3	23.9	31.6	26.1	134.6
<b>Council Total</b>	<b>98.0</b>	<b>99.3</b>	<b>78.6</b>	<b>63.2</b>	<b>49.8</b>	<b>388.9</b>

3.79 The starting point for the update is the current approved (2017-22) five year capital plan, which rolls forward into 2018-19. The current approved plan reflects the updated figures included as part of the financial outturn and rollover report presented to full Council on 13 September 2017, and also incorporates the Property Investment Fund, which was approved at full Council on 15 November 2017.

3.80 The updated Capital plan includes a range of strategic priorities over the next 5 years totalling £113.8m on general fund and £60.8m on HRA activity. The general fund proposals reflect a number of key investment priorities, including investment in town centres and sports facility for North Kirklees. HRA strategic priorities help address growing affordable housing needs in Kirklees, including specialist (extra care) provision. The proposals are intended to prioritise housing growth, and include investment for re-modelling/high rise building schemes.

3.81 Baseline capital provision supports continuing capital investment requirements across the Council's existing asset base, including Schools, Highways, transport infrastructure and Council housing stock. Proposals also include investment in compliance work, both general fund and HRA.

3.82 A more detailed breakdown of the Capital Plan, including summary funding assumptions, is attached at Appendix E. This also shows changes from the existing Plan, which include a more realistic re-profiling of existing plans as appropriate, updated capital grant assumptions based on latest intelligence, and additional investment.

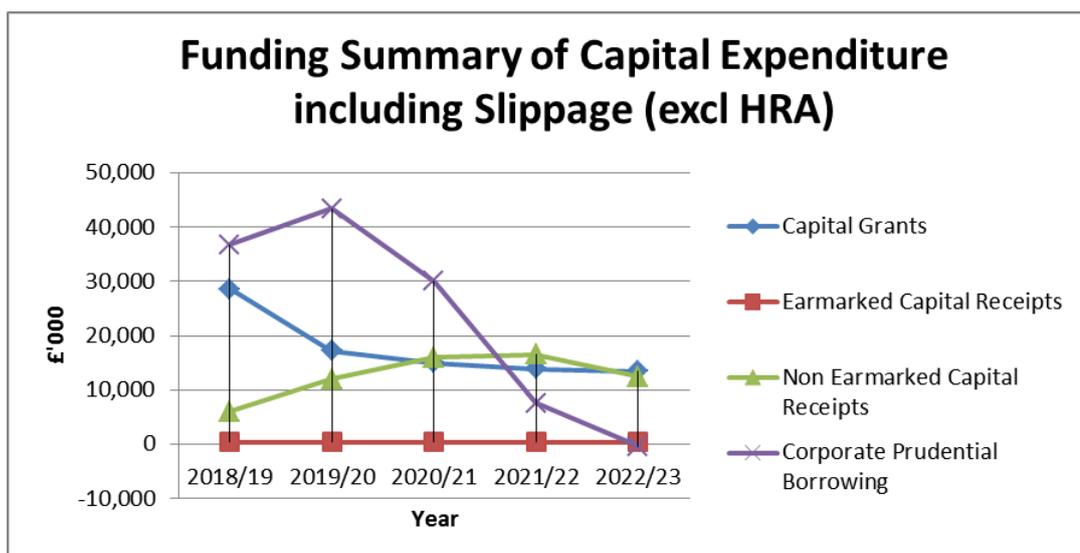
3.83 Strategic Priority schemes to be funded via the West Yorkshire Transport Fund (WYTF) are at variable stages of development and overall funding details are still to be confirmed. The below table shows indicative costs for these schemes which once confirmed will be built into the capital plan:

**Table 4 – West Yorkshire Transport Fund Schemes**

<b>Strategic Priority Highways Schemes</b>	<b>Amount (£m)</b>
A62 Leeds Road Corridor (Cooper Bridge)	60 – 80
A653 Dewsbury to Leeds Corridor (Mirfield to Dewsbury to Leeds)	10 – 20
A629 Huddersfield to Halifax Corridor	10 – 12
M62 Junction 24a	20 – 40

- 3.84 Even though the capital plan has increased significantly to incorporate funding for additional pressures, it is still recognised that a risk management approach should be maintained for the uncertain timing and financial consequence of unforeseen risks & pressures. Therefore a £1m annual contingency is set aside (reduced from £2.5m p.a.) to cover emerging risks
- 3.85 There are numerous unforeseen issues that can lead to slippage on capital schemes such as adverse weather conditions, changes in legislation, issues with planning permission, changes in external funding conditions, procurement issues etc. The budget for each year therefore includes a slippage assumption of 20% on capital grants and 30% on borrowing.
- 3.86 Graph 3 below demonstrates how the proportion of General Fund capital spend (including slippage) supported by borrowing, peaks in 2019-20 at £43.4m (majority due to the investment in the regeneration of strategic town centres), then falls to -£0.3m (-1%) by 2022-23. By the end of the 5 years, 1% of the Plan is funded by earmarked receipts, 48% by non-earmarked receipts and 51% by grant. The profile of capital funding sources across years is significantly less reliant on prudential borrowing relative to other capital funding; in particular beyond year 2.

**Graph 3 – Capital Funding summary across years (excl. HRA)**



- 3.87 Non-earmarked capital receipts funding assumptions in support of the capital plan

include stretched targets for in-year asset sales, to £8m annually from 2019-20 onwards, compared to £6m currently. The balance of receipts reflects assumed commercial loan repayments in later years, in relation to the Property investment Fund.

- 3.88 Appendix F sets out various performance indicators, informed by updated capital plan proposals and underpinning funding (borrowing) assumptions. Under current arrangements, local authorities can borrow without restriction to fund capital investment, provided they can demonstrate that the borrowing **is affordable, prudent and sustainable**. The PI's set out at Appendix F are intended to reflect these key principles, and requires the Council to both set them annually, and monitor them in-year. The ratio of financing costs to net revenue stream, at 5% in 2018-19, compared to previous budget assumptions at 8%; the difference largely attributable to the revised MRP proposal set out in the 2018-19 Treasury Management Strategy report attached at Appendix C.

### HRA

- 3.89 Annual HRA rents and service charges for 2018-19 were approved by Cabinet on 23 January 2018 – see link below to the relevant report :

[Cabinet 23 January 2018 - Item 8](#)

- 3.90 Updated HRA budget plans for 2018-20 reflect the above approval. HRA budget plans also assume a further annual rent reduction of 1% in 2019-20, and annual Right to Buys over the next two years in the region of 173 per annum based on current trends.
- 3.91 The updated HRA budget plans also assume the deferred Government implementation of a proposed 'higher value' annual levy or charge, based on higher value property void rates, to 2020-21 at the earliest. The levy is intended to be re-directed to private registered providers to compensate them for the loss of housing stock through the voluntary take up of the Right to Buy scheme in this sector.
- 3.92 HRA budget proposals also include future year KNH fee efficiency savings targets totalling just over £4m over the 2018-20 period; a key driver being expected efficiencies from the merger of Building Services and KNH.
- 3.93 Current HRA reserves commitments include a set aside of £4m for business risks; in particular, with regard to proposed welfare reform changes. A further £2.5m set aside is proposed within existing HRA reserves to fund KNH workforce restructure costs (voluntary severance) as part of a service wide efficiency review of the recently merged organisation. This mirrors the Council approach on the general fund side.
- 3.94 The balance of commitments includes £1.5m working balance. The forecast balance of reserves is assumed to roll forward to support future year capital investment, in line with longer term HRA business plan requirements. Summary forecast HRA reserves are also shown at Appendix B.
- 3.95 The Council and KNH working in joint partnership, regularly review and update the HRA 30 year business plan with the aim to produce a self-financed and balanced budget position over the 30 year plan. The current HRA business plan re-fresh

reflects a sustainable long term funding position, informed by the HRA budget proposals (both revenue and capital) set out in both the 2018-20 revenue budget plans and longer term capital plans.

### **Corporate Risk Assessment**

- 3.96 The corporate risk register summarises the key strategic risks or barriers to achieving the corporate objectives. It also provides visibility about the management actions which are either in place or brought into action to mitigate the impact of these risks. Many of these are of a financial nature and provide contextual information when setting the council's budget.

There isn't a direct link but they do help to inform the level of reserve held by the council.

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

## **4. Implications for the Council**

### **4.1 Formal Resolution**

- 4.1.1 It is necessary for the motion to Council on 14 February 2018, set out at Appendix H, and for the final resolution to include certain statutory declarations. The motion to be put forward will be incomplete, because the precepts for the Fire and Police Authorities and Parish Councils may not be determined until after Council. The Council motion will include estimated precepts based on best available information at the time.
- 4.1.2 It may be necessary therefore for an amended motion to be moved, as in previous years, to correct the motion where there is any change between the estimated and actual precepts. This assumes that the precepting bodies will have determined their precepts before 14 February 2018.
- 4.1.3 It is requested that the Council's statutory s151 Officer (Service Director – Finance, IT & Transactional Services) be given delegated authority to amend how the finally approved precepts are recorded in the Council's revenue budget in line with the final notifications received following decisions by the Office of Police and Crime Commissioner, the Fire & Rescue Authority and Parish Councils should these be received after 14 February 2018.
- 4.1.4 The Office of Police and Crime Commissioner, Fire & Rescue Authority and Parish Council precepts included in the Council motion do not affect the Council budget, and neither will any subsequent amendment to the precept figures, delegated to the Council's statutory s151 Officer.

## 4.2 Special Expenses

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

## 4.3 Pay Policy Statement 2018-19

- 4.3.1 Local Authorities are required under section 38(1) of the Localism Act 2011 to prepare an annual Pay Policy Statement. The statement must articulate the Council's policy towards the pay of the workforce, particularly senior staff and lowest paid employees. The Council's 2018-19 Pay Policy Statement is attached at Appendix I.
- 4.3.2 The provisions of the Act do not apply to the employees of local authority schools and therefore unless they are centrally employed, teaching staff are not within the scope of the policy.

## 4.4 Positive Assurance Statement

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

### **Statement from the Council's Section 151 Officer (Service Director, Finance, IT and Transactional Services)**

- 4.4.2 This report provides the financial challenges facing Kirklees Council and the approach being recommended to ensure a balanced budget is approved and established.
- 4.4.3 It is set in the context that austerity measures and the available resources to Kirklees Council continue to reduce. This is significant, being a £29m reduction over the next two financial years.
- 4.4.4 The impact of these funding reductions are further compounded as service pressures continue to increase; the costs of services continue to increase (inflation), the number of people who require support increase and the complexity of services provided to vulnerable children and adults require higher levels of resourcing.

- 4.4.5 As part of the 2017-18 budget, the Council provided significant additional resources and it has been necessary to further provide resources for Children's Safeguarding and Family Support, some support services and children with disabilities transitioning into Adult Services. The capital and revenue budget also provides resources for key initiatives.
- 4.4.6 The Council has sought to address these funding pressures by maximising the council tax increase without triggering a referendum, utilising the flexibilities available to fund social care and business rates. This report also builds upon the savings proposals incorporated in the 2017-21 MTFP approved in February 2017. The use of reserves does not form part of this Medium Term Financial Plan and Treasury Management Strategy being proposed further supports the longer term financial resilience of the Council.
- 4.4.7 During the year it has become more evident that there is less certainty of the longer term financial position. The Government will be consulting on a national 75% business rates retention scheme through 2018, and a mechanism for fairer funding of existing resource distribution between Councils. A Green Paper in relation to Social Care is also scheduled for Summer 2018. This degree of financial uncertainty provides the key rationale for setting a 2 year strategy.
- 4.4.8 The Council still has challenging savings targets to achieve and officers will closely monitor these as part of the Transformation programme and monthly financial monitoring reported to Executive Team & Cabinet.
- 4.4.9 The corporate risk register included at Appendix G sets out the anticipated barriers to achieving corporate objectives and current management actions in place to manage and mitigate these should they arise. Strengthened financial performance and risk management arrangements will provide the framework for capturing any deviations from plan and applying corrective actions.

Consequently in light of these factors;

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

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

#### 4.4.10 Early Intervention and Prevention (EIP)

As part of setting the budget consideration will be given to the relative resourcing and priority for these services. The totality of available resource and the individual decisions being proposed are detailed in the General Fund & HRA Medium Term Financial Plan 2018-20 (revenue budget book) as outlined within Appendix A

#### 4.4.11 Economic Resilience

As part of setting the budget consideration will be given to the relative resourcing and priority for these services. The totality of available resource and the individual decisions being proposed are detailed in the General Fund & HRA Medium Term Financial Plan 2018-20 (revenue budget book) as outlined within Appendix A

#### 4.4.12 Improving outcomes for children

As part of setting the budget consideration will be given to the relative resourcing and priority for these services. The totality of available resource and the individual decisions being proposed are detailed in the General Fund & HRA Medium Term Financial Plan 2018-20 (revenue budget book) as outlined within Appendix A

#### 4.4.13 Reducing demand on services

As part of setting the budget consideration will be given to the relative resourcing and priority for these services. The totality of available resource and the individual decisions being proposed are detailed in the General Fund & HRA Medium Term Financial Plan 2018-20 (revenue budget book) as outlined within Appendix A.

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

Paragraph 2.2 of this report refers to Equality Impact Assessments. The Equality Act 2010 creates the Public Sector Equality Duty (PSED).

Under section 149 of the Act:

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

The relevant protected characteristics are:

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

In order to fulfil the PSED the Council is required to assess the impact of any proposed action on the equality objectives set out above. The way in which the Council approaches this task is to conduct Equality Impact Assessments (EIA).

The Council has carried out Equality Impact Assessments (EIAs) to help it take due regard of its public sector equality duties in relation to these proposals. These can be found by accessing on the Kirklees web pages (link below) and members should read the assessments in full in order to inform them in coming to their decision.

<http://www.kirklees.gov.uk/you-kmc/deliveringServices/impactAssessments/impactassessments.asp>

As part of the service changes being proposed within this budget and as detailed Appendix A (General Fund & HRA Medium Term Financial Plan 2018-20 (revenue budget book), Service Impact Assessments have been prepared and published.

The same unique reference is used to enable ease of cross referencing between those Service Impact Assessments where an Equality Impact Assessment is required, and the EIA's which are available on the Council's website as per the link above.

The Council will continue to keep its duty in view and will review and revise the EIAs as appropriate as it begins to implement any the decisions arising from the budget.

## **5. Consultees and their opinions**

There was a public budget engagement exercise which ran from 8 November to 31 December 2017. The website link to the public engagement exercise is below:

[www.kirkleestalk.org](http://www.kirkleestalk.org)

To summarise, there were 385 respondents to the survey. Not all the respondent submissions produced a balanced budget. Overall, there were reductions proposed across the 7 key Council themes/outcomes. The lowest average reduction was 3%; 'Children have the best start in life'. The highest average reduction was 8%; 'People in Kirklees have aspirations and achieve their ambitions through education, training, employments and lifelong learning'. Average reductions across the other five themes/outcomes ranged between 4% and 6%. On the income side there were average increases of 2%.

Feedback from the above public budget engagement exercise is summarised at Appendix J to this report, and will need to be considered by members in coming to their decision at Cabinet and then their final decisions made on the revenue budget proposals at full Council on 14 February 2018.

A Council budget information event is taking place on the 25<sup>th</sup> January to allow participants the opportunity to put their budget questions directly to some of our local party leaders and deputy leaders,

Housing Revenue Account budget proposals were presented to the December 2017 Tenants & Residents Committee cycle.

The Capital Investment Plan proposals have been prepared by the Service Director, Finance, IT & Transactional Services, in conjunction with the Strategic Lead Asset group.

The 2018-19 Treasury Management Strategy Report included at Appendix C, was prepared by the Council's s151 officer (Service Director, Finance, IT & Transactional Services), and in consultation with the Council's external treasury management advisors, Arlingclose Limited Treasury Management Consultants. The Treasury Management report has also been considered at the Council's Corporate Governance and Audit Committee (CGAC), on 30 January 2018.

## **6. Next Steps**

- 6.1 This report and the draft Budget form the background and the proposed formal motion. The Cabinet will need to decide if they are to accept this or propose amendments to the draft budget which will be proposed to Council on 14 February 2018 (Cabinet draft budget). Members will need to decide if they are to accept this or propose amendments to the draft Budget which will be proposed to Council. Any such amendments will be published on 7 February 2018.
- 6.2 Members should note that once a budget is agreed by Council there may be a number of further steps and/or actions which would need to be taken in order to implement budget decisions for example – consultation, further detail of the steps needed or final proposals for making the planned changes. This is to ensure that the Council complies with legal and other requirements.
- 6.3 Following Council approval of the Capital Investment Plan, schemes will be released subject to Financial Procedure Rules.
- 6.4 Any material Government changes to the provisional settlement figures will be reported to the meeting of full Council, depending on the timing of Government confirmation of the final settlement, expected early February 2018.

## **7. Cabinet recommendations and reasons**

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

### General Fund Revenue

- 7.1 That the draft Revenue Budget for 2018-20, be approved (Appendix A);
- 7.2 That the forecast levels of statutory and other Council reserves as set out at Appendix B, be noted;
- 7.3 That the strategy for the use of balances and reserves, is approved; (paragraph 3.73);
- 7.4 That a further reassessment of reserves requirements will be undertaken at year end and reported to members as part of the 2017-18 financial outturn & rollover report; (paragraph 3.74)
- 7.5 That members note the Council's continued participation on the Leeds City Region business rates pool for 2018-19; (paragraph 3.26)
- 7.6 That members approve the Flexible Capital Receipts Strategy for 2018-19; (Appendix D)
- 7.7 That members approve the Council Tax requirement for 2018-19 (Appendix H, budget motion)

- 7.8 That members approve the Council's Pay Policy Statement for 2018-19 as set out in Appendix I (i-iv);
- 7.9 That members note the Council's statutory s151 officer's positive assurance statement; (paragraphs 4.4.2 - 4.4.9 above)
- 7.10 That the Council's Statutory s151 Officer be given delegated authority to amend how the finally approved precepts are recorded in the Council's revenue budget in line with the final notifications received following decisions by the Office of Police & Crime Commissioner, the Fire & Rescue Authority and Parish Councils should these be received after 14 February 2018 (paragraph 4.1.3 above);

#### Treasury Management

That members approve the following recommendations set out in the 2018-19 Treasury Management report at Appendix C:

- 7.11 The borrowing strategy outlined in paragraphs 2.12-2.18 of the appended report;
- 7.12 The investment strategy outlined in paragraphs 2.19 - 2.33 of the appended report;
- 7.13 The policy for provision of repayment of debt (minimum revenue provision or MRP) outlined in the appended report, Appendix C, which reflects the changes in policy outlined in paragraphs 2.34 - 2.66 of the appended report, effective from 2017-18 onwards;
- 7.14 The treasury management indicators in the appended report, Appendix D;
- 7.15 To note officer proposals to re-refresh the treasury management strategy for financial year 2019-20 to reflect revised 2017 CIPFA Treasury Management & Prudential Codes, and updated Government Investment strategy and MRP guidance to Local Authorities (Government guidance still pending at the time of writing this report)

#### Capital

- 7.16 That the draft Capital Plan for 2018-23, be approved; (Appendix E)
- 7.17 That the Prudential Indicators set out at Appendix F, be approved

#### Housing Revenue Account (HRA)

- 7.18 That the draft HRA Budget for 2018-20 be approved; (Appendix A)
- 7.19 That the strategy for the use of HRA reserves, as set out at paragraphs 3.93-3.94, be approved

#### Other

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

## **8. Cabinet Portfolio Holder Recommendation**

The Leader recommends that the attached General Fund revenue budget, Treasury Management Strategy, Capital Investment Plan, and HRA budget, should be presented to the Council meeting on 14 February 2018.

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

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

Debbie Hogg	Service Director – Finance, IT & Transactional Services
Eamonn Croston	Head of Finance & Accountancy
James Buttery	Finance Manager

### Background Papers

- Council approved annual budget report 2017-2021 15 February 2017
- Council budget update report to full Council 11 October 2017
- Government Autumn Statement announcement 22 November 2017
- Provisional Local Government Finance Settlement 2018-19
- Equalities Impact Assessments on key budget proposals and impacts
- Budget Consultation exercise

# **APPENDIX A**

## **KIRKLEES COUNCIL**

### **Medium Term Financial Plan**

**2018-20**

### **REVENUE BUDGET**

## **INTRODUCTION**

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

- The budget plans take account both of existing year 2 and 3 Directorate budget plans which will continue to roll forward into the new years 1 and 2 of the updated 2018-28 MTFP, and new savings proposals.
- While revenue budgets are set annually before the start of each financial year, there is some limited flexibility for revenue budgets to be transferred between service activities in-year.

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

- The document refers to “controllable budgets”: These are budgets that the budget holder can directly influence. Controllable expenditure includes direct operational costs including overheads which are specific to that department.

Examples of controllable expenditure are staff costs, premises, supplies & services, and payments to contractors. Controllable income includes schools income, other traded income, fees & charges, and specific government grants.

- For a small number of services all the controllable expenditure is entirely funded by income. These services have £0 in the net controllable expenditure column.
- The column labelled “2017-18 net controllable budget” provides the baseline or starting point for savings or increases proposed in the following two years to the financial year 2019-20.
- Inflation uplifts have been applied to Directorate expenditure and income budgets for 2018-19, in line with budget approvals. Inflation provision for the following year is held within Central Budgets.
- The columns labelled “Minuses” are proposed reductions in net expenditure. This can be because of:
  - planned savings
  - reduced demand for that service, or
  - a planned increase in associated income.
- The columns labelled “Pluses” are proposed increases in net expenditure. This can be because of:
  - proposed increased spending, or
  - a planned reduction in associated income.
- The “minuses” cross-reference to specific budget savings templates for each minus proposal. The budget savings template sets out :
  - the minus amount profiled across years

- the impact on the budget to which the proposal relates
- the impact on staffing numbers where relevant
- a service description of what the proposal is (including interdependencies and risk)
- potential impact of the proposal on service outcomes and any mitigating actions proposed
- does the proposal require an equality impact assessment
- will the proposal require a specific service consultation
- accountable head of service

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

## GLOSSARY

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

**2017-18 net controllable budgets** provide the baseline or starting point for savings or increases proposed in subsequent years.

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

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

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**Overall Summary By Strategic Director Portfolio**

STRATEGIC DIRECTOR PORTFOLIOS	17-18 CONTROLLABLE GROSS EXPENDITURE £000	17-18 CONTROLLABLE INCOME £000	17-18 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSES £000	18-19 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	19-20 BUDGET PROPOSAL £000
Child Protection & Family Support	51,403	(2,150)	49,253	(5,505)	7,630	51,378	(2,705)	1,093	49,766
Learning & Early Support	292,068	(274,266)	17,802	(857)	710	17,655	(1,075)		16,580
Quality Assurance, Standards & Safeguarding - Childrens	1,032	(140)	892			892			892
<b>Total Children &amp; Families</b>	<b>344,503</b>	<b>(276,556)</b>	<b>67,947</b>	<b>(6,362)</b>	<b>8,340</b>	<b>69,925</b>	<b>(3,780)</b>	<b>1,093</b>	<b>67,238</b>
Integration	76,597	(15,961)	60,636	(914)	3,850	63,572	(1,148)	2,200	64,624
Adult Social Care Operation	89,176	(44,209)	44,967	(14,681)	10,367	40,653	(8,137)	3,650	36,166
Quality Assurance, Standards & Safeguarding - Adults	1,793	(333)	1,460			1,460			1,460
<b>Total Adults &amp; Health</b>	<b>167,566</b>	<b>(60,503)</b>	<b>107,063</b>	<b>(15,595)</b>	<b>14,217</b>	<b>105,685</b>	<b>(9,285)</b>	<b>5,850</b>	<b>102,250</b>
Economy, Regeneration & Culture	17,379	(8,285)	9,094	(646)		8,448	(310)		8,138
Commercial, Regulatory & Operational Services	124,856	(92,362)	32,494	(2,817)		29,677	(1,433)		28,244
<b>Total Economy &amp; Infrastructure</b>	<b>142,235</b>	<b>(100,647)</b>	<b>41,588</b>	<b>(3,463)</b>		<b>38,125</b>	<b>(1,743)</b>		<b>36,382</b>
Policy, Intelligence & Public Health	23,639	(27,799)	(4,160)	(421)	893	(3,688)	(1,126)	675	(4,139)
Office of the Chief Executive	21,270	(7,574)	13,696	(3,367)	2,020	12,349	(2,461)		9,888
Legal, Governance & Commissioning	3,061	(1,036)	2,025	(143)		1,882	(122)		1,760
Finance, IT & Transactional Services	138,857	(115,188)	23,669	(2,687)		20,982	(1,811)	650	19,821
<b>Total Corporate Services</b>	<b>186,827</b>	<b>(151,597)</b>	<b>35,230</b>	<b>(6,618)</b>	<b>2,913</b>	<b>31,525</b>	<b>(5,520)</b>	<b>1,325</b>	<b>27,330</b>
<b>Sub Total Strategic Director Portfolio</b>	<b>841,131</b>	<b>(589,303)</b>	<b>251,828</b>	<b>(32,038)</b>	<b>25,470</b>	<b>245,260</b>	<b>(20,328)</b>	<b>8,268</b>	<b>233,200</b>
Central Budgets	44,267	(1,408)	42,859	(1,785)	4,893	45,967	(152)	5,206	51,021
<b>Total Budgets</b>	<b>885,398</b>	<b>(590,711)</b>	<b>294,687</b>	<b>(33,823)</b>	<b>30,363</b>	<b>291,227</b>	<b>(20,480)</b>	<b>13,474</b>	<b>284,221</b>

<b>Funding Available:</b>		
Local Share of Business Rates	(99,786)	(51,485)
Top Up	2,340	(28,514)
Revenue Support Grant	0	(12,824)
Unringfenced Grants	(17,660)	(14,072)
Council Tax	(160,082)	(164,787)
Adult Social Care Precept	(12,539)	(12,539)
<i>Collection fund balance:</i>		
<i>Business Rates Local Share</i>		
<i>Council Tax</i>	(3,500)	
<b>Total Funding Available</b>	<b>(291,227)</b>	<b>(284,221)</b>

## STRATEGIC DIRECTOR PORTFOLIOS

	FTEs	
	2018-19	2019-20
	MTFP	MTFP
<b>Children &amp; Families</b>	6,007.0	6,007.0
adjust for delegated schools budget	(5,220.9)	(5,220.9)
	<u>786.1</u>	<u>786.1</u>
Service Changes		(6.0)
	<b>786.1</b>	<b>780.1</b>
<b>Adults &amp; Health</b>	1,198.1	1,106.1
Service Changes	(92.0)	(15.0)
	<u>1,106.1</u>	<u>1,091.1</u>
<b>Economy &amp; Infrastructure</b>	2,236.7	2,206.7
Service Changes	(30.0)	(7.0)
	<u>2,206.7</u>	<u>2,199.7</u>
<b>Corporate Services</b>	1,037.1	1,006.1
Service Changes	(31.0)	(102.5)
	<u>1,006.1</u>	<u>903.6</u>
<b>Summary excluding Delegated Schools Budget</b>	5,258.1	5,105.1
Service Changes	(153.0)	(130.5)
	<u>5,105.1</u>	<u>4,974.6</u>

**CHILD PROTECTION & FAMILY SUPPORT**

SERVICE ACTIVITY	17-18 CONTROLLABLE GROSS EXPENDITURE £000	17-18 CONTROLLABLE INCOME £000	17-18 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSES £000	18-19 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	19-20 BUDGET PROPOSAL £000
<b>Youth Offending Team</b>	1,513	(741)	772			772			772
<b>Assessment &amp; Care Management</b>									
Assessment Service	2,513	0	2,513	(1,178)	2,811	4,146	(631)	292	3,807
Care Management Service	3,615	0	3,615	(471)		3,144		99	3,243
Emergency Duty Service	662	(399)	263			263			263
Family Assessment/Young Carers	301	0	301	(160)	467	608		69	677
Gateway to Care	28	0	28			28			28
<b>Total</b>	<b>7,119</b>	<b>(399)</b>	<b>6,720</b>	<b>(1,809)</b>	<b>3,278</b>	<b>8,189</b>	<b>(631)</b>	<b>460</b>	<b>8,018</b>
<b>Demand Led Activity</b>									
Family Placement Unit (including Help Desk)	2,223	0	2,223	(384)	50	1,889		63	1,952
Fostering Service	806	0	806	(196)	215	825	(50)	35	810
Fostering Service (including Recruitment)	12,437	(95)	12,342	(66)	1,025	13,301	(3)	319	13,617
Adoption Service	1,304	(293)	1,011			1,011			1,011
Looked After Children/Leaving Care Team	3,325	(32)	3,293	(467)	529	3,355	(94)	135	3,396
Contact Team	1,120	0	1,120	(216)	243	1,147	(106)	25	1,066
Internal Residential Placements	2,848	0	2,848			2,848			2,848
External Residential Placements	6,241	(194)	6,047	(1,188)	1,275	6,134	(1,224)		4,910
Leaving Care Supported Accommodation/Supported Lodgings	2,254	0	2,254	(478)		1,776			1,776
Guardianship and Residency Orders	3,536	0	3,536		139	3,675			3,675
Adoption Allowances	1,469	0	1,469	(239)		1,230			1,230
Persons from Abroad	219	(149)	70			70			70
<b>Total</b>	<b>37,782</b>	<b>(763)</b>	<b>37,019</b>	<b>(3,234)</b>	<b>3,476</b>	<b>37,261</b>	<b>(1,477)</b>	<b>577</b>	<b>36,361</b>
<b>Commissioning</b>									
Substance Misuse Contracts	396	(247)	149			149			149
<b>Total</b>	<b>396</b>	<b>(247)</b>	<b>149</b>	<b>0</b>	<b>0</b>	<b>149</b>	<b>0</b>	<b>0</b>	<b>149</b>
<b>Management &amp; Regulatory Functions</b>	4,593	0	4,593	(462)	876	5,007	(597)	56	4,466
<b>TOTAL CHILD PROTECTION &amp; FAMILY SUPPORT</b>	<b>51,403</b>	<b>(2,150)</b>	<b>49,253</b>	<b>(5,505)</b>	<b>7,630</b>	<b>51,378</b>	<b>(2,705)</b>	<b>1,093</b>	<b>49,766</b>

**CHILD PROTECTION & FAMILY SUPPORT -  
MINUSES**

Service Activity	Proposed Change	Savings Template Reference	£000		
			2018-19	2019-20	Total
<b>NEW MINUSES</b>					
<b>Assessment &amp; Care Management</b>					
Assessment Service	Vacant posts and turnover		(459)		(459)
Assessment Service	Planned reduction in Advanced Practioners/Social Workers	NEW CP1		(260)	(260)
Assessment Service	Planned reduction in the use of Agency social workers	NEW CP4	(719)	(371)	(1,090)
Care Management Service	Budget realignment and turnover		(471)		(471)
Family Assessment / Young Carers	Budget realignment		(160)		(160)
<b>Demand Led Activity</b>					
Family Placement Unit inc. Help Desk	Vacant posts, turnover and budget realignment		(384)		(384)
Fostering Service	Vacant posts, turnover and budget realignment		(102)	(50)	(152)
Fostering Service	Planned reduction in the use of Agency social workers	NEW CP4	(94)	(50)	(144)
Fostering Service Inc Recruitment	Vacant posts and budget realignment		(66)	(3)	(69)
Looked Afer Children/Leaving Care Team	Vacant posts, turnover and budget realignment		(286)		(286)
Looked Afer Children/Leaving Care Team	Planned reduction in the use of Agency social workers	NEW CP4	(181)	(94)	(275)
Contact Team	Vacant posts and budget realignment		(110)		(110)
Contact Team	Planned reduction in the use of Agency social workers	NEW CP4	(106)	(56)	(162)
External Residential	Percentage of children placed outside Kirklees reduced by 50% by March 2019	NEW CP2	(1,188)	(1,224)	(2,412)
Leaving Care Supported Accommodation	Budget realignment		(478)		(478)
Adoption Allowances	Budget realignment		(239)		(239)
<b>Management Regulatory</b>					
Service Management & Support	Vacant posts, turnover and budget realignment		(327)	(57)	(384)
Professional charges, legal	Planned reduction in Legal Disbursement charges	NEW CP3		(475)	(475)
Child Protection Unit	Planned reduction in the use of Agency social workers	NEW CP4	(135)	(65)	(200)
<b>TOTAL MINUSES FOR CHILD PROTECTION &amp; FAMILY SUPPORT</b>			<b>(5,505)</b>	<b>(2,705)</b>	<b>(8,210)</b>

**CHILD PROTECTION & FAMILY SUPPORT - PLUSES**

Service Activity	Proposed Change	Savings Template Reference	£000		
			2018-19	2019-20	Total
<b>NEW PLUSES</b>					
<b><u>Assessment &amp; Care Management</u></b>					
Assessment Service	Additional substantive posts, agency worker pressure, accelerated salary progression		2,811	292	3,103
Care Management Service	Accelerated salary progression			99	99
Family Assessment/Young Carers	Accelerated salary progression, business support budget realignment		467	69	536
<b><u>Demand Led Activity</u></b>					
Family Placement Unit inc. Help Desk	Budget realignment, agency worker pressure, accelerated salary progression		50	63	113
Fostering Service	Agency worker pressure, accelerated salary progression		215	35	250
Fostering Service Inc Recruitment	Additional substantive posts, agency worker pressure, volume pressure		1,025	319	1,344
Looked Afer Children/Leaving Care Team	Additional substantive posts, agency worker pressure, accelerated salary progression		529	135	664
Contact Team	Agency worker pressure		243	25	268
External Residential Placements	Volume pressures		1,275		1,275
Guardianship/Residency Orders	Volume pressures		139		139
Management & Regulatory Functions	Additional substantive posts, agency worker pressure, legal disbursement charges		876	56	932
<b>TOTAL PLUSES FOR CHILD PROTECTION &amp; FAMILY SUPPORT</b>			<b>7,630</b>	<b>1,093</b>	<b>8,723</b>

Service Director	Child Protection & Family Support
Service Area	Assessment Service & Care Management
Headline Proposal	Planned reduction in Advanced Practitioners/Social Workers
Reference	NEW CP1

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	-	(260)	(260)	(260)
Cumulative Savings	-	(260)	(520)	(780)
Budget after Savings (Controllable Budget)	6,109	5,849	5,589	5,329
FTE Reduction	-	6	6	6

Description of Savings Proposal (Including interdependencies and risk)
<p>In order to strengthen the service and provide additional leadership and social work capacity to manage caseloads effectively, the 2018/19 budget proposal is to build provision to recruit an additional Service Manager, Team Manager, 9 Advanced Practitioners and 8 Social Workers, and will embed improved social work practices into service, as an integral part of the service Improvement Plan.</p> <p>The quality of front line practice is key to improving the lives of children and families in Kirklees. Whatever the systems, processes and governance, it is the way that our staff work with children and families that will, in the end, make the difference and build the relationships, skills and confidence to make change. Effective practice needs shared values, a good theoretical model, good skills and knowledge from staff and the right training, support and supervision from managers. This approach has both a strong emerging evidence base and a strong moral foundation as it emphasises building on strengths, and empowering children, families and communities through stronger relationships. Adopting this approach will provide an opportunity for additional support and expertise through the DfE Innovation Fund supported 'Leeds Relational Practice Centre'</p> <p>Over the medium term, it is expected that the number of Advanced Practitioners and Social Workers required moving forward will reduce on a phased approach.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
This proposal is dependent on improved social work practices and reduced number of looked after children. Progress will be monitored through the Children Improvement Board.	
Does this proposal require an Equality Impact Assessment?	No
Will this proposal require a Specific Service Consultation	No

Accountable Head of Service	Head of Children's Social Work - Elaine McShane
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Service Director	Child Protection & Family Support
Service Area	Demand Led Activity – External Residential
Headline Proposal	Percentage of children placed outside Kirklees reduced by 50% by March 2019
Reference	NEW CP2

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(1,188)	(1,224)	(1,188)	
Cumulative Savings	(1,188)	(2,412)	(3,600)	(3,600)
Budget after Savings (Controllable Budget)	6,134	4,910	3,722	3,722
FTE Reduction	-	-	-	-

Description of Savings Proposal (Including interdependencies and risk)
<p>OfSTED highlighted areas where our care needs to improve, from the way that legal proceedings are managed when concerns become serious, to the quality of care planning, to the way we organise placements for our Looked After Children.</p> <p><b>Aims</b></p> <ul style="list-style-type: none"> <li>• Improve social work practice with Looked After Children</li> <li>• Improve speed and rigour of decision making and legal processes so no child is left at risk</li> <li>• Ensure more children are placed in family type settings and as close to their existing communities as possible</li> <li>• Improve the range, quality and cost-effectiveness of placements for Looked After Children</li> <li>• Improve support for returning home safely</li> <li>• Strengthen the role of Corporate Parenting Board</li> </ul> <p><b>Actions</b></p> <ol style="list-style-type: none"> <li>1. Audit and review care planning and implement a new care planning model</li> <li>2. Support and training for staff, managers and IROs for new care planning model</li> <li>3. Review internal residential provision</li> <li>4. Review fostering service and recruitment strategy</li> <li>5. Case review of all external placements and all placements with parents and implement action planning to move children on where safe and suitable</li> <li>6. Develop and agree a Medium Term Sufficiency Strategy</li> <li>7. Implement improved decision making governance to include a Gateway Panel, a Permanency Panel and improved Adoption Decision Making</li> <li>8. Implement stronger legal case management processes</li> <li>9. Develop a reunification strategy to support safe and successful return to family or kinship carers</li> <li>10. Review and implement improvements for Independent Visitor Scheme</li> <li>11. Strengthen Corporate Parenting through improved involvement of children and young people and better data to inform their work. Develop role and influence of Looked After Children.</li> </ol>

Deliverables

- Care planning model developed and agreed by Apr 18. Training complete for all staff by Jul 18
- Sufficiency Strategy including reviews and action plans for internal and external fostering, residential and PWP, reunification in place by Jan 18
- Local Offer for Foster Carers in place by Apr 18
- Improved governance and legal processes– robust Permanence, Gateway and Adoption Decision Making panels in place by December 17, strengthened case manager support and review.
- New support arrangements in place for Corporate Parenting Board by Jan 18

Success Measures

- Proportion of children placed outside Kirklees is reduced safely and appropriately. Indicative target of 50% by March 19.
- Increase in timeliness of independent return interviews for Looked After Children that have been missing. Target 80% within 72 hours by March 18, 100% by March 19.
- Placement costs reduced. Targets TBC once review of placements completed

Risk

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

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

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

Accountable Head of Service	Elaine McShane Service Director Child Protection & Family Support
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Service Director	Child Protection & Family Support
Service Area	Management & Regulatory
Headline Proposal	Planned reduction in Legal Disbursement charges
Reference	NEW CP3

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings		(475)		
Cumulative Savings		(475)	(475)	(475)
Budget after Savings (Controllable Budget)	1,809	1,334	1,334	1,334
FTE Reduction	-	-	-	-

Description of Savings Proposal (Including interdependencies and risk)	
<p>The Children's Legal disbursement budget is currently forecast to overspend by £475k in 2017/18 due to the continued high and complex demand for Legal services and the associated routine usage of external solicitors to meet the required capacity. This trend will most likely continue in 2018/19. The budget proposal next year is therefore to increase the Children's Legal disbursement budget by the current projected overspend. However, there are potential areas to explore in which to achieve some savings going forward.</p> <p><b>Aims</b></p> <ul style="list-style-type: none"> <li>Improving social work practice within Children's services will ultimately lead to care proceedings cases remaining in the 26 week timescale and result in fewer hearings and therefore reduce costs. Latest court figures suggest Kirklees cases require additional hearings and whilst there are some pockets of improvement in practice this is not consistent or embedded enough to make a significant difference.</li> <li>Continue to review use of Locums together with most cost effective way of meeting demand for legal services.</li> <li>Review support for Children's services and look at how both Legal and Children's services can work together to optimise efficient outcomes and reduce costs.</li> </ul> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>The time line in which to embed improvements to social work practice may not be sufficiently implemented to achieve the necessary savings target from 2019/20 and the financial benefit may be a gradual process over a two to three year period.</li> <li>Increase in the numbers of LAC and complexity of cases.</li> </ul>	
<p>Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes</p>	
<p>Does this proposal require an Equality Impact Assessment?</p>	
<p>No</p>	
<p>Will this proposal require a Specific Service Consultation</p>	
<p>No</p>	
Accountable Head of Service	Elaine McShane – Service Director Child Protection & Family Support

Service Director	Child Protection & Family Support
Service Area	Service Wide
Headline Proposal	Planned reduction in the use of Agency social workers
Reference	NEW CP4

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(1,235)	(636)		
Cumulative Savings	(1,235)	(1,871)	(1,871)	(1,871)
Budget after Savings (Controllable Budget)	1,665	1,029	1,029	1,029
FTE Reduction	-	-	-	-

Description of Savings Proposal (Including interdependencies and risk)
<p>The service currently has 56 agency workers deployed across the service (Nov 2017) costing approximately £78k per week. The service plan will reduce significantly the reliance on agency staff by 2019/20.</p> <p>As OfSTED have observed, the child focus and commitment of front line staff continues despite the change and challenges of recent months. These values and our Children's Services workforce are vital to our improvement plans. However, the impact of a dysfunctional system is clear.</p> <p>This means that children and families lose the stability of working with the same support worker, it limits the support they need, staff feel too pressured to produce their best work and the costs of agency staff reduces the money available for investing in improvement. We need to create the conditions for success – making sure we put in place the right respect, support, training and development that staff need and deserve.</p> <p>This will be achieved through the outcome of the service review of the workforce and determining sustainable structures. In addition, reviewing existing agency posts and having a clear exit strategy for agency staff in line with recruitment, service workforce development and reducing sickness levels across the service.</p> <p><b>Aims</b></p> <ul style="list-style-type: none"> <li>• Morale, confidence and job satisfaction of staff improved</li> <li>• Staff report improved management, support and training</li> <li>• Recruitment and retention of staff improved</li> <li>• Use and cost of agency staff will decrease</li> <li>• Improved stability of social worker for children and families</li> </ul> <p><b>Actions</b></p> <ol style="list-style-type: none"> <li>1. Career development framework will be developed in consultation with staff and unions and implemented. A professional development offer will be developed and aligned to the career development framework.</li> <li>2. In consultation with staff and unions, undertake a review of staff support and working conditions including: pastoral support, IT systems, administrative support, offices and</li> </ol>

communication. Agree and implement programme of work to improve staff working conditions and support.

3. Develop and implement improved arrangements for appraisal and management supervision
4. Implement new arrangements for monitoring staffing issues including staff satisfaction, caseloads, training, absence, recruitment and retention, including annual process for assessing work and views of workers through Social Work Health Check.
5. Engage with local Teaching partnership to maximise support from HEI partners.
6. Undertake renewed programme of recruitment for key staff groups.

#### Deliverables

- Career development framework agreed with staff and unions and in place by April 2018
- Professional development offer agreed with staff and unions and in operation from April 2018
- Review of staff support and working conditions complete by January 2018
- Action plan for improving support and working conditions implemented from March 2018
- Improved supervision and appraisal arrangements in place from January 2018
- New monitoring arrangements in place by January 2018

#### Success Measures

- Improved morale, confidence and skills of social workers and early help staff
- Reduced use of agency staff (25% reduction by March 2018; 50% September 2018; 75% March 2019)
- Reduced sickness absence (25% reduction by March 2018; 50% September 2018)

#### Risks

- Inability to recruit and retain staff
- Inability to reduce sickness absence of staff
- Volume growth of referrals/ assessments/Looked After Children which will impact on staffing levels.

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

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

Accountable Head of Service	Elaine McShane – Service Director Child Protection & Family Support
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**LEARNING & EARLY SUPPORT**

SERVICE ACTIVITY	17-18 CONTROLLABLE GROSS EXPENDITURE £000	17-18 CONTROLLABLE INCOME £000	17-18 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSES £000	18-19 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	19-20 BUDGET PROPOSAL £000
<b>Strategic Leadership</b>									
Statutory Responsibility for the Education System	1,111	(299)	812	(250)	50	612	(250)		362
Music Service	24	0	24			24			24
School Forum allocations	254	(254)	0			0			0
<b>Total</b>	<b>1,389</b>	<b>(553)</b>	<b>836</b>	<b>(250)</b>	<b>50</b>	<b>636</b>	<b>(250)</b>	<b>0</b>	<b>386</b>
<b>Schools Organisation, Planning and Admissions</b>									
Schools Organisation & Planning	434	(131)	303	(151)		152	(151)		1
School Admissions	431	(428)	3			3			3
<b>Total</b>	<b>865</b>	<b>(559)</b>	<b>306</b>	<b>(151)</b>	<b>0</b>	<b>155</b>	<b>(151)</b>	<b>0</b>	<b>4</b>
<b>Education for Vulnerable Children Services incl Special Educational Needs</b>									
Kirklees Special Educational Needs (SEN) pupils in OLA Mainstream	371	(230)	141			141			141
Specialist Provision Co-ordination	790	(790)	0			0			0
SEN Assessment & Commissioning team (statutory)	436	(165)	271			271			271
Education of Looked After Children	480	(169)	311			311			311
Attendance & Pupil Support	1,189	(581)	608			608			608
Education Services for Vulnerable Children	1,190	(371)	819			819	(84)		735
Early Years SEN Support - Portex and ICAN services	186	(190)	(4)			(4)			(4)
Early Years SEN Support including Portage service	(23)	21	(2)		660	658			658
International New Arrivals	77	(75)	2			2			2
<b>Total</b>	<b>4,696</b>	<b>(2,550)</b>	<b>2,146</b>	<b>0</b>	<b>660</b>	<b>2,806</b>	<b>(84)</b>	<b>0</b>	<b>2,722</b>
<b>Early Learning</b>									
Private Voluntary & Independent Formula Funding (3 & 4 year olds)	10,416	(10,416)	0			0			0
Two year old funding	4,986	(4,986)	0			0			0
Early Years Quality Improvement, Workforce & Sufficiency	1,124	(585)	539	(226)		313	(300)		13
<b>Total</b>	<b>16,526</b>	<b>(15,987)</b>	<b>539</b>	<b>(226)</b>	<b>0</b>	<b>313</b>	<b>(300)</b>	<b>0</b>	<b>13</b>
<b>Post 16 services</b>	526	(20)	506			506			506
<b>Learning Services Trading</b>									
Traded School Improvement, Swimming, Cliffe House, Booksplus, Management Information Systems, Kirklees Supply Service, Nexus, Governors services and Headteacher well-being	3,385	(3,350)	35			35			35
<b>Total</b>	<b>3,385</b>	<b>(3,350)</b>	<b>35</b>	<b>0</b>	<b>0</b>	<b>35</b>	<b>0</b>	<b>0</b>	<b>35</b>

**LEARNING & EARLY SUPPORT**

SERVICE ACTIVITY	17-18 CONTROLLABLE GROSS EXPENDITURE £000	17-18 CONTROLLABLE INCOME £000	17-18 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSES £000	18-19 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	19-20 BUDGET PROPOSAL £000
<b>Early Intervention &amp; Prevention (EIP)</b>									
Early Intervention and Targetted Support	5,534	0	5,534	(230)		5,304	(290)		5,014
<b>Total</b>	<b>5,534</b>	<b>0</b>	<b>5,534</b>	<b>(230)</b>	<b>0</b>	<b>5,304</b>	<b>(290)</b>	<b>0</b>	<b>5,014</b>
<b>Commissioning</b>									
Other Commissioned Services	2,402	(52)	2,350			2,350			2,350
Targeted Mental Health Service Contracts	360	0	360			360			360
Stronger Families	1,731	(1,800)	(69)			(69)			(69)
<b>Total</b>	<b>4,493</b>	<b>(1,852)</b>	<b>2,641</b>	<b>0</b>	<b>0</b>	<b>2,641</b>	<b>0</b>	<b>0</b>	<b>2,641</b>
<b>DSG Schools</b>									
Primary Pupil Referral Unit	1,392	(1,392)	0			0			0
Secondary Pupil Referral Unit	3,127	(3,127)	0			0			0
Specialist Education Placements	2,513	(2,513)	0			0			0
Behavioural, Emotional & Exclusions	1,464	(1,461)	3			3			3
Further Education High Needs	805	(805)	0			0			0
Delegated School Budgets	225,083	(222,989)	2,094			2,094			2,094
SEN support including FE Post 16	1,455	(1,455)	0			0			0
Centrally Managed School Budgets	3,558	(3,509)	49			49			49
Childrens Pensions	3,816	(631)	3,185			3,185			3,185
Childrens Contingencies	10,549	(10,946)	(397)			(397)			(397)
<b>Total</b>	<b>253,762</b>	<b>(248,828)</b>	<b>4,934</b>	<b>0</b>	<b>0</b>	<b>4,934</b>	<b>0</b>	<b>0</b>	<b>4,934</b>
<b>Management &amp; Regulatory Functions</b>	892	(567)	325			325			325
<b>TOTAL LEARNING &amp; FAMILY SUPPORT</b>	<b>292,068</b>	<b>(274,266)</b>	<b>17,802</b>	<b>(857)</b>	<b>710</b>	<b>17,655</b>	<b>(1,075)</b>	<b>0</b>	<b>16,580</b>

**LEARNING & EARLY SUPPORT - MINUSES**

Service Activity	Proposed Change	Savings Template Reference	£000			
			2018-19	2019-20	Total	
<b>EXISTING MTFP MINUSES</b>						
Statutory Responsibility for the Education System	Bring vacancies forward, not replacing roles & commissioning tasks	EX LE1		(50)	(50)	
	Review of Statutory Responsibilities	EX LE2		(200)	(200)	
	Review service	EX LE3	(100)		(100)	
	Digital by design – service transformation	EX LE4	(150)		(150)	
	Schools Organisation & Planning	Reduce support to Schools Organisation & Planning & School Admissions	EX LE5	(151)	(151)	(302)
	Education Service for Vulnerable Children	Review	EX LE6		(84)	(84)
	Early Years Quality Improvement, Workforce & Sufficiency	Review support to early learning (sufficiency & development)	EX LE7	(226)	(300)	(526)
	Early Intervention & Prevention (EIP)	Add back adjustment		(230)	(290)	(520)
			(857)	(1,075)	(1,932)	
<b>TOTAL MINUSES FOR LEARNING &amp; EARLY SUPPORT</b>			<b>(857)</b>	<b>(1,075)</b>	<b>(1,932)</b>	

**LEARNING & EARLY SUPPORT - PLUSES**

Service Activity	Proposed Change	Savings Template Reference	£000		
			2018-19	2019-20	Total
<b><u>EXISTING MTFP PLUSES</u></b>					
Statutory Responsibility for the Education System	Review of Statutory Responsibilities - reversal of 2017-18 saving		50		50
<b><u>NEW PLUSES</u></b>					
Early Years SEN support including Portage	Reinstate budget for Early Years Special Educational Needs (SEND) Support (including Access		660		660
<b>TOTAL PLUSES FOR LEARNING &amp; EARLY SUPPORT</b>			<b>710</b>	<b>0</b>	<b>710</b>

**QUALITY ASSURANCE, STANDARDS & SAFEGUARDING**

SERVICE ACTIVITY	17-18 CONTROLLABLE GROSS EXPENDITURE £000	17-18 CONTROLLABLE INCOME £000	17-18 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSES £000	18-19 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	19-20 BUDGET PROPOSAL £000
<b>Childrens</b>									
Service Specialist Training (Children)	210	(27)	183			183			183
Kirklees Safeguarding Childrens Board	822	(113)	709			709			709
<b>Total</b>	<b>1,032</b>	<b>(140)</b>	<b>892</b>	<b>0</b>	<b>0</b>	<b>892</b>	<b>0</b>	<b>0</b>	<b>892</b>
<b>Adults</b>									
<b>Commissioning</b>									
Adult Protection	608	(82)	526			526			526
Service Specialist Training (Adults)	156	(24)	132			132			132
Children & Adults Learning Team	466	0	466			466			466
Other Commissioning Infrastructure	297	(150)	147			147			147
<b>Total</b>	<b>1,527</b>	<b>(256)</b>	<b>1,271</b>	<b>0</b>	<b>0</b>	<b>1,271</b>	<b>0</b>	<b>0</b>	<b>1,271</b>
<b>Other Services</b>									
Domestic Abuse	123	0	123			123			123
Other Services	143	(77)	66			66			66
<b>Total</b>	<b>266</b>	<b>(77)</b>	<b>189</b>	<b>0</b>	<b>0</b>	<b>189</b>	<b>0</b>	<b>0</b>	<b>189</b>
<b>TOTAL QUALITY ASSURANCE, STANDARDS &amp; SAFEGUARDING</b>	<b>2,825</b>	<b>(473)</b>	<b>2,352</b>	<b>0</b>	<b>0</b>	<b>2,352</b>	<b>0</b>	<b>0</b>	<b>2,352</b>

**INTEGRATION**

SERVICE ACTIVITY	17-18 CONTROLLABLE GROSS EXPENDITURE £000	17-18 CONTROLLABLE INCOME £000	17-18 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSES £000	18-19 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	19-20 BUDGET PROPOSAL £000
<b>Assessment &amp; Care Management</b>	3,499	(649)	2,850			2,850			2,850
<b>Demand Led Activity</b>									
<b>Self Directed Support</b>	20,351	(3,882)	16,469	(191)		16,278	(424)		15,854
<b>Independent Sector Residential and Nursing Placements</b>									
Independent Sector Residential and Nursing Placements - Learning Disabilities	23,338	(7,128)	16,210	(424)	2,856	18,642	(423)	2,200	20,419
Independent Sector Residential and Nursing Placements - Mental Health	5,497	(1,377)	4,120	(66)		4,054	(67)		3,987
<b>Total</b>	<b>28,835</b>	<b>(8,505)</b>	<b>20,330</b>	<b>(490)</b>	<b>2,856</b>	<b>22,696</b>	<b>(490)</b>	<b>2,200</b>	<b>24,406</b>
<b>In-House Residential - Learning Disabilities</b>	2,499	(648)	1,851			1,851			1,851
<b>Day Care and Other Contracted Services</b>									
In-House Day Care	3,106	(376)	2,730			2,730			2,730
Contracted Services	3,460	(26)	3,434	(233)		3,201	(234)		2,967
<b>Total</b>	<b>6,566</b>	<b>(402)</b>	<b>6,164</b>	<b>(233)</b>	<b>0</b>	<b>5,931</b>	<b>(234)</b>	<b>0</b>	<b>5,697</b>
<b>Other Demand-Led Services</b>									
Children with Disability	3,234	(5)	3,229		994	4,223			4,223
Learning Disability Shared Lives	1,082	0	1,082			1,082			1,082
Internal Residential Placements	1,916	(119)	1,797			1,797			1,797
Emergency Support	75	0	75			75			75
<b>Total</b>	<b>6,307</b>	<b>(124)</b>	<b>6,183</b>	<b>0</b>	<b>994</b>	<b>7,177</b>	<b>0</b>	<b>0</b>	<b>7,177</b>
<b>Total Demand Led</b>	<b>64,558</b>	<b>(13,561)</b>	<b>50,997</b>	<b>(914)</b>	<b>3,850</b>	<b>53,933</b>	<b>(1,148)</b>	<b>2,200</b>	<b>54,985</b>
<b>Early Intervention &amp; Prevention (EIP)</b>									
Supporting People	5,439	(1,309)	4,130			4,130			4,130
Communities Plus	2,481	(442)	2,039			2,039			2,039
<b>Total</b>	<b>7,920</b>	<b>(1,751)</b>	<b>6,169</b>	<b>0</b>	<b>0</b>	<b>6,169</b>	<b>0</b>	<b>0</b>	<b>6,169</b>
<b>Management &amp; Regulatory Functions</b>	620	0	620			620			620
<b>TOTAL INTEGRATION</b>	<b>76,597</b>	<b>(15,961)</b>	<b>60,636</b>	<b>(914)</b>	<b>3,850</b>	<b>63,572</b>	<b>(1,148)</b>	<b>2,200</b>	<b>64,624</b>

**INTEGRATION - MINUSES**

Service Activity	Proposed Change	Savings Reference	£000		
			2018-19	2019-20	Total
<b><u>EXISTING MTFP MINUSES</u></b>					
Demand Led Activity	Apply proportionate spend on direct payments	EX IN1	(178)	(412)	(590)
Self Directed Support (SDS)	Independent Living fund reduction in grant		(13)	(12)	(25)
Contracted Services (mainly Independent Sector Day Care)	Review of all existing contracts	EX IN2	(233)	(234)	(467)
Independent Sector Residential & Nursing	Reduction in high cost learning disability placements	EX IN3	(424)	(423)	(847)
Independent Sector Residential & Nursing	Mental health placements	EX IN4	(66)	(67)	(133)
			(914)	(1,148)	(2,062)
<b>TOTAL MINUSES FOR INTEGRATION</b>			<b>(914)</b>	<b>(1,148)</b>	<b>(2,062)</b>

**INTEGRATION - PLUSES**

Service Activity	Proposed Change	Savings Reference	£000		
			2018-19	2019-20	Total
<b>EXISTING MTFP PLUSES</b>					
Independent Sector Residential & Nursing	Future Pressures - Tranforming Care Partnership Plan		156		156
<b>NEW PLUSES</b>					
Independent Sector Residential & Nursing Placements - Learning Disabilities	Adult Social Care - demand-led pressures		2,700	2,200	4,900
<b>Other Demand-Led Services</b> Children with Disability	Demand-led pressures		994		994
			3,694	2,200	5,894
<b>TOTAL PLUSES FOR INTEGRATION</b>					
			3,850	2,200	6,050

**ADULTS SOCIAL CARE OPERATION**

SERVICE ACTIVITY	17-18 CONTROLLABLE GROSS EXPENDITURE £000	17-18 CONTROLLABLE INCOME £000	17-18 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSES £000	18-19 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	19-20 BUDGET PROPOSAL £000
<b>Assessment and Care Management</b>									
Assessment and Care Management	6,613	(1,640)	4,973	(200)	2,600	7,373	(560)		6,813
Gateway to Care	1,332	(118)	1,214			1,214			1,214
<b>Total</b>	<b>7,945</b>	<b>(1,758)</b>	<b>6,187</b>	<b>(200)</b>	<b>2,600</b>	<b>8,587</b>	<b>(560)</b>	<b>0</b>	<b>8,027</b>
<b><u>Demand Led Activity</u></b>									
<b>Self Directed Support</b>	17,704	(9,704)	8,000	(1,334)	4,998	11,664	(1,094)		10,570
<b>Independent Sector Residential and Nursing Placements</b>									
Independent Sector Residential and Nursing Placements - Older People	31,142	(14,347)	16,795	(301)	899	17,393	(267)	950	18,076
Independent Sector Residential and Nursing Placements - Physical Disabilities	4,226	(1,053)	3,173	(120)		3,053	(120)		2,933
<b>Total</b>	<b>35,368</b>	<b>(15,400)</b>	<b>19,968</b>	<b>(421)</b>	<b>899</b>	<b>20,446</b>	<b>(387)</b>	<b>950</b>	<b>21,009</b>
<b>In-House Residential - Older People</b>	4,980	(1,737)	3,243			3,243			3,243
<b>Day Care and Other Contracted Services</b>									
In-House Day Care	819	(38)	781			781			781
Contracted Services (mainly independent sector day care)	2,630	(692)	1,938	(133)		1,805	(183)		1,622
<b>Total</b>	<b>3,449</b>	<b>(730)</b>	<b>2,719</b>	<b>(133)</b>	<b>0</b>	<b>2,586</b>	<b>(183)</b>	<b>0</b>	<b>2,403</b>
<b>Other Demand-Led Services</b>									
Re-ablement	6,155	(5,178)	977			977			977
Excellent Homes for Life (supported living)	1,515	(422)	1,093			1,093			1,093
Provision of Community Equipment	4,603	(3,728)	875	(34)		841	(33)		808
Emergency Support (including Persons from Abroad)	376	0	376			376			376
Care Phones and Assistive Technology	1,140	(1,067)	73	(13)		60	(20)		40
Other Demand Led	774	0	774	(66)		708	(67)		641
Adult Social Care Grant & Better Care Funding	0	(2,670)	(2,670)	(11,600)	1,870	(12,400)	(5,700)	2,700	(15,400)
<b>Total</b>	<b>14,563</b>	<b>(13,065)</b>	<b>1,498</b>	<b>(11,713)</b>	<b>1,870</b>	<b>(8,345)</b>	<b>(5,820)</b>	<b>2,700</b>	<b>(11,465)</b>
<b>Total Demand Led</b>	<b>76,064</b>	<b>(40,636)</b>	<b>35,428</b>	<b>(13,601)</b>	<b>7,767</b>	<b>29,594</b>	<b>(7,484)</b>	<b>3,650</b>	<b>25,760</b>

**ADULTS SOCIAL CARE OPERATION**

SERVICE ACTIVITY	17-18 CONTROLLABLE GROSS EXPENDITURE £000	17-18 CONTROLLABLE INCOME £000	17-18 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSES £000	18-19 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	19-20 BUDGET PROPOSAL £000
<b>Early Intervention &amp; Prevention</b>									
Support for Carers	452	0	452			452			452
<b>Total</b>	<b>452</b>	<b>0</b>	<b>452</b>	<b>0</b>	<b>0</b>	<b>452</b>	<b>0</b>	<b>0</b>	<b>452</b>
<b>Commissioning</b>									
Contracts Management	746	(300)	446			446			446
Commissioning Heads of Service	62	0	62			62			62
Other Commissioning Infrastructure	900	(618)	282			282			282
<b>Total</b>	<b>1,708</b>	<b>(918)</b>	<b>790</b>	<b>0</b>	<b>0</b>	<b>790</b>	<b>0</b>	<b>0</b>	<b>790</b>
<b>Older People Residential Strategy</b>	0	(478)	(478)	(766)		(1,244)	20		(1,224)
<b>Management &amp; Regulatory Functions</b>	3,007	(419)	2,588	(114)		2,474	(113)		2,361
<b>TOTAL ADULTS SOCIAL CARE OPERATION</b>	<b>89,176</b>	<b>(44,209)</b>	<b>44,967</b>	<b>(14,681)</b>	<b>10,367</b>	<b>40,653</b>	<b>(8,137)</b>	<b>3,650</b>	<b>36,166</b>

**ADULTS SOCIAL CARE OPERATION - MINUSES**

Service Activity	Proposed Change	Savings Template Reference	£000		
			2018-19	2019-20	Total
<b>EXISTING MTFP MINUSES</b>					
Assessment & Care Management	Staffing Realignment within Adult Social Care	EX AS1	(100)	(310)	(410)
	Staffing Realignment within Adult Social Care	EX AS2	(100)	(250)	(350)
<b>Demand Led Activity</b>					
Self Directed Support (SDS)	Future Pressures National Living Wage - net unfunded pressure - Adults contract		(684)	(93)	(777)
	Reduced spend on independent sector home care and apply proportional spend on direct payment	EX AS3	(422)	(988)	(1,410)
	Independent Living fund reduction in grant		(14)	(13)	(27)
Independent Sector Residential & Nursing Placements - Older People	Reduction of Older People & Physical Disability placements	EX AS4	(266)	(267)	(533)
	Removal of discounted respite	EX AS5	(35)		(35)
Independent Sector Residential & Nursing Placements - Physical Disabilities	Reduction of Older People & Physical Disability placements	EX AS6	(120)	(120)	(240)
<b>Day Care and Other Contracted Services</b>					
Contracted Services (mainly Independent Sector Day Care)	Review of all existing contracts	EX AS8	(133)	(133)	(266)
<b>Other Demand-Led Services</b>					
Provision of Community Equipment	Community equipment	EX AS9	(34)	(33)	(67)
Care Phones & Assistive Technology	Care phones - increased income	EX AS10	(13)	(20)	(33)
Other Demand-Led	Review of out of hours services	EX AS11	(66)	(67)	(133)
Demand-Led Activity Savings	Additional Better Care funding		(6,300)	(5,700)	(12,000)
Older People's Residential Strategy	Identify partner(s) to deliver integrated health and social care to those with specialist needs or explore new delivery models.	EX AS13	(766)	20	(746)
Management & Regulatory Functions	Business support realignment across Adult Social Care	EX AS14	(94)	(93)	(187)
			(9,147)	(8,067)	(17,214)

**ADULTS SOCIAL CARE OPERATION - MINUSES**

Service Activity	Proposed Change	Savings Template Reference	£000		
			2018-19	2019-20	Total
<b>NEW MINUSES</b>					
Contracted Services (mainly Independent Sector Day Care)	Older People's Independent Sector Day Services	NEW AS1		(50)	(50)
<b>Other Demand-Led Services</b>					
Self Directed Support (SDS)	Review Taskforce Additional Savings	NEW AS2	(214)		(214)
Demand-Led Activity Savings	Improved Better Care offer - Spring 2017 budget further allocation		(5,300)		(5,300)
Management & Regulatory Functions	Reduction of Transport Costs	NEW AS4	(20)	(20)	(40)
			(5,534)	(70)	(5,604)
<b>TOTAL MINUSES FOR ADULTS SOCIAL CARE OPERATION</b>			<b>(14,681)</b>	<b>(8,137)</b>	<b>(22,818)</b>

**ADULTS SOCIAL CARE OPERATION - PLUSES**

Service Activity	Proposed Change	Savings Reference	£000		
			2018-19	2019-20	Total
<b>EXISTING MTFP PLUSES</b>					
<b>Demand Led Activity</b>					
Self Directed Support	3% Adult Social Care Council Tax precept		4,998		4,998
Independent Sector Residential & Nursing Placements - Older People	Future Pressures - Older People Demographic (3%)		899	950	1,849
Improved Funding allocation	Adult Social Care Grant		1,870		1,870
			7,767	950	8,717
<b>NEW PLUSES</b>					
<b>Other Demand-Led Services</b>					
Demand-Led Activity Savings	Improved Better Care offer - Spring 2017 budget further allocation		2,600	2,700	5,300
			2,600	2,700	5,300
<b>TOTAL PLUSES FOR ADULTS SOCIAL CARE OPERATION</b>			10,367	3,650	14,017

Service Director	Adults Social Care Operations
Service Area	Commissioning and Health Partnerships
Headline Proposal	Older People's Independent Sector Day Services
Reference	NEW AS1

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings		(50)	(50)	(100)
Cumulative Savings		(50)	(100)	(200)
Budget after Savings (Controllable Budget)		1,608	1,558	1,458
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>The projected savings outlined above will be achieved by:</p> <p><u>Phase 1 (April 2017 – March 2018)</u></p> <ul style="list-style-type: none"> <li>• A review of all individuals currently using independent sector day services will take place to identify individuals with low level need</li> <li>• Working with the current providers, community hubs and the voluntary and community sector, to identify community resources which may be in a position to provide alternative daytime activities to meet low level need.</li> <li>• Consultation with service users and carers to find out what would meet their needs.</li> <li>• Calculation of actual potential savings for future years.</li> <li>• Developing an exit strategy from the current contract.</li> <li>• Modelling of services for individuals with higher level needs.</li> </ul> <p><u>Phase 2 (April 2018 – March 2019)</u></p> <ul style="list-style-type: none"> <li>• Developing resources in the community in line with the outcomes of the service user and carer consultation.</li> <li>• Commencement of movement of individuals with low level needs towards community-based support solutions.</li> <li>• As money is released from the contract, investment into community services which aim to meet individuals with higher level needs.</li> </ul>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<ul style="list-style-type: none"> <li>• Adult social care demand and level of need is rising significantly which places increased challenge on the system.</li> <li>• As part of other savings, the review team will reduce. The service will ensure that</li> </ul>

reviewing capacity is focussed where need is greatest.

- The system relies on sufficient independent sector provision in the market. Currently there is no market provision available for complex dementia delivery. Market development is ongoing.

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

Accountable Head of Service	Korrina Campbell
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Service Director	Adults Social Care Operation
Service Area	Demand Led Activity (incl. Assessment and Care Management)
Headline Proposal	Review taskforce additional savings
Reference	NEW AS2

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(214)			
Cumulative Savings	(214)	(214)	(214)	(214)
Budget after Savings (Controllable Budget)	16,009	14,915	14,586	14,586
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>The Transformation Programme for Adult Social Care was agreed by the Transformation Portfolio Board to achieve the medium term financial plan savings and bring about sustainable change in the way adult social care is delivered in Kirklees.</p> <p>To support this programme the adults' directorate established a review task force with the aim of embedding a strength-based social care practice across the directorate. The taskforce has undertaken targeted reviews to right size care packages, focusing on delivering better outcomes for service users, whilst also delivering financial savings for the council.</p> <p>As a result it has developed a greater degree of intelligence around the productivity of the taskforce and the levels of savings that can be achieved on a weekly basis. This has led to a review of the benefits profile for the care offer.</p> <p>This approach has resulted in the following outputs:</p> <ul style="list-style-type: none"> <li>• new business processes</li> <li>• refined leadership and governance mechanisms</li> <li>• new tracking tools</li> <li>• testing different types of cases to review</li> </ul> <p>These refinements to process and ways of working within review task force have provided significant intelligence, allowing the team to test the benefits assumptions originally developed in April and develop a revised set of assumptions based on current performance.</p> <p>Performance to date within year 2017/18 has achieved 490K savings. Whilst this is under target, the extension of the review task force and the assumptions used to profile future savings aim to ensure the savings are made.</p>

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

**Appoint a dedicated team lead.** Options have been pursued to ensure that the team manager is fully dedicated to the review taskforce and that any operational responsibilities are backfilled. A new review task force manager has now started in this role and will be fully dedicated to this project.

**Head of Service and Service Manager oversight**

Careful management oversight of review team performance, including weekly operational meetings and fortnightly strategic meetings.

**Teams based in their hubs**

Staff will be based in their respective hubs and will undertake the targeted reviewing activity from that location.

**Objective setting with team members**

Service Manager to meet with each team member to set objectives focused on productivity and performance.

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

Accountable Head of Service	Lee Thompson, Head of Operations North
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Service Director	Adults Social Care Operations
Service Area	Management & Regulatory Functions
Headline Proposal	Reduction of transport costs
Reference	NEW AS4

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(20)	(20)	(20)	
Cumulative Savings	(20)	(40)	(60)	(60)
Budget after Savings (Controllable Budget)	3,043	2,930	2,910	2,910
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>The council is continuing to work towards allowing all employees to be able to manage their time and their travel through working smarter. This is being done by balancing travel needs through using environmentally friendly forms of transport wherever possible and having the equipment and suitable locations, through the Mobile and Agile Programme to minimise unnecessary travel. This will be facilitated by the options of facilities across the district that will be accessible to staff and the use of mobile technology to assist in working from home, or other locations.</p> <p>The savings will be comprised of the following reductions:</p> <ul style="list-style-type: none"> <li>• number and value of mileage claims</li> <li>• number of parking claims being required</li> <li>• number of council funded travel cards</li> <li>• need for city cars/rental cars</li> </ul> <p>Note – the budget after savings figure reflects the management and regulatory functions line in the summary.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>Essential travel, parking etc. will continue to be offered to ensure business critical travel is sustained.</p> <p>Employees will be supported through the use of technology and options for workplace and travel to ensure they are supported.</p> <p>Promotion and further development of the green agenda.</p>	
Does this proposal require an Equality Impact Assessment?	Yes
Will this proposal require a Specific Service Consultation	No

Accountable Head of Service	Amanda Evans
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**ECONOMY, REGENERATION & CULTURE**

SERVICE ACTIVITY	17-18 CONTROLLABLE GROSS EXPENDITURE £000	17-18 CONTROLLABLE INCOME £000	17-18 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSES £000	18-19 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	19-20 BUDGET PROPOSAL £000
<b>Housing General Fund</b>	4,696	(2,722)	1,974	(56)		1,918			1,918
<b>Highways</b>	1,426	(667)	759	(80)		679			679
<b>Markets</b>	1,531	(2,091)	(560)	(40)		(600)	(40)		(640)
<b>Planning</b>	2,545	(1,841)	704	(120)		584	(120)		464
<b>Policy Strategy, Commissioning</b>	437	0	437			437			437
<b>Creative Economy</b>	589	0	589	(44)		545			545
<b>Museums &amp; Galleries</b>	937	(296)	641			641			641
<b>Sport &amp; Physical Activity</b>	2,298	(617)	1,681	(250)		1,431	(150)		1,281
<b>Economic Resilience</b>	2,862	(51)	2,811			2,811			2,811
<b>Management &amp; Regulatory Functions</b>	58	0	58	(56)		2			2
<b>TOTAL ECONOMY, REGENERATION &amp; CULTURE</b>	<b>17,379</b>	<b>(8,285)</b>	<b>9,094</b>	<b>(646)</b>		<b>8,448</b>	<b>(310)</b>		<b>8,138</b>

**ECONOMY, REGENERATION & CULTURE - MINUSES**

Service Activity	Proposed Change	Savings Template Reference	£000		
			2018-19	2019-20	Total
<b><u>EXISTING MTFP MINUSES</u></b>					
<b><u>Sport &amp; Physical Activity</u></b>					
Grant to Kirklees Active Leisure	Continuation of existing approach and reducing reduction of financial support to KAL	EX ER1	(200)	(100)	(300)
<b><u>Management &amp; Regulatory Services</u></b>					
	Service efficiencies	EX ER2	(56)		(56)
			<b>(256)</b>	<b>(100)</b>	<b>(356)</b>
<b><u>NEW MINUSES</u></b>					
Housing General Fund	Housing land management and new ways of working	NEW ER1	(56)		(56)
Highways	Capitalisation of transportation related staff	NEW ER2	(80)		(80)
Planning	Planning fee increase	NEW ER3	(120)	(120)	(240)
Creative Economy	Reduction in Outcomes Commissioning Budget	NEW ER4	(44)		(44)
Grant to Kirklees Active Leisure	Continuation of existing approach and reducing reduction of financial support to KAL	NEW ER5	(50)	(50)	(100)
Markets	Closure of two markets and increased income	NEW ER6	(40)	(40)	(80)
			<b>(390)</b>	<b>(210)</b>	<b>(600)</b>
<b>TOTAL MINUSES FOR ECONOMY, REGENERATION &amp; CULTURE</b>			<b>(646)</b>	<b>(310)</b>	<b>(956)</b>

Service Director	Economy, Regeneration & Culture
Service Area	Housing General Fund
Headline Proposal	Housing land management and new ways of working
Reference	NEW ER1

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(56)			
Cumulative Savings	(56)	(56)	(56)	(56)
Budget after Savings (Controllable Budget)	1,918	1,918	1,918	1,918
FTE Reduction	0	0	0	0

Description of Savings Proposal (Including interdependencies and risk)
<p><b>Proposals:</b></p> <ul style="list-style-type: none"> <li>Reduce from April 2018 the budget available to respond to and deal with problems identified on council owned housing land. (Not housing revenue account land).</li> <li>Reduce from April 2018 the budget relating to 'buying in' expertise to support the development of housing related strategies and surveys as more work is done in-house and/or is funded through external grants / sources.</li> </ul> <p><b>Interdependencies and Risks:</b></p> <ul style="list-style-type: none"> <li>Resources available to deal with issues arising on land sites may not be sufficient resulting in an over spend and/or a delay in dealing with the problem.</li> </ul>

Potential impact on outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p><b>Impact:</b></p> <ul style="list-style-type: none"> <li>Potential for delays in dealing with all issues identified which could result in complaints from residents and through better collaboration with other services and prioritisation, these will be mitigated.</li> <li>Any health and safety issues/risks would be prioritised for action.</li> <li>Applications / bids for external funding will be made where appropriate and on-line information and services will continue to be used to support strategic work.</li> </ul>	
Does this proposal require an Equality Impact Assessment?	No
Will this proposal require a Specific Service Consultation	No

Accountable Head of Service	Helen Geldart
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Service Director	Economy, Regeneration & Culture
Service Area	Strategic Investment (Planning/Signals/Flood/Transportation)
Headline Proposal	Planning Fees and Capital Charging
Reference	NEW ER2 & NEW ER3

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(200)	(120)		
Cumulative Savings	(200)	(320)	(320)	(320)
Budget after Savings (Controllable Budget)	1,214	1,094	1,094	1,094
FTE Reduction	0	0	0	0

Description of Savings (Including interdependencies and risk)
<p><b>Proposal 1– Increase Capital Charges (£80k/year)</b></p> <p>This will apply to staff in the transportation section. Given that the majority of projects that will be delivered focus on the 7 WYTF plus programme there is scope to recharge more to capital projects. It is suggested that a further £80k is a realistic increase which allows for some officer time to be spent on other non-capital projects such as the Local Plan.</p> <p><b>Proposal 2 – Increased Planning Fees (£120k in year 1 rising to £240k in remaining years)</b></p> <p>We have generally seen an uplift in planning fees over the past few years. The increase has been driven by the volume of applications rather than an increase in base line fees (this was carried out nationally in 2011/12). As available land decreases then the key drivers of planning fees – major applications start to fall. Whilst - for 2017/18 – majors are falling – this is driven by the lead in times for local plan adoption as pre-apps on key sites are currently quite high.</p> <p>DCLG have been considering a 20% increase since the early part of 2016. The legislation for this has recently been laid before parliament despite successive consultation and White Papers promising an earlier implementation.</p> <p>This will increase planning fee income and does not rely on increased volumes of applications. However, there needs to be some caution exercised as the DCLG does need to be satisfied that staffing/resources do match the fees to ensure a quality of service. In anticipation of this increased workload, driven, in part, by the Local Plan adoption timescales as well as better fees, there has already been some increases in staff in certain areas. In particular, major developments, Highways Development Management and the area teams.</p> <p>As legislation is now laid before parliament to increase these fees then the probability of increasing income for next year and the years after is significantly increased.</p> <p>To take account of increased resource and local plan lead in times the increases are likely to be lower for 2018/19 (£120k) but should increase for later years (when the local plan will be adopted) (£240k per annum).</p>

**Proposal 3 – Increase pre - application fees (£20k/annum)**

2017/18 has seen a greater use of the pre-application service and for major applications this is becoming the normal practice. Current budgets show income at £20k per annum. It is more realistic to increase this to £40k per annum.

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

**Proposal 1- Risk** - the key risk is that WYTF plus schemes do not progress quickly enough and the funding is restricted or lost.

**Proposal 2- Risk** - Legislation is delayed further/Planning applications and development activity reduces significantly/Local plan remains unadopted.

**Proposal 3 – Risk** - Planning applications and development activity reduces significantly.

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

Accountable Head of Service	Simon Taylor
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Service Director	Economy, Regeneration & Culture
Service Area	Creative Economy
Headline Proposal	Reduction in Outcomes Commissioning Budget
Reference	NEW ER4

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(44)	0	0	0
Cumulative Savings	(44)	(44)	(44)	(44)
Budget after Savings (Controllable Budget)	177	177	177	177
FTE Reduction	0	0	0	0

<b>Description of Savings Proposal (Including interdependencies and risk)</b>
Reduce the commissioning budget from £221k to £177k by supporting groups to explore other funding sources and combining the range of economic resilience activities the council invests in the towns and villages of the district.

<b>Potential impact on outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes</b>	
The direct impact of this saving is associated with the level of match funding the budget is able to support and this will be mitigated through better prioritisation of projects that align to the council's strategic objectives as well as other ER investments in the cultural quarter	
Does this proposal require an Equality Impact Assessment?	No
Will this proposal require a Specific Service Consultation	No

Accountable Head of Service	Adele Poppleton
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Service Director	Economy, Regeneration & Culture
Service Area	Kirklees Active Leisure (KAL)
Headline Proposal	Continuation of existing approach and reducing reduction of financial support to KAL
Reference	NEW ER5

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(50)	(50)		
Cumulative Savings	(50)	(100)	(100)	(100)
Budget after Savings (Controllable Budget)*	1,091	941	941	941
FTE Reduction	0	0	0	0

Description of Savings Proposal (Including interdependencies and risk)
<p>At this stage, KAL has not identified the areas in which the savings will be achieved, however, KAL and the council will work together innovatively through a commissioning model within which the outcomes Kirklees Council wishes to see for its citizens and the rules of engagement are clearly specified. These will take account of the correlation between economic status and physical health and it is recognised that physical activity and the critical role leisure centres play in supporting a number of Kirklees' outcomes.</p> <p>This will enable KAL to deploy its expertise and capability in the leisure market to ensure those outcomes are met. KAL will have the flexibility as part of this arrangement to adjust its business plan to implement new ways of working and deliver the efficiencies needed. KAL has proven market knowledge and is uniquely placed to exploit the opportunities to secure new sources of income and the commissioning arrangement will empower KAL to optimise demand by tailoring its services to what is needed in each of its localities.</p> <p>As a strong and viable business, KAL's business plan has made provision for contingencies and has the financial strength to enable it to deliver what are challenging targets whilst delivering the commissioned outcomes.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>To deliver the level of savings required, KAL may seek to increase the price of some of its services and activities which may lead to issues of affordability and the council will seek to mitigate the impact of this by ensuring KAL has due regard to those on low incomes. As a service that is operating in a commercial market, it is in KAL's interest to ensure its pricing strategy remains competitive for its users.</p> <p>There may be some re-configuration of services as KAL begins to tailor its services to the requirements of each locality and the council and KAL will work together to ensure any disruption is minimised through careful planning and communication.</p>	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	YES - KAL's Chief Executive has been consulted and he has informed his trustees
Accountable Head of Service	Adele Poppleton

Service Director	Economy, Regeneration & Culture
Service Area	Markets
Headline Proposal	Closure of two markets and increased income
Reference	NEW ER6

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(40)	(40)	0	0
Cumulative Savings	(40)	(80)	(80)	(80)
Budget after Savings (Controllable Budget)	606 profit	646 profit	646 profit	646 profit
FTE Reduction	0	0	0	0

Description of Savings Proposal (Including interdependencies and risk)
<p>This saving will be delivered through the closure of Heckmondwike and Holmfirth markets and by working smarter with cleansing costs through the use of a new compactor. The service will also explore the potential for increased income by reviewing the charges levied, for example for car boot sales (£2 extra per car); additional international market; and Sunday markets on New Street every Sunday.</p> <p>These proposals will increase the profit margin for Markets and enable the service to get nearer to reaching the income target set each year, but it will not deliver any contribution to the Council's savings target.</p>

Potential impact on outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>Heckmondwike and Holmfirth markets have been under-performing for a number of years and so any impact on outcomes in those towns will be minor. Existing traders will be offered stalls in the remaining markets so their businesses should not be affected. Where there is capacity and appetite from the community for a community asset transfer, this will be explored.</p> <p>The additional international market and Sunday markets will contribute to achieving the outcome "Kirklees has sustainable economic growth and provides good employment for and with communities and businesses" by providing space for businesses to trade and increasing town centre vibrancy.</p>	
Does this proposal require an Equality Impact Assessment?	Yes
Will this proposal require a Specific Service Consultation	Yes

Accountable Head of Service	Adele Poppleton
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**COMMERCIAL, REGULATORY & OPERATIONAL SERVICES**

SERVICE ACTIVITY	17-18 CONTROLLABLE GROSS EXPENDITURE £000	17-18 CONTROLLABLE INCOME £000	17-18 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSES £000	18-19 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	19-20 BUDGET PROPOSAL £000
<b>Highways</b>	24,637	(18,192)	6,445	(200)		6,245			6,245
<b>West Yorkshire Driver Training</b>	4,465	(4,921)	(456)			(456)			(456)
<b>Seasonal Weather</b>	1,244	(31)	1,213			1,213			1,213
<b>Waste Services</b>	25,692	(7,549)	18,143			18,143			18,143
<b>Transport Services</b>	5,563	(6,898)	(1,335)	(327)		(1,662)	(103)		(1,765)
<b>Bereavement Services</b>	1,576	(3,172)	(1,596)	(50)		(1,646)	(50)		(1,696)
<b>Parks &amp; Greenspaces</b>	6,717	(3,576)	3,141	(404)		2,737	(25)		2,712
<b>Business &amp; Enterprise Centres</b>	714	(1,266)	(552)			(552)			(552)
<b>Building Control</b>	629	(956)	(327)	(9)		(336)			(336)
<b>Commercialisation</b>	569	(1,188)	(619)	(70)		(689)			(689)
<b>Local Land Charges</b>	199	(273)	(74)			(74)			(74)
<b>Highways Registry</b>	65	(50)	15			15			15
<b>Environmental Health</b>	1,705	(730)	975	(25)		950			950
<b>School Facilities Management</b>									
School Facilities Management - School Transport	2,883	(119)	2,764	(285)		2,479			2,479
School Facilities Management - Catering/Assets	18,025	(20,418)	(2,393)	(225)		(2,618)	(55)		(2,673)
School Facilities Management - Cleaning	5,927	(6,228)	(301)	(95)		(396)	(25)		(421)
Quality & Standards	155	(2)	153			153			153
<b>Total</b>	<b>26,990</b>	<b>(26,767)</b>	<b>223</b>	<b>(605)</b>	<b>0</b>	<b>(382)</b>	<b>(80)</b>	<b>0</b>	<b>(462)</b>

**COMMERCIAL, REGULATORY & OPERATIONAL SERVICES**

SERVICE ACTIVITY	17-18 CONTROLLABLE GROSS EXPENDITURE £000	17-18 CONTROLLABLE INCOME £000	17-18 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSES £000	18-19 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	19-20 BUDGET PROPOSAL £000
<b>Corporate Landlord</b>	15,037	(5,077)	9,960	(685)		9,275	(300)		8,975
<b>Facilities Management</b>									
Capital Delivery & Development	1,403	(2,149)	(746)	(92)		(838)			(838)
Physical Resources & Procurement - Overheads	1,079	0	1,079	(200)		879			879
Commercial portfolio	1,220	(2,924)	(1,704)			(1,704)			(1,704)
<b>Total</b>	<b>3,702</b>	<b>(5,073)</b>	<b>(1,371)</b>	<b>(292)</b>	<b>0</b>	<b>(1,663)</b>	<b>0</b>	<b>0</b>	<b>(1,663)</b>
<b>Town Halls &amp; Public Halls</b>	832	(623)	209	(50)		159			159
<b>CCTV</b>	386	(195)	191			191			191
<b>Car Parking</b>	2,683	(5,825)	(3,142)	(100)		(3,242)	(875)		(4,117)
<b>Management &amp; Regulatory Functions</b>	1,451	0	1,451			1,451			1,451
<b>TOTAL COMMERCIAL, REGULATORY &amp; OPERATIONAL SERVICES</b>	<b>124,856</b>	<b>(92,362)</b>	<b>32,494</b>	<b>(2,817)</b>	<b>0</b>	<b>29,677</b>	<b>(1,433)</b>	<b>0</b>	<b>28,244</b>

**COMMERCIAL, REGULATORY & OPERATIONAL SERVICES - MINUSES**

Service Activity	Proposed Change	Savings Template Reference	£000		
			2018-19	2019-20	Total
<b><u>EXISTING MTFP MINUSES</u></b>					
Highways	Changes to Routine Maintenance service	EX CR1	(150)		(150)
	Transportation Strategy - Efficiency Gains & Increase in Service Income	EX CR2	(50)		(50)
Transport Services	Smarter Practices/efficiencies	EX CR4	(200)		(200)
Bereavement Services	Additional income potential, 20%, through smarter marketing/product offer	EX CR5	(50)	(50)	(100)
Parks & Greenspaces	Performance Management, Service Level Agreement (SLA) Restructure and Reduction in Gold, Silver, Bronze and Natural (GSBN) Standards	EX CR6	(49)		(49)
	Performance Management, Service Level Agreement (SLA) Restructure and Reduction in Gold, Silver, Bronze and Natural (GSBN) Standards	EX CR7	(230)		(230)
Environmental Health	New ways of working	EX CR8	(25)		(25)
<b><u>Schools Facilities Management</u></b>					
Schools Facilities Management - School Transport	Combined Authority Working	EX CR9	(285)		(285)
Schools Facilities Management - Catering/Assets	Assumed continuation of Universal Infant Free Schools Meals (UIFSM) national policy & funding arrangement, the service will continue to deliver the financial surplus	EX CR10	(60)		(60)
Schools Facilities Management - Cleaning	Realignment to current performance	EX CR11	(95)	(25)	(120)
Corporate Landlord	New ways of working	EX CR12	(650)	(300)	(950)
<b><u>Facilities Management</u></b>					
Capital Delivery & Development	Deletion of the Capital Development Manager post budget	EX CR13	(60)		(60)
Physical Resources & Procurement - Overheads	Further savings to be identified	EX CR14	(200)		(200)
Town Hall & Public Halls	Review of fees and Charges	EX CR15	(50)		(50)
			(2,154)	(375)	(2,529)

**COMMERCIAL, REGULATORY & OPERATIONAL SERVICES - MINUSES**

Service Activity	Proposed Change	Savings Template Reference	£000		
			2018-19	2019-20	Total
<b>NEW MINUSES</b>					
Transport Services	Smarter Practices/efficiencies	NEW CR2	(127)	(103)	(230)
Parks & Greenspaces	Cost Recovery on Services	NEW CR3	(125)	(25)	(150)
Building Control	Out of Hours Call out	NEW CR4	(9)		(9)
Commercialisation	Charging for missed appointments and fees and charges review	NEW CR5	(70)		(70)
Car Parking	Changes to Parking Tariffs	NEW CR6	(100)	(125)	(225)
	Bus lane enforcement	NEW CR7		(750)	(750)
<b>Schools Facilities Management</b>					
Schools Facilities Management - Catering/Assets	Capitalise a programme of essential gas work	NEW CR8	(130)		(130)
	Meal Price Increase/reduced subsidy on Living Wage	NEW CR9		(55)	(55)
Corporate Landlord	Reduction in Corporate Facilities Management Staffing Budget	NEW CR10	(35)		(35)
	Reduction in Corporate Facilities Management Staffing Budget	NEW CR11	(35)		(35)
Capital delivery & development	Removal of revenue budget	NEW CR12	(32)		(32)
			(663)	(1,058)	(1,721)
<b>TOTAL MINUSES FOR COMMERCIAL, REGULATORY &amp; OPERATIONAL SERVICES</b>			<b>(2,817)</b>	<b>(1,433)</b>	<b>(4,250)</b>

Service Director	Commercial, Regulatory and Operational Services
Service Area	Transport Services
Headline Proposal	Smarter practices/efficiencies
Reference	NEW CR2

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(127)	(103)		
Cumulative Savings	(127)	(230)	(230)	(230)
Budget after Savings (Controllable Budget)	(1,462)	(1,565)	(1,565)	(1,565)
FTE Reduction	4	3		

Description of Savings Proposal (Including interdependencies and risk)
<p>Review of transport operations resulting in more efficient working practices including the release of current vacancies. This will include managing vacancies as a result of reduced provision at George Street, to be phased over a two year period in line with incoming lease vehicles.</p> <p>There are risks associated with the change that demand from services may not be met therefore impacting on service delivery in front line areas. However, the impact will continue to be monitored via the service.</p>

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

Accountable Head of Service	David Martin
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Service Director	Commercial, Regulatory & Operational Services
Service Area	Parks & Open Spaces
Headline Proposal	Cost recovery on services
Reference	NEW CR3

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(125)	(25)	(50)	(50)
Cumulative Savings	(125)	(150)	(200)	(250)
Budget after Savings (Controllable Budget)	2,738	2,713	2,663	2,613
FTE Reduction	0	0	0	0

Description of Savings Proposal (Including interdependencies and risk)
<p>Parks &amp; Open Spaces provide a number of services to the community and partners, from maintaining a sports pitch through to maintaining school grounds. These services have traditionally been provided with a significant subsidy and as such the service has commenced a programme of reviewing actual costs against any charges. This work will be completed in 2018.</p> <p>This places the main area of cost recovery with the community itself, through sports pitches, allotments, bowling greens and such.</p> <p>The service currently estimates there is close to £1m a year of subsidy to these services. The council recognises that full cost recovery which could be transferred to communities/individuals would have a significant impact and therefore is proposing reducing the subsidy in certain areas, as well as building community capacity to undertake either some activities or asset transfer. These community groups and activities do support valuable outcomes, for example reducing social isolation, improving health and wellbeing and community engagement. The council will work with the communities and its partners to build on this existing capacity and grow it through new models that encourage and stimulate, for example, a sharing economy based on the learning from Comoodle.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>It is proposed that only a portion of the costs are recovered, but at the same time we will use our Volunteer Community Coordinators, Environment Strategy Unit and other such resources to offset costs to support this. The saving from the sports and physical activity team will be pump-primed into supporting this. We envisage initiatives will include:</p> <p>Community asset transfer of sites/facilities as much as practicable.</p> <ul style="list-style-type: none"> <li>• Leases for sites for communities to maintain themselves.</li> <li>• Create a site maintenance training and education support package to ensure people</li> </ul>

have the right skills to maintain these areas in the future.

- Link to Natural Kirklees to explore what community capacity and expertise can be shared, again to ensure people have the right skills to maintain these areas in the future.

The final level of saving will be dependent on community capacity and the level of cost recovery that balances the benefits/outcomes with the resource pressures we face, but it is estimated at £125,000 by 2019/20.

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

Accountable Head of Service	Will Acornley
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Service Director	Commercial, Regulatory and Operational
Service Area	PRP/Building Control
Headline Proposal	Out of hours call out
Reference	NEW CR4

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(9)			
Cumulative Savings	(9)	(9)	(9)	(9)
Budget after Savings (Controllable Budget)				
FTE Reduction	0	0	0	0

Description of Savings Proposal (Including interdependencies and risk)
<p>Currently both Building Control and Physical Resources and Procurement (PRP) provide an out of hours service to respond to incidents that present potentially dangerous structures/buildings. This means that every week there are two people on call – one to deal with council structures/buildings and one to deal with private structures/buildings.</p> <p>A combined out of hour' standby service is proposed. The key skills of staff in both areas on the rota are transferable. The combined rota would ensure additional resilience through an increased number of staff overall on the rota. Service delivery and quality would be maintained and unaffected.</p> <p>All staff on the rota receive the appropriate remuneration. The financial saving delivered would reflect the reduction in staff on call from two to one each week.</p>

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

Accountable Head of Service	David Martin
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Service Director	Commercial, Regulatory and Operational Services.
Service Area	Commercialisation
Headline Proposal	Charging for missed appointments and fees and charges review
Reference	NEW CR5

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(70)			
Cumulative Savings	(70)	(70)	(70)	(70)
Budget after Savings (Controllable Budget)	(688)	(688)	(688)	(688)
FTE Reduction	1			

Description of Savings Proposal (Including interdependencies and risk)
<p>The way the council manages the booking system for appointments is fragmented and inconsistent and so the service intends to review this to ensure better alignment across the council with consistent standards where possible and appropriate. Currently, missed appointments cause a problem in relation to administration of new appointments and generates a back log in appointments which has an adverse impact on availability and customer satisfaction.</p> <p>The proposal is to introduce an on line appointment booking system which will give customers greater choice and control, and also to charge for missed appointments which have not been cancelled within a reasonable amount of time.</p> <p>This will have a twofold effect of covering the cost to the administration of making a new appointment, and reduce the number of appointment slots required, therefore reducing the number of business support officers required.</p> <p>Digital by Design should be in place for online appointments for new customers by March 2018, this will further help improve the process and reduce the need for back office support.</p>

Potential impact on outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>There will be benefits to the customers in that there will be more appointments available. The charging for missed appointments will be publicised in full. The charge will only take place where a reasonable period of cancellation has not been given.</p>	
Does this proposal require an Equality Impact Assessment?	No
Will this proposal require a Specific Service Consultation	Yes

Accountable Head of Service	Wendy Blakeley
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Service Director	Commercial, Regulatory & Operational Services
Service Area	Parking
Headline Proposal	Changes to parking tariffs
Reference	NEW CR6

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(100)	(125)	(25)	
Cumulative Savings	(100)	(225)	(250)	(250)
Budget after Savings (Controllable Budget)	(3,242)	(4,117)	(3,892)	(3,692)
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)	
<p><b><u>Parking tariffs</u></b></p> <p>Current tariffs have been in place since 2007 and haven't been reviewed in the last 10 years. The service will review how car parking and parking tariffs contribute to the vibrancy and attractiveness of the district's towns and villages and their contribution to the economy. The aim is to encourage town centre parking for shoppers rather than commuters, achieving parity by balancing tariffs to reflect demands in localities and introducing parking tariffs/initiatives that are fair and reasonable. A benchmarking exercise will underpin the review and will include reviewing charges such as short stay, long stay car parks, on-street parking, shoppers' car parks, and season tickets in addition to other charges that may be appropriate.</p>	
<p>Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes</p>	
<p>There is clearly a balance to be struck in setting parking tariffs between maximising income to contribute towards a challenging budgetary position and on the other hand, keeping transport costs to a minimum in difficult economic conditions that are challenging for the 'high street' and for consumers and to attract shoppers to our retail centres.</p>	
Does this proposal require an Equality Impact Assessment?	Yes
Will this proposal require a Specific Service Consultation?	<p>Yes - By virtue of Section 46 of the Road Traffic Regulation Act 1984 there is no requirement under statute to consult on proposals to increase the cost of parking tariffs.</p> <p>The Council is required to give 21 days' notice that they intend to do so.</p>
<p>Note: The Government was considering powers which will force councils to consult residents before increasing its parking tariffs. The proposal has gone through its third reading un-amended and will now progress to the full House, however following the last national election the proposal appears to have delayed.</p>	

Accountable Head of Service	Phil Deighton
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Service Director	Commercial, Regulatory & Operational Services
Service Area	Parking
Headline Proposal	Bus lane enforcement
Reference	NEW CR7

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings		(750)	250	200
Cumulative Savings		(750)	(500)	(300)
Budget after Savings (Controllable Budget)	(3,242)	(4,117)	(3,892)	(3,692)
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>The Council is committed to improving the flow of traffic and encouraging and supporting more sustainable choices of transport.</p> <p>The proposal is to review how the operation of existing bus lanes across the district's key route network contribute to economic impact and improving air quality.</p> <p>This may include incentivising greener modes of travel, the de-commissioning of certain sections of bus lanes and/or introducing enforcement charges on lanes/sections of lanes where driver behaviour results in contravention or parking in the bus lane.</p> <p>The deliverability of the proposal will be measured via a robust implementation plan and will require legal consultations and notices.</p> <p>The proposals are likely to require a one-off capital investment.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>The Council is looking to ensure those bus lanes in operation have an ongoing strategic fit.</p> <p>The introduction of camera monitoring of traffic regulations is intended to reduce the level of contraventions and so reduce delays on the highway network. A lack of enforcement of the bus lanes leads to the misuse of these and subsequently has an adverse effect on public transport, journey times and congestion.</p> <p>The scheme aims to improve the reliability of bus services, deter unauthorised vehicles, improve air quality, and encourage the use of more sustainable transport modes, particularly bus patronage and cycling.</p>	
Does this proposal require an Equality Impact Assessment?	Yes
Will this proposal require a Specific Service Consultation?	Yes

Accountable Head of Service	Phil Deighton
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Service Director	Commercial and Regulatory Operational Services
Service Area	Catering
Headline Proposal	Capitalise a programme of essential gas work
Reference	NEW CR8

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(130)			
Cumulative Savings	(130)	(130)	(130)	(130)
Budget after Savings (Controllable Budget)				
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>Getting more value from the resources that we have to remain competitive with our catering service, support the delivery of high quality school meals (including free school meals; a two course meal and drink ) and remain an employer of local people.</p> <p>A five year programme of gas work is currently underway to bring school kitchen gas installations up to current standard – the program of work is estimated to cost in the region of £1m. The investment was previously planned to be funded (£200,000 p.a.) from the service revenue budget via revenue contribution to capital costs.</p> <p>The proposal is to allocate £1m with the Capital Investment Plan and for the service to fund the capital financing charges. The capital repayment, once the whole programme has been delivered, will be £70,000 p.a. generating a revenue budget saving of £130,000 p.a.</p>

Potential impact on outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
Capital repayments will be over a longer period than if the scheme was funded direct from revenue.	
Does this proposal require an Equality Impact Assessment?	No
Will this proposal require a Specific Service Consultation	No

Accountable Head of Service	Phil Deighton
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Service Director	Commercial and Operational Regulatory Services
Service Area	School Facilities Management – Catering/Assets
Headline Proposal	Meal price increase/reduced subsidy on living wage
Reference	NEW CR9

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(0)	(55)	(55)	(55)
Cumulative Savings	(0)	(55)	(110)	(165)
Budget after Savings (Controllable Budget)				
FTE Reduction				

Description of Savings proposals (including interdependencies and risk)
<p>People in Kirklees have aspirations and achieve their ambitions through education, training, employment and lifelong learning.</p> <p>Our schools meal catering service is a significant local employer with provision of a good quality school meals service that includes the provision of two courses and a drink to children entitled to free school meals at its core.</p> <p><b>2018/19</b> Increase the price of a meal by 8p to deliver standstill budget.</p> <p>Unfortunately food inflation is running at 8%, compared to historic levels of around 1%. This creates a service cost pressure of £240,000. In addition, the grant paid per universal infant free school meal (UIFSM), which accounts for 44% of the primary school meals served, has remained fixed for three years. The inability to recover inflation on universal free school meals generates a further £70,000 pressure on the service. The 8p increase will offset both these financial risks.</p> <p><b>2019/20 onwards</b> By 2020, national living wage (NLW) uplifts will mean commercial sector pay levels align to the 'local' NLW levels paid to council staff. The proposal is to implement a phased reduction to the subsidy by passing on costs to schools across a three year period. However the council will continue to support schools at this time by not passing on the proposed bottom loaded pay award.</p>

Potential impact on outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>Meal price increases could impact on affordability for parents and children from low income families. There is therefore a risk that parents will consider the increase too high and we may as a result see a decrease in meals. Close monitoring of the meals uptake will continue throughout the year</p> <p>Recovering NLW costs from maintained schools as a part of their current SLA charge could lead to contract loss as school budgets are already stretched. Schools would incur an</p>

increase charge per pupil of £1.72 per annum. For example, a school with 200 pupils on the roll would incur an additional charge of £344 in the first year rising to £1,034 by the third. There is a small risk that schools will as a result of passing on the costs choose to retender their contracts. Close monitoring of contract retention will need to happen over the three year period.

The service continues to mitigate inflationary pressures by striving to improve operational efficiencies and productivity.

Does this proposal require an Equality Impact Assessment?	Yes
Will this proposal require a Specific Service Consultation	No
Accountable Head of Service	Phil Deighton

Service Director	Commercial, Regulatory and Operational
Service Area	Corporate Landlord
Headline Proposal	Reduction in Corporate Facilities Management staffing budget
Reference	NEW CR10 & NEW CR11

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(70)			
Cumulative Savings	(70)	(70)	(70)	(70)
Staffing Budget after Savings (Controllable Budget)	10,416	10,116	10,116	10,116
FTE Reduction	2			

Description of Savings Proposal (Including interdependencies and risk)
<p>Preparing for 2020: Continuing to change the way that the council works.</p> <p>The Corporate Facilities Management service looks after the caretaking, cleaning, servicing and repair of the majority of school and council buildings, land and miscellaneous assets. Looking forwards, towards a reduced number of service delivery and office buildings, we have realigned the FM service which will create operational efficiencies supporting the deletion of two vacant Grade 9 posts.</p>

Potential impact on outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
There is no risk with the saving as the service has been successfully running without these posts being filled for 16 weeks. No monitoring is required as the budget can just be reduced.	
Does this proposal require an Equality Impact Assessment?	No
Will this proposal require a Specific Service Consultation	No

Accountable Head of Service	David Martin
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Service Director	Commercial, Regulatory & Operational Services
Service Area	Capital Delivery
Headline Proposal	Removal of revenue budget
Reference	NEW CR12

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(32)			
Cumulative Savings	(32)	(32)	(32)	(32)
Budget after Savings (Controllable Budget)	0	0	0	0
FTE Reduction	0			

Description of Savings Proposal (Including interdependencies and risk)
<p>The role of Capital Development Officer within the Capital Delivery team is supported by a revenue base budget of £32K. It is proposed that the role is retained but that the revenue budget to support the role is removed. The post will be paid for in future by spreading the cost of the post across the Traded Services income budgets for capital delivery, technical services and asset maintenance, as well as a proportion charged to the corporate landlord staffing budget. This is in line with other savings made in previous years.</p> <p>There is no risk to the saving as there is a full capital workload across the service going forward.</p>

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

Accountable Head of Service	David Martin
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**POLICY, INTELLIGENCE & PUBLIC HEALTH**

SERVICE ACTIVITY	17-18 CONTROLLABLE GROSS EXPENDITURE £000	17-18 CONTROLLABLE INCOME £000	17-18 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSES £000	18-19 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	19-20 BUDGET PROPOSAL £000
<b>PUBLIC HEALTH</b>									
<b>Health Protection Services</b>									
Sexual Health	4,020	0	4,020	(73)		3,947	(523)		3,424
Health Checks	407	0	407	(128)		279			279
Health Protection	496	(38)	458			458			458
Child Measurement	14	0	14			14			14
<b>Total</b>	<b>4,937</b>	<b>(38)</b>	<b>4,899</b>	<b>(201)</b>		<b>4,698</b>	<b>(523)</b>		<b>4,175</b>
Substance Misuse	5,895	(278)	5,617			5,617	(500)		5,117
Obesity	203	0	203	(12)		191	(17)		174
Physical Activity	386	0	386	(12)		374	(17)		357
Smoking & Tobacco	712	0	712	(142)		570			570
5-19 Public Health	1,487	0	1,487			1,487			1,487
Health Improvement	6,894	0	6,894	(22)		6,872	(69)		6,803
Health at Work	4	0	4			4			4
Public Mental Health	6	0	6			6			6
	6,904	0	6,904	(22)	0	6,882	(69)	0	6,813
Corporate Health & Safety	150	(30)	120			120			120
Emergency Planning Team	231	(107)	124			124			124
Management & Regulatory Functions	628	0	628			628			628
Public Health Grant for Public Health activity within Policy, Intelligence & Public Health	0	(20,621)	(20,621)		693	(19,928)		675	(19,253)
Public Health Grant for recommissioning activity Council wide	0	(6,052)	(6,052)			(6,052)			(6,052)
<b>Total Public Health</b>	<b>21,533</b>	<b>(27,126)</b>	<b>(5,593)</b>	<b>(389)</b>	<b>693</b>	<b>(5,289)</b>	<b>(1,126)</b>	<b>675</b>	<b>(5,740)</b>

**POLICY, INTELLIGENCE & PUBLIC HEALTH**

SERVICE ACTIVITY	17-18 CONTROLLABLE GROSS EXPENDITURE £000	17-18 CONTROLLABLE INCOME £000	17-18 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSES £000	18-19 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	19-20 BUDGET PROPOSAL £000
<b>Communities Plus</b>									
Healthwatch	51	0	51	(32)		19			19
Cohesion	485	0	485			485			485
Voluntary Sector Support	242	0	242		200	442			442
<b>Total</b>	<b>778</b>	<b>0</b>	<b>778</b>	<b>(32)</b>	<b>200</b>	<b>946</b>	<b>0</b>	<b>0</b>	<b>946</b>
<b>Community Safety Hub</b>									
Safer Kirklees	908	(497)	411			411			411
Vulnerable Persons Scheme	0	0	0			0			0
<b>Total</b>	<b>908</b>	<b>(497)</b>	<b>411</b>			<b>411</b>			<b>411</b>
Prevent	355	(176)	179			179			179
Intelligence	65	0	65			65			65
<b>TOTAL POLICY, INTELLIGENCE &amp; PUBLIC HEALTH</b>	<b>23,639</b>	<b>(27,799)</b>	<b>(4,160)</b>	<b>(421)</b>	<b>893</b>	<b>(3,688)</b>	<b>(1,126)</b>	<b>675</b>	<b>(4,139)</b>

**POLICY, INTELLIGENCE & PUBLIC HEALTH - MINUSES**

Service Activity	Proposed Change	Savings Reference	£000		
			2018-19	2019-20	Total
<b><u>EXISTING MTFP MINUSES</u></b>					
<b><u>Public Health</u></b>					
Sexual Health	Incorporating additional schemes into Integrated Sexual Health Services Main	EX PI1	(73)	(523)	(596)
Health Checks	Incorporating Existing Contracts into a new Wellness Service	EX PI2	(128)		(128)
Substance Misuse	Reducing payments in Primary Care and ongoing contract efficiencies	EX PI3		(500)	(500)
Obesity	Incorporating additional schemes into Healthy Child Programme main contract	EX PI4	(12)	(17)	(29)
Physical Activity	Incorporating additional schemes into Healthy Child Programme main contract	EX PI5	(12)	(17)	(29)
Smoking & Tobacco	Incorporating Existing Contracts into a new Wellness Service	EX PI6	(142)		(142)
Miscellaneous	Incorporating additional schemes into Healthy Child Programme main contract	EX PI7	(22)	(69)	(91)
<b><u>Communities Plus</u></b>					
Healthwatch	Healthwatch – savings	EX PI8	(32)		(32)
			(421)	(1,126)	(1,547)
<b>TOTAL MINUSES FOR POLICY, INTELLIGENCE &amp; PUBLIC HEALTH</b>					
			<b>(421)</b>	<b>(1,126)</b>	<b>(1,547)</b>

**POLICY, INTELLIGENCE & PUBLIC HEALTH - PLUSES**

Service Activity	Proposed Change	Savings Reference	£000		
			2018-19	2019-20	Total
<b>EXISTING MTFP PLUSES</b>					
<b>Public Health</b>					
Public Health Grant	Grant reduction		693	675	1,368
<b>Communities Plus</b>					
Voluntary Sector Support	New investment - volunteering/community capacity		200		200
<b>TOTAL PLUSES FOR POLICY, INTELLIGENCE &amp; PUBLIC HEALTH</b>			<b>893</b>	<b>675</b>	<b>1,568</b>

**OFFICE OF THE CHIEF EXECUTIVE**

SERVICE ACTIVITY	17-18 CONTROLLABLE GROSS EXPENDITURE £000	17-18 CONTROLLABLE INCOME £000	17-18 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSES £000	18-19 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	19-20 BUDGET PROPOSAL £000
<b>Democracy</b>									
Ward Based Activity	150	0	150		300	450			450
Elections	(138)	0	(138)		593	455	(122)		333
Electoral Registration	478	(9)	469			469			469
Civic Office	124	0	124			124			124
Governance Core	1,329	(173)	1,156		141	1,297			1,297
Councillors Allowances	1,424	0	1,424			1,424			1,424
<b>Total</b>	<b>3,367</b>	<b>(182)</b>	<b>3,185</b>	<b>0</b>	<b>1,034</b>	<b>4,219</b>	<b>(122)</b>	<b>0</b>	<b>4,097</b>
<b>Access, Strategy &amp; Delivery</b>									
Library & Information Centres	4,234	(49)	4,185	(700)		3,485	(1,200)		2,285
Registrars	660	(621)	39	(18)		21			21
Access to Services	3,605	(2,580)	1,025	(100)		925	(100)		825
Community Languages	609	(714)	(105)	(9)		(114)			(114)
<b>Total</b>	<b>9,108</b>	<b>(3,964)</b>	<b>5,144</b>	<b>(827)</b>	<b>0</b>	<b>4,317</b>	<b>(1,300)</b>	<b>0</b>	<b>3,017</b>
<b>Corporate Governance, Management &amp; DRM</b>									
Corporate Management	562	(63)	499			499			499
DRM	116	(357)	(241)			(241)			(241)
Corporate Governance	19	(2)	17			17			17
<b>Total</b>	<b>697</b>	<b>(422)</b>	<b>275</b>	<b>0</b>	<b>0</b>	<b>275</b>	<b>0</b>	<b>0</b>	<b>275</b>
<b>Performance, Policy &amp; Communications</b>									
Communications & Marketing	953	(369)	584			584			584
Policy Unit	692	(23)	669			669			669
Performance	226	(27)	199			199			199
<b>Total</b>	<b>1,871</b>	<b>(419)</b>	<b>1,452</b>	<b>0</b>	<b>0</b>	<b>1,452</b>	<b>0</b>	<b>0</b>	<b>1,452</b>
<b>Transformation Team</b>	103	0	103	(2,395)	986	(1,306)	(1,039)		(2,345)
<b>Human Resources Professional Service</b>	4,005	(1,515)	2,490	(145)		2,345			2,345
<b>Risk</b>	580	(379)	201			201			201
<b>Looking Local</b>	622	(634)	(12)			(12)			(12)
<b>Management &amp; Regulatory Functions</b>	917	(59)	858			858			858
<b>TOTAL OFFICE OF THE CHIEF EXECUTIVE</b>	<b>21,270</b>	<b>(7,574)</b>	<b>13,696</b>	<b>(3,367)</b>	<b>2,020</b>	<b>12,349</b>	<b>(2,461)</b>	<b>0</b>	<b>9,888</b>

**OFFICE OF THE CHIEF EXECUTIVE - MINUSES**

Service Activity	Proposed Change	Savings Template Reference	£000		
			2018-19	2019-20	Total
<b>EXISTING MTFP MINUSES</b>					
<b>Democracy</b>					
Elections	Smoothing adjustment to reflect cycle of elections			(122)	(122)
<b>Access, Strategy &amp; Delivery</b>					
Library & Information Centres	Re-shape Library and information Service	EX OC5	(700)	(1,200)	(1,900)
Registrars	Charging review - look to break even	EX OC6	(18)		(18)
Access to Services - Customer Service Centres	New ways of working	EX OC7	(100)	(100)	(200)
Community Languages	Efficiency savings/further income	EX OC8	(9)		(9)
Transformation Team	Increasing efficiency in support processes	EX OC9	(600)		(600)
	Reduction in sickness absence	EX OC10	(1,295)	(859)	(2,154)
Human Resources Professional Services	Efficiency savings	EX OC11	(145)		(145)
			(2,867)	(2,281)	(5,148)
<b>NEW MINUSES</b>					
Transformation Team	Room hire savings	NEW OC1	(150)		(150)
	Procurement savings	NEW OC2	(300)		(300)
	Smarter practices/efficiencies shift from car club to lease fleet	NEW OC3	(50)		(50)
Transformation Fund	New investment			(180)	(180)
			(500)	(180)	(680)
<b>TOTAL MINUSES FOR OFFICE OF THE CHIEF</b>			<b>(3,367)</b>	<b>(2,461)</b>	<b>(5,828)</b>

**OFFICE OF THE CHIEF EXECUTIVE - PLUSES**

Service Activity	Proposed Change	Savings Template Reference	£000		
			2018-19	2019-20	Total
<b>EXISTING MTFP PLUSES</b>					
<b>Democracy</b>					
Elections	Smoothing adjustment to reflect cycle of elections		297		297
Transformation Team	Creation of mainstream budget for the Transformation Team		232		232
			529	0	529
<b>NEW PLUSES</b>					
<b>Democracy</b>					
Ward Based Activity	New investment in village and town centres		300		300
Elections	Reversal of 2017-18 minus - efficiency savings		176		176
	Reversal of 2017-18 minus - Review of electoral cycle and number of councillors		120		120
Governance Core	Reversal of 2017-18 minus - Savings to be identified		141		141
Transformation Fund	New investment		754		754
			1,491		1,491
<b>TOTAL PLUSES FOR OFFICE OF THE CHIEF EXECUTIVE</b>			<b>2,020</b>	<b>0</b>	<b>2,020</b>

Service Director	Office of the Chief Executive
Service Area	Transformation Team
Headline Proposal	Room Hire savings
Reference	NEW OC1

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(150)			
Cumulative Savings	(150)	(150)	(150)	(150)
Budget after Savings (Controllable Budget)				
FTE Reduction				

**Description of Savings Proposal (Including interdependencies and risk)**

The proposal for 'One Venue' would see the development of a central system for the booking of Council venues, including meeting rooms. This will support the Council to reduce the amount spent on external room hire by £150k in 2018, by:

- Setting a clear expectation that a council venue will be used for council business, unless there is an explicit reason why this is not possible.
- Providing staff with visibility of all council venues, so they can see total availability, sizes, equipment etc.
- Providing information on the availability of rooms so that rooms can be discounted for internal use at short notice.

The technology required to support this will be developed (or commissioned) through the Council's Digital by Design Programme.

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

The development of a 'One Venue' booking system for Council venues will require prioritised resources. Due to limited resources in IT, prioritisation would need to take place to ensure that other projects will continue to receive support, to mitigate impact on performance and savings in another area.

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

Accountable Head of Service	Michelle Nuttall
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Service Director	Office of the Chief Executive
Service Area	Transformation Team
Headline Proposal	Procurement savings
Reference	NEW OC2

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(300)			
Cumulative Savings	(300)	(300)	(300)	(300)
Budget after Savings (Controllable Budget)				
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>Following a review of current procurement practice in 2017, the following opportunities for savings have been identified:</p> <ul style="list-style-type: none"> <li>• Additional savings by implementing standard rates for temporary staff through the Matrix contract. This is in addition to reductions in agency costs identified as savings in Children’s Services.</li> <li>• New savings across the six key categories of spend.</li> <li>• Additional savings by implementing a category-led approach to procurement in Children’s Services (exact level of savings possible to be confirmed).</li> </ul>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>No obvious impacts are expected on service outcomes – savings will be achieved by delivering improved value for money, but are not expected to impact negatively on service users.</p>	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Michelle Nuttall
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Service Director	Office of the Chief Executive
Service Area	Transformation working with Fleet Management
Headline Proposal	Smarter practices/efficiencies shift from car club to lease fleet.
Reference	NEW OC3

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(50)			
Cumulative Savings	(50)	(50)	(50)	(50)
Budget after Savings (Controllable Budget)	n/a	n/a	n/a	n/a
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>Robust rationalisation of the Council's fleet and adherence to travel planning in services.</p> <p>Reduction of business travel resulting in new ways of working, therefore maximising productivity of the vehicle fleet. The saving comes in services by using pool cars rather than the more expensive city car club. This will save services as the cost per mile for car club is higher than the pool fleet. The pool fleet can be moved around to ensure demand from services is managed, via the new booking system.</p> <p>The saving emerges in services, so is difficult to track however, the projection above is based on actual past usage.</p> <p>The impact of the change can be monitored via the transport management system and expenses monitoring.</p>

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

Accountable Head of Service	David Martin
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**LEGAL, GOVERNANCE & COMMISSIONING**

SERVICE ACTIVITY	17-18 CONTROLLABLE GROSS EXPENDITURE £000	17-18 CONTROLLABLE INCOME £000	17-18 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSES £000	18-19 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	19-20 BUDGET PROPOSAL £000
Legal Services	2,153	(553)	1,600	(143)		1,457	(122)		1,335
Procurement	717	(483)	234			234			234
Management & Regulatory Functions	191	0	191			191			191
<b>TOTAL LEGAL, GOVERNANCE &amp; COMMISSIONING</b>	<b>3,061</b>	<b>(1,036)</b>	<b>2,025</b>	<b>(143)</b>		<b>1,882</b>	<b>(122)</b>		<b>1,760</b>

**LEGAL, GOVERNANCE & COMMISSIONING - MINUSES**

Service Activity	Proposed Change	Savings Template Reference	£000		
			2018-19	2019-20	Total
<b><u>EXISTING MTFP MINUSES</u></b>					
<b><u>Welfare &amp; Exchequer</u></b>					
Legal Services	Further savings to be identified	EX LG1	(143)	(122)	(265)
			<b>(143)</b>	<b>(122)</b>	<b>(265)</b>
<b>TOTAL MINUSES FOR LEGAL, GOVERNANCE &amp; COMMISSIONING</b>			<b>(143)</b>	<b>(122)</b>	<b>(265)</b>

**FINANCE, IT & TRANSACTIONAL SERVICES**

SERVICE ACTIVITY	17-18 CONTROLLABLE GROSS EXPENDITURE £000	17-18 CONTROLLABLE INCOME £000	17-18 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSES £000	18-19 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	19-20 BUDGET PROPOSAL £000
<b>Finance &amp; Accountancy</b>	4,877	(1,522)	3,355	(483)	0	2,872	(401)	0	2,471
<b>IT</b>	13,383	(1,684)	11,699	(1,795)		9,904	(1,360)	650	9,194
<b>Welfare &amp; Exchequer</b>									
Income Collection - Welfare & Exchequer	4,621	(2,825)	1,796	(100)		1,696			1,696
Welfare & Complimentary Benefits	5,099	(286)	4,813	(129)		4,684	(50)		4,634
Payment of Benefits - Social Fund/Local Welfare	635	0	635	(80)		555			555
Benefit Payments	108,727	(108,808)	(81)			(81)			(81)
Advice Kirklees	1,308	(59)	1,249	(100)		1,149			1,149
Corporate Customer Standards	93	(4)	89			89			89
<b>Total</b>	<b>120,483</b>	<b>(111,982)</b>	<b>8,501</b>	<b>(409)</b>	<b>0</b>	<b>8,092</b>	<b>(50)</b>	<b>0</b>	<b>8,042</b>
<b>Management &amp; Regulatory Functions</b>	114	0	114			114			114
<b>TOTAL FINANCE, IT &amp; TRANSACTIONAL SERVICES</b>	<b>138,857</b>	<b>(115,188)</b>	<b>23,669</b>	<b>(2,687)</b>		<b>20,982</b>	<b>(1,811)</b>	<b>650</b>	<b>19,821</b>

**FINANCE, IT & TRANSACTIONAL SERVICES -  
MINUSES**

Service Activity	Proposed Change	Savings Template Reference	£000		
			2018-19	2019-20	Total
<b><u>EXISTING MTFP MINUSES</u></b>					
Finance & Accountancy	Efficiency savings	EX FI1	(336)	(201)	(537)
HD-One: Financial & HR Transactional Services	Efficiency savings	EX FI1	(47)		(47)
	Efficiency savings	EX FI1		(100)	(100)
IT	IT Efficiency Savings	EX FI2	(1,145)	(1,360)	(2,505)
<b><u>Welfare &amp; Exchequer</u></b>					
Welfare & Complimentary Benefits	New Adult Social Care Charging Policy. Automation of office services and increased collection of income	EX FI3	(76)		(76)
	More Automation of back office services	EX FI4	(53)	(50)	(103)
Payment of Benefits - Social Fund/Local welfare Advice Kirklees	Review of Local Welfare provision and Loan scheme for white goods	EX FI5	(80)		(80)
	Subject to further service review and digital automation	EX FI6	(100)		(100)
			(1,837)	(1,711)	(3,548)
<b><u>NEW MINUSES</u></b>					
Finance & Accountancy	Income generation	NEW FI1	(100)		(100)
HD-One: Financial & HR Transactional Services	Income generation	NEW FI1		(100)	(100)
IT	Further saving opportunity	NEW FI2	(650)		(650)
<b><u>Welfare &amp; Exchequer</u></b>					
Income Collection - Welfare & Exchequer	Service efficiencies	NEW FI3	(100)		(100)
			(850)	(100)	(950)
<b>TOTAL MINUSES FOR FINANCE, IT &amp; TRANSACTIONAL SERVICES</b>			<b>(2,687)</b>	<b>(1,811)</b>	<b>(4,498)</b>

**FINANCE, IT & TRANSACTIONAL SERVICES -  
PLUSES**

Service Activity	Proposed Change	Savings Template Reference	£000		
			2018-19	2019-20	Total
<b><u>NEW PLUSES</u></b> IT	Capitalisation of digital scheme staffing	NEW FI2		650	650
<b>TOTAL PLUSES FOR FINANCE, IT &amp; TRANSACTIONAL SERVICES</b>			<b>0</b>	<b>650</b>	<b>650</b>

Service Director	Finance, IT & Transactional Services
Service Area	Finance & Accountancy
Headline Proposal	Income generation
Reference	NEW FI1

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings (New)	(100)	(100)	-	-
Cumulative Savings	(100)	(200)	(200)	(200)
Budget after Savings (Net Controllable Budget)*	2,906	2,505	2,405	2,405
FTE Reduction	-	-	-	-

(\*these figures also take into account existing service savings – see also, EX FI1)

Description of Savings Proposal (Including interdependencies and risk)
This proposal relates to both accountancy and HD-One; the latter being the Council's centre of excellence for the provision of payroll, payment processing, and organisational infrastructure required to support the efficient running of the Council's core business system, SAP. The proposal relates both to potential new charging opportunities for work provided for non-general fund activity, and as well a review of current recharge income to ensure all reasonable costs are recovered from existing work provided in relation to non-general fund activity.

Potential impact on outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
None	
Does this proposal require an Equality Impact Assessment?	No
Will this proposal require a Specific Service Consultation	No
Accountable Head of Service	Eamonn Croston

Service Director	Finance, IT & Transactional Services
Service Area	Information Technology
Headline Proposal	Further Saving Opportunity
Reference	NEW FI2

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(650)	650		
Cumulative Savings	(650)	0	0	0
Budget after Savings (Controllable Budget)	9,904	9,194	9,194	9,194
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)	
<p>The savings proposal relates to the capitalisation of transformation posts (for Digital Transformation). The capitalisation would be one-off, as this saving is already factored into MTFP for 2019/20. The associated borrowing costs will be factored into treasury management budget proposals and spread over 7 years.</p>	
Potential impact on outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>No impact on outcomes, implications are entirely around re-financing revenue to capital.</p>	
Does this proposal require an Equality Impact Assessment?	No
Will this proposal require a Specific Service Consultation	No

Accountable Head of Service	Andrew Brammall – Head of IT
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Service Director	Finance, IT & Transactional Services
Service Area	Welfare and Exchequer Services – Income Collection (Head of W&E)
Headline Proposal	Service efficiencies
Reference	NEW F13

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(100)			
Cumulative Savings	(100)	(100)	(100)	(100)
Budget after Savings (Controllable Budget)	1,515	1,515	1,515	1,515
FTE Reduction	2			

Description of Savings Proposal (Including interdependencies and risk)	
Proposals include: Increase in digital by design, process automation and reduction in supplies and services.	
Potential impact on outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
n/a	
Does this proposal require an Equality Impact Assessment?	No
Will this proposal require a Specific Service Consultation	No

Accountable Head of Service	Steven Bird – Head of Welfare & Exchequer
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**CENTRAL BUDGETS**

SERVICE ACTIVITY	17-18 CONTROLLABLE GROSS EXPENDITURE £000	17-18 CONTROLLABLE INCOME £000	17-18 NET CONTROLLABLE BUDGET £000	MINUSES £000	PLUSES £000	18-19 BUDGET PROPOSAL £000	MINUSES £000	PLUSES £000	19-20 BUDGET PROPOSAL £000
Treasury Management	23,141	(1,063)	22,078		409	22,487	(139)		22,348
General Contingencies	11	(31)	(20)	(1,191)		(1,211)		204	(1,007)
Inflation	(1,426)	0	(1,426)		4,484	3,058		5,002	8,060
Central Pension & Related Costs	2,133	(314)	1,819			1,819			1,819
Joint Committees	20,408	0	20,408	(594)		19,814	(13)		19,801
<b>TOTAL CENTRAL BUDGETS</b>	<b>44,267</b>	<b>(1,408)</b>	<b>42,859</b>	<b>(1,785)</b>	<b>4,893</b>	<b>45,967</b>	<b>(152)</b>	<b>5,206</b>	<b>51,021</b>

**CENTRAL BUDGETS - TECHNICAL ADJUSTMENTS**

Service Activity	Proposed Change	£000		
		2018-19	2019-20	Total
General Contingencies	Review of general contingencies budget requirements	(126)	204	78
General Contingencies	Insurance Fund -re-base service insurance premia budgets	(1,065)		(1,065)
Inflation	Future years inflation requirement (includes 1% pay award budgeted assumption)	1,734	1,752	3,486
Inflation	Impact of national pay award above 1% budgeted assumption across years	2,750	3,250	6,000
Treasury Management	Review of treasury management budget requirements aligned to future capital expenditure borrowing requirements and wider treasury management strategy	409	(139)	270
Joint Committees	Transport Levy Contribution Review – Combined Authority	(594)	(13)	(607)
<b>TOTAL TECHNICAL ADJUSTMENTS FOR CENTRAL BUDGETS</b>		<b>3,108</b>	<b>5,054</b>	<b>8,162</b>

## HRA Revenue Budget Summary

ACTIVITY	2017-18 Net Controllable Budget	Minuses	Pluses	Budget Total 2018-19	Minuses	Pluses	Budget Total 2019-20
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Repairs &amp; Maintenance</b>	<b>22,783</b>	<b>-1,371</b>	<b>1,388</b>	<b>22,800</b>	<b>-1,558</b>	<b>0</b>	<b>21,242</b>
<b><u>Housing Management</u></b>							
Policy & Management	13,711	-162	73	13,622	-140	0	13,482
Council Services bought in	2,388	0	105	2,493	0	0	2,493
Kirklees Neighbourhood Housing (KNH) Management Fee	17,818	-1,566	325	16,577	-869	0	15,708
Special Services (Communal facilities)	1,652	0	0	1,652	0	0	1,652
<b>sub-total</b>	<b>35,569</b>	<b>-1,728</b>	<b>503</b>	<b>34,344</b>	<b>-1,009</b>	<b>0</b>	<b>33,335</b>
<b><u>Other Expenditure</u></b>							
Depreciation charge on HRA Assets	16,500	0	0	16,500	0	0	16,500
Interest payable on capital debt	8,653	-200	0	8,453	-322	0	8,131
	0	0		0			
Bad debt provision	1,633	0	1,019	2,652	0	100	2,752
HRA share of corporate & democratic core	388	0	0	388	0	0	388
Rents, Rates , Taxes & other charges	296	0	0	296	0	0	296
High Cost Levy	0	0	0	0	0	0	0
Inflation Provision	0	0	0	0	0	930	930
<b>Sub total</b>	<b>27,470</b>	<b>-200</b>	<b>1,019</b>	<b>28,289</b>	<b>-322</b>	<b>1,030</b>	<b>28,997</b>
<b>Total Expenditure</b>	<b>85,822</b>	<b>-3,299</b>	<b>2,910</b>	<b>85,433</b>	<b>-2,889</b>	<b>1,030</b>	<b>83,574</b>

## HRA Revenue Budget Summary

ACTIVITY	2017-18 Net Controllable Budget	Minuses	Pluses	<b>Budget Total 2018-19</b>	Minuses	Pluses	<b>Budget Total 2019-20</b>
	£'000	£'000	£'000	<b>£'000</b>	£'000	£'000	<b>£'000</b>
Dwelling Rent income	<b>-81,538</b>	-80	1,885	<b>-79,733</b>	-1,381	979	<b>-80,135</b>
Non-Dwelling Rent Income	<b>-665</b>	-81	0	<b>-746</b>	-21	0	<b>-767</b>
Tenant & Leaseholder charges for services & facilities	<b>-3,117</b>	-118	50	<b>-3,185</b>	-733	0	<b>-3,918</b>
HRA Interest income on cashflow	<b>-125</b>	-45	0	<b>-170</b>	0	0	<b>-170</b>
Excellent Homes for Life (PFI) Government Grant	<b>-7,912</b>	0	0	<b>-7,912</b>	0	0	<b>-7,912</b>
<b>Total Income</b>	<b>-93,357</b>	<b>-324</b>	<b>1,935</b>	<b>-91,746</b>	<b>-2,135</b>	<b>979</b>	<b>-92,902</b>
<b>Net Operating Expenditure</b>	<b>-7,535</b>	<b>-3,623</b>	<b>4,845</b>	<b>-6,313</b>	<b>-5,024</b>	<b>2,009</b>	<b>-9,328</b>
Revenue contribution to capital expenditure	<b>5,394</b>	0	919	<b>6,313</b>	0	3,015	<b>9,328</b>
Appropriation (from)/to HRA Reserves	<b>2,995</b>	-2,995	0	<b>0</b>	0	0	<b>0</b>
<b>Net Surplus/deficit</b>	<b>854</b>	<b>-6,618</b>	<b>5,764</b>	<b>0</b>	<b>-5,024</b>	<b>5,024</b>	<b>0</b>

**HOUSING REVENUE ACCOUNT - MINUSES**

Service Activity	Proposed Change	Savings Template Reference	£000		
			2018-19	2019-20	Total
<b>Repair &amp; Maintenance</b>	Later years high level efficiency savings targets - detailed proposals to be worked up	HRA1	(1,046)	(804)	(1,850)
	Reduction of temporary compliance budgets Redirected to KNH Management Fee		(325)	(754)	(754) (325)
<b>Housing Management</b>					
Policy & Management	RTB Team reduced cost in line with previous years		(26)		(26)
KNH Management Fee Savings	Later years high level efficiency savings targets - detailed proposals to be worked up	HRA 1	(1,566)	(869)	(2,435)
Grants to Communities Who Can (CWC)	reduced grant contribution	HRA 6	(136)		(136)
Grounds Maintenance	base budget re-alignment - Grounds Maintenance contract review	HRA 2		(140)	(140)
<b>Income</b>					
Dwelling Rent	Reduction in assumed rent loss on voids (1.5% to 1.1% over 3 years)		(80)	(80)	(160)
Dwelling Rent	Potential rent increase / 53 week year			(1,301)	(1,301)
Non-Dwelling Rent	Review of garage rents		(81)	(21)	(102)
Tenant & leaseholder service and other charges	Review of Service Charge costs including Assisted Gardens (HRA for 18/19)			(596)	(596)
Tenant & leaseholder service and other charges			(43)	(137)	(180)
PFI Service Charges	Introduction of New Extra Care Service Charge part way through 18/19		(75)		(75)
Interest on Cashflow	Cash balances increased		(45)		(45)
Interest payable on capital debt	interest charges in line with current profile of debt repayment across years		(200)	(322)	(522)
<b>TOTAL MINUSES FOR HRA (net operating expenditure)</b>			<b>(3,623)</b>	<b>(5,024)</b>	<b>(8,647)</b>
Revenue contribution to capital					0
Planned transfer to/from HRA balances			(2,995)		(2,995)
<b>TOTAL MINUSES FOR HRA</b>			<b>(6,618)</b>	<b>(5,024)</b>	<b>(11,642)</b>

**HOUSING REVENUE ACCOUNT - PLUSES**

Service Activity	Proposed Change	Savings Template Reference	£000		
			2018-19	2019-20	Total
<b><u>Repair &amp; Maintenance</u></b>	Additional budget requirement for Compliance, Reduced in future years		1,388		1,388
<b><u>Housing Management</u></b>					
<i>Policy &amp; Management :</i> PFI Expenditure	Additional cost related to service charge		73		73
<i>Council Services Bought in:</i>					
KNH Management Fee	£100k all reasonable costs are recovered from work provided in relation to non-general fund activity Redirected from R&M Fee		105		105
<b><u>Other expenditure</u></b>					
Bad Debt Provision	Full year effect of Universal Credit being implemented		1,019	100	1,119
High Cost Levy	Anticipated charge for high value voids			930	930
Inflation provision requirement	Annual provision requirement reflects RPI assumption for repair & maintenance, utility uplift and salary increases				
<b><u>Income</u></b>					
Dwelling rents	Impact of annual 1% rent reduction for each of the next 3 years, plus other adjustments for assumed right to buys		1,885	979	2,864
Leaseholder service charges	Review of likely level of Service Charges for Leaseholders		50		50
<b>TOTAL PLUSES FOR HRA (net operating expenditure)</b>			<b>4,845</b>	<b>2,009</b>	<b>6,854</b>
Revenue Contribution to Capital			919	3,015	3,934
<b>TOTAL PLUSES FOR HRA</b>			<b>5,764</b>	<b>5,024</b>	<b>10,788</b>

Directorate	Place
Service Area	Housing Revenue Account
Headline Proposal	KNH Fee - Indicative Savings
Reference	HRA 1

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(2,612)	(1,673)	(342)	
Cumulative Savings	(2,612)	(5,039)	(5,381)	(5,381)
Budget after Savings (Controllable Budget)	39,377	36,950	36,608	36,608

Description of Savings Proposal (Including interdependencies and risk)
<p>In 2018, work will continue to develop new operating models for KNH to ensure that it is fit for purpose, able to effectively respond to the changing external environment and deliver savings and value for money through efficiencies, procurement and new ways of working.</p> <p>The focus will be on finding ways to deliver more with less and to provide an improved service to our customers.</p> <p>Savings will be achieved through improved productivity, leading to the removal of the contingency budgets for general contingencies, neighbourhoods and miscellaneous revenue totalling £825k. KNH has reviewed its procurement processes and identified savings in 2018-19 of at least £550k, which may increase based on volumes procured.</p> <p>Savings from reshaping were planned for 2019/20, but will be delivered in 2018/19 due to the revised structures being agreed in 2017/18. The implementation of the new structures has now commenced and initial anticipated savings amount to around £1.7m, £1.2m for Property Services and £500k for Neighbourhoods, but additional savings may be realised once the recruitment process is complete. The older person's service and stores are yet to be reviewed.</p> <p>Additional budget has been requested for compliance issues, mainly to do with the requirement to carry out electrical testing on a five year cycle instead of ten years, and the requirement to carry out compliance works in relation to fire, water quality and asbestos.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic service plans or community planning outcomes
<p>New structures have been agreed which will improve efficiency and productivity of the service delivered. We will ensure that core business and services to vulnerable customers continually improves. Robust mitigating actions will continue to be developed for savings identified that put core performance and services to vulnerable customers at risk. Equality Impact Assessments will be carried out as part of this work.</p>

Work has been carried out in relation to the new structures and cultural change, but this will take time to embed. Effective consultation and engagement with staff and stakeholders has taken place and this will continue during 18/19 to manage the transition.

Does this proposal require an Equality Impact Assessment?	No (re 18/19)
Will this proposal require a Specific Service Consultation	No (re 18/19)

Accountable Head of Service	Helen Geldart
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Directorate	Place
Service Area	Housing Revenue Account
Headline Proposal	Grounds Maintenance
Reference	HRA 2

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	0	(140)	(140)	
Cumulative Savings	0	(140)	(280)	(280)
Budget after Savings (Controllable Budget)				

Description of Savings Proposal (Including interdependencies and risk)
<p>Grounds Maintenance (GM) works on KNH estates are undertaken by Kirklees Council's Parks and Open Spaces service. This includes grass cutting, hedge and shrub bed maintenance, assisted gardens and tree works.</p> <p>GM work is currently delivered through a Service Level Agreement which was agreed between KNH and the council in 2009. It is based on an output based specification under the theme of 'Getting the Site Right' which has visual guidelines on how a typical area of open space should look.</p> <p>GM work is funded from the Housing Revenue Account (HRA) and the budget for 2017/18 is £1,317,840. An exercise undertaken by Parks and Open Spaces to arrive at a fully costed model for GM services estimates that the true cost of GM is £1,615,000 per annum, which equates to a budget deficit of approximately £300,000.</p> <p>A new Partnership Agreement (PA) therefore needs to be developed that reflects a full cost recovery specification and which aligns with the budget, KNH's Asset Management Strategy and Kirklees Council's Play Strategy which is currently out for consultation.</p> <p>Staff from KNH, Streetscene and Housing, Parks and Open Spaces and Housing Services are working together to develop a new PA for GM services for all KNH estates which will be based upon a full cost recovery specification.</p> <p>On this basis, the development of the new PA will cover the following:</p> <ul style="list-style-type: none"> <li>• A wholesale review of the Assisted Gardens Scheme which is currently free to all 1100 tenants.</li> <li>• The potential to stop or reduce the frequency of delivering some aspects of the current SLA to bring the GM service in line with the available budget</li> <li>• The redesign of estates/sites to reduce maintenance costs</li> <li>• The impact of Ash Dieback (diseased trees) and the council's response.</li> </ul>

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

The proposed budget reduction could be negatively received by people living in the communities KNH support unless innovative solutions are found to deliver the changes through efficiencies and designing future maintenance.

If no changes to service levels are delivered and no savings made there is potential for residents in Kirklees to voice concerns about a higher level of service on estates.

Does this proposal require an Equality Impact Assessment?	Yes (19/20)
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Will this proposal require a Specific Service Consultation	Yes (19/20)
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Accountable Head of Service	Helen Geldart
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Directorate	Place
Service Area	Housing Revenue Account
Headline Proposal	Grants to Communities Who Can (CWC)
Reference	HRA 6

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(136)			
Cumulative Savings	(136)	(136)	(136)	(136)
Budget after Savings (Controllable Budget)				

Description of Savings Proposal (Including interdependencies and risk)
<p>Traditionally the Housing Revenue Account (HRA) has provided funding to support Communities Who Can (CWC) which is the Kirklees Federation of Tenants and Residents Associations, an umbrella organisation to develop and support the network of Tenants and Residents Associations (TRA) operating across Kirklees council housing estates. During the 2017/18 medium term financial planning process Cabinet decided to provide funding to CWC for a further 6 month period during 2017/18 and then from 2018/19 to cease funding the organisation.</p> <p>As the organisation ceased to operate at the end of October 2017 the saving has in effect been achieved.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>Kirklees Council commissions KNH as the landlord agents to act on its behalf to deliver services in our communities to our tenants. KNH were commissioned during 2017/18 to undertake a comprehensive partnership wide review of tenant involvement and empowerment and to develop and make recommendations regarding a new modern and innovative model which reflects best practice within a reduced financial environment and links to the Council's review of community involvement and engagement. It is anticipated that a new model will be agreed by April 2018 and in the interim KNH are providing support as necessary to Tenants and Residents Associations.</p>	
Does this proposal require an Equality Impact Assessment?	No
Will this proposal require a Specific Service Consultation	No

Accountable Head of Service	Helen Geldart
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Service Director	Learning & Early Support
Service Area	Statutory Responsibility for the Education System
Headline Proposal	Realign and consolidate the service.
Reference	EX LE1,EX LE2, EX LE3,EX LE4

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(250)	(250)		
Cumulative Savings	(250)	(500)	(500)	(500)
Budget after Savings (Controllable Budget)	612	362	362	362
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>This proposal will seek to maximise the sources of funding via DSG, increase contribution from academies and maximise traded activities.</p> <p>This will be undertaken in the context that school improvement and the required management oversight will be further realigned to national expectations as well as supporting the new arrangements under the Education and Learning Partnership Board.</p> <p>A significant contribution to strategic work is currently made to the Council by maintained schools via contributions per pupil but this is likely to reduce in the next year, due to schools becoming Academies. In partnership with our schools, during 2018/2019 and 2019/20, the service will consolidate the operation of the 'Challenge and Support Strategy' and the interface between this and the role we can play by working collaboratively to secure external funding for our schools from the Government's Strategic School Improvement Fund (SSIF).</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>There is scope to review existing operations and this has the potential to align current structures within Learning and Skills to reflect new ways of working. This will need to be devised together with our schools so there is shared understanding about our approach. The Council continues to have a duty to 'know' schools and settings and to ensure the sufficiency of provision of good and outstanding places for children.</p> <p>The Council currently knows schools well, enabling positive conversations with school leaders as well as the ability to respond to challenges from Ofsted, Regional Schools Commissioner and Department for Education. Ofsted expects us to know all our schools – and to engage in discussions relating to provision, outcomes and complaints. Relationships are key to ensure sharing of data and intelligence; community understanding; and shared</p>

commitment to development of school places to meet the needs of all pupils.

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

The development of the Education and Learning Partnership Board and investment in arrangements to support this will be required and are planned.

The timing of changes will need to be carefully considered to ensure that there is sufficient co-ordination of change.

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

Accountable Head of Service	Jo-Anne Sanders
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Service Director	Learning & Early Support
Service Area	Schools Organisation & Planning & Pupil Admissions
Headline Proposal	Reduce support to Schools Organisation and Planning & Pupil Admissions
Reference	EX LE5

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(151)	(151)		
Cumulative Savings	(151)	(302)	(302)	(302)
Budget after Savings (Controllable Budget)				
Gross budget				
Net of dedicated schools grant funding budget	155	4	4	4
FTE Reduction				

#### Description of Savings Proposal (Including interdependencies and risk)

This proposal will require the costs of the function to reduce and therefore will require some reorganisation of the function to ensure the right skill mix to undertake the necessary activities and role.

Other activities supported by this budget are;

- Legal costs in relation to enacting required statutory processes, the transfer of land and buildings, commercial transfer agreements and costs in relation to schools that are in a Public Private Partnership contract.
- Human Resources costs in relation to staff transfer (TUPE) processes/re-organisation of staffing structures.
- Costs in relation to finance processes in terms of closing down school budgets and planning new arrangements where schools amalgamate etc.
- Costs in relation to the publication of legal notices and statutory consultation processes including newspaper advertisements, consultation documents.
- Physical Resources and Procurement costs that are required in order to enable the property transfer/landlord function of the asset in order that legal work can be instructed appropriately.
- General one-off costs associated with reorganisation, growth, relocation, amalgamation that cannot be capitalised, for example set up costs for modular accommodation, removal costs for equipment, pension assessments.

The ability to undertake these activities will be impacted by reduced capacity and so a more flexible approach to deploying capacity will be required.

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

The Council has a duty to secure sufficient school places The School Organisation function undertakes an annual return to the Education Funding Agency/Department for Education School

Capacity Collection that determines the level of Capital Funding Grant the Council receives to fund additional places and the strategic commissioning of additional places.

The Council is required to enable the process of academisation for schools subject to an academy order as stipulated in the Academies Act, and to provide support to reorganisation proposals to amalgamate, expand, close or open provision.

Further dialogue with schools about contributing some additional funding for some of this activity as mitigation is possible.

If this contribution or the re-distribution of activity across the wider functions that support children is not sufficient, there could be an impact on sufficiency duties that will require mitigation.

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

Accountable Head of Service	Jo-Anne Sanders
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Service Director	Learning & Early Support
Service Area	Education Services for Vulnerable Children
Headline Proposal	Review
Reference	EX LE6

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings		(84)		
Cumulative Savings		(84)	(84)	(84)
Budget after Savings (Controllable Budget)	820	736	736	736
FTE Reduction				

<b>Description of Savings Proposal (Including interdependencies and risk)</b>
This proposal will seek to examine existing systems and processes to secure efficiencies in order to make the reductions required within the context of prioritising the Education Psychologists (EP).

<b>Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes</b>	
The numbers of children and young people requiring and requesting assessments is increasing. SEND related activity is forecast to be overspent by current year end compared to the amount of government grant funding set aside to support this activity (the High Needs Block of the Dedicated Schools Grant).	
Government changes to the current schools National Funding Formula means the Council will receive an increase in high needs grant funding over the next 2 years at least to support SEND activity. Further increases in high needs grant funding are indicated over the following 5 years, subject to the next Government spending review post 2020. The Council is working to reduce costs within the High Needs Block. This includes a broader strategic review that will be considered early 2018.	
Does this proposal require an Equality Impact Assessment?	No
Will this proposal require a Specific Service Consultation	No

Accountable Head of Service	Mandy Cameron
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Service Director	Learning & Early Support
Service Area	Early Learning
Headline Proposal	Review support to early learning (sufficiency & development)
Reference	EX LE7

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(226)	(300)		
Cumulative Savings	(226)	(526)	(526)	(526)
Budget after Savings (Controllable Budget)	312	12	12	12
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>The support arrangements to learning and early support undertook a restructure in 2017-18 and good progress has been made to deliver against the savings requirements in 2018-19.</p> <p>The next phase of delivery will be to examine the approach and leadership for this service area and opportunities for amalgamating the functions and reducing the overall cost. This will prompt a service review and a reduction of staff. Opportunities will be explored to couple together sufficiency duties here with statutory duties for schools (mainstream and specialist).</p> <p>This will be in conjunction with the review of the administration arrangements for early education and childcare placements.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p><b>Potential impact on service/children's outcomes:</b></p> <ul style="list-style-type: none"> <li>• Opportunities arise to ensure statutory duties are met by taking a strategic overview of all early years' requirements and developing a new model for delivery through school community hubs.</li> <li>• There are opportunities for schools and their partners in health, social care and the wider Voluntary and Community Sector via School Community Hubs to contribute to the provision of a vibrant and sustainable childcare market and to co-ordinate delivery of the wider children's centre core offer.</li> <li>• This will require some initial Council resource and a refocus of some Council roles to concentrate on supporting the development of partnerships between schools and their partners, including local childcare providers and to support capacity building within the community hub so that the model is self-sustaining.</li> <li>• It will therefore be critical to align and integrate this to deliver our Early Help offer and consideration given to what resources can be shared to support delivery of these statutory duties.</li> </ul>

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

Accountable Head of Service	Jo-Anne Sanders
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Service Director	Integration
Service Area	Demand Led Services
Headline Proposal	Apply proportionate spend on direct payments
Reference	EX IN1

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(178)	(412)	(0)	(0)
Cumulative Savings	(178)	(590)	(590)	(590)
Budget after Savings (Controllable Budget)	16,278	15,854	15,854	15,854
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>A direct payment represents a device which an individual, who is entitled to receive social care services, can be awarded a payment and the freedom to purchase care services for themselves. This differs from the traditional approach of the Council acting for the individual and purchasing care on their behalf.</p> <p>Direct payments offer much greater choice and flexibility over all aspects and ways in which the care is received. This also includes the type of care purchased, control over who is employed and flexibility over when that care is delivered. They can be used to purchase respite care and in some instances are being used to purchase equipment or approved modifications to a residence if agreed as an assessed need.</p> <p>In allowing the council to offer this opportunity there is a need to ensure that guidance, support and right sizing of packages is offered to these clients and this will be done by adopting some of the following approaches;</p> <ul style="list-style-type: none"> <li>• Systems thinking methodology</li> <li>• Redesigning, refocusing and adopting the tiered approach</li> <li>• Close monitoring of direct payments and ensuring reclaim of unspent resources</li> <li>• Redesign the response at the front door</li> <li>• Greater scrutiny of current packages through reviews</li> <li>• Increasing use of Assistive Technology</li> </ul> <p>The budget after savings shown takes account of the adult social care precept.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<ul style="list-style-type: none"> <li>• Councils are expected to offer direct payments from within their existing resource base. There is no assigned budget for direct payments costs which are instead deducted against the relevant care budget i.e. Learning Disabilities (LD) &amp; Mental Health (MH) when a direct payment is set up.</li> </ul>

- Adult social care demand and level of need has risen significantly which places increased challenge on the system.
- The system relies on well trained and experienced personal assistants in the market. Market development needs to be considered as there is a significant gap in this area for LD/MH. Peer Brokerage in MH has proven to be successful and needs to be expanded to meet future demand.
- The reshaping of early intervention and prevention will take some time to embed and there will be a need to ensure early engagement of Community Plus in supporting LD/MH service users to seek alternatives where costly interventions aren't needed.
- Services have identified internal resource to ensure reviews are carried out this year and we understand the level of need across LD and MH through this process. We will be able to include this as part of the ongoing review cycle.

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

Accountable Head of Service	Michelle Cross
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Service Director	Integration
Service Area	Day care and contracted services
Headline Proposal	Review of all existing contracts
Reference	EX IN2

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(233)	(234)	(0)	(0)
Cumulative Savings	(233)	(467)	(467)	(467)
Budget after Savings (Controllable Budget)	3,201	2,967	2,967	2,967
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>Reduction in demand and commissioning of day care services through:</p> <ul style="list-style-type: none"> <li>• Redesigning, refocusing and more alignment of the Early Intervention &amp; Prevention offer</li> <li>• Reconfiguration of the existing day services provision</li> <li>• Greater scrutiny of current packages through reviews</li> <li>• Developing and using community resources</li> <li>• Transformation programme for day care services.</li> </ul> <p>Review of all existing contracts and:</p> <ul style="list-style-type: none"> <li>• Amend accordingly with any revised demand levels indicated by Early Intervention &amp; Prevention Management</li> <li>• Redesign and remodel contracts based on occupancy levels/take up</li> <li>• Reduction and decommissioning of low level need/risk contracts</li> <li>• Identifying potential contracts for risk assessed reduction in provision</li> <li>• Implementation of integrated commissioning arrangements</li> <li>• Ensure robust contract evaluation process is implemented.</li> </ul> <p>The budget after savings shown takes into account the reductions in services and volume change.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<ul style="list-style-type: none"> <li>• The achievement of any savings in this area will be considered against the Early Intervention &amp; Prevention proposals being developed elsewhere and any Equality Impact Assessment being developed for that area.</li> <li>• Adult social care demand and level of need is increasing significantly which places increased challenge on the system.</li> <li>• The reshaping of early intervention and prevention will take some time to complete and embed and this gives rise to the risk of an increase in demand in the early stages.</li> <li>• The system relies on sufficient independent sector provision in the market. Currently there is no market provision available for complex dementia delivery. Market</li> </ul>

development is ongoing.	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	YES

Accountable Head of Service	Korrina Campbell
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Service Director	Integration
Service Area	Independent sector residential & nursing placements
Headline Proposal	Reduction in high cost learning disability placements
Reference	EX IN3

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Income/Expenditure Savings	(424)	(423)	(0)	(0)
Cumulative Savings	(424)	(847)	(847)	(847)
Budget after Savings (Controllable Budget)	18,642	20,419	24,019	27,619
FTE Reduction				

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

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

Accountable Head of Service	Michelle Cross
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Service Director	Integration
Service Area	Independent sector residential & nursing placements
Headline Proposal	Mental health placements
Reference	EX IN4

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(66)	(67)	(0)	(0)
Cumulative Savings	(66)	(133)	(133)	(133)
Budget after Savings (Controllable Budget)	4,054	3,987	3,987	3,987
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>The Mental Health service has recently appointed a reviewing social worker, to review the service users accessing local and external residential placements.</p> <p>Cases will be prioritised for review and will cover people living in a range of different settings. The review will reassess the service users' social care and establish how these needs can be best met using a more independence model of care.</p> <p>The outcome of these reviews will inform local commissioning with the view of providing not only more appropriate and recovery focussed support but also review the costs of these individual packages.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>In addition to this, the Local Authority Commissioners are looking to redesign the range of local social care residential placements and have already begun to work more proactively with Clinical Commissioning Group and local providers to ensure rehabilitation/recovery provisions are in place across Kirklees. Work has begun to establish a local rehabilitation/recovery pathway that ensures service users are stepped down in a timely manner from acute settings.</p>	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Michelle Cross
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Service Director	Adults Social Care Operation
Service Area	Assessment and Care Management
Headline Proposal	Staffing Realignment within Adult Social Care
Reference	EX AS1& EX AS2

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(200)	(560)	(0)	(0)
Cumulative Savings	(200)	(760)	(760)	(760)
Budget after Savings (Controllable Budget)	4,773	4,213	4,213	4,213
FTE Reduction	5	15		

Description of Savings Proposal (Including interdependencies and risk)
It is proposed that the Adult social care workforce and structure be reviewed and aligned with new ways of working resulting from the Transformation programme. Developments around on-line assessment, reviews to enhance self-service and redesigned business processes will support more efficient working and enable managerial duties to be streamlined. Improved demand management, more integrated ways of working and alignment with Early Intervention and Prevention will deliver more effective and efficient ways of working.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
There is a risk of continued rising demand which the system cannot meet, the mitigation will be through work streams including the re-design of Front Door, the Digital by Design offer and pathway re-design. The relative timings may present some risk.	
New ways of working have been introduced and will continue to be implemented throughout 2018 and 2019 but embedding cultural change takes time.	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	YES

Accountable Head of Service	Lee Thompson & Debra Mallinson
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Service Director	Adults Social Care Operation
Service Area	Demand Led Services
Headline Proposal	Reduced spend on independent sector home care and apply proportional spend on direct payment
Reference	EX AS3

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(422)	(988)	(0)	(0)
Cumulative Savings	(422)	(1,410)	(1,410)	(1,410)
Budget after Savings (Controllable Budget)	11,664	10,570	10,241	10,241
FTE Reduction				

Description of Savings Proposal (including interdependencies and risk)
<p>Reduction in demand for commissioning of home care packages and applying more rigorous practice with direct payments through:</p> <ul style="list-style-type: none"> <li>• Implementing the systems thinking methodology</li> <li>• Redesigning, refocusing to align more closely with the early intervention and prevention offer</li> <li>• Closely monitoring direct payments and ensuring unspent resources are reclaimed</li> <li>• Redesign of the response at single point of access</li> <li>• Targeting of reablement interventions</li> <li>• Greater scrutiny of current packages through reviews</li> <li>• Increased use of assistive technology</li> </ul> <p>The budget after savings shown takes account of the adult social care precept.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<ul style="list-style-type: none"> <li>• Adult social care demand and level of need is increasing significantly which places increased challenge on the system.</li> <li>• The system relies on sufficient independent sector homecare in the market. Market development is ongoing and homecare contracts have been retendered.</li> <li>• The reshaping of early intervention and prevention will take some time to reshape and embed and this gives rise to the risk of an increase in demand in the early stages.</li> <li>• Services are targeting resources to ensure reviews are completed consequently reducing need across adult social care.</li> </ul>	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Lee Thompson & Debra Mallinson
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Service Director	Adults Social Care Operation
Service Area	Independent Sector Residential & Nursing Placements
Headline Proposal	Reduction of older people and physical disability placements
Reference	EX AS4 & EX AS6

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(386)	(387)	(0)	(0)
Cumulative Savings	(386)	(773)	(773)	(773)
Budget after Savings (Controllable Budget)	20,446	21,009	22,012	22,012
FTE Reduction				

Description of Savings Proposal (including interdependencies and risk)
<p>Individuals will be supported to stay at home for as long as possible through:</p> <ul style="list-style-type: none"> <li>• Home based interventions such as reablement and home care that maximise independence and safety at home</li> <li>• Support from assistive technology</li> <li>• Support with maximising their strengths, abilities and use of local community resources</li> <li>• Early intervention and prevention support</li> </ul> <p>The service will ensure that guidance, support and the right packages of care are offered to people and this will be done by adopting a strengths based approach.</p> <p>The service will continue to work closely with clinical commissioning groups and health colleagues to ensure people with continuing healthcare needs are identified and appropriately supported.</p> <p>The budget after savings shown takes account of amounts included for volume change.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>Demand for adult social care is rising and so this diverting demand may be hidden by demographic changes.</p> <p>There is likely to be a consequent impact on the budget that supports people at home. Ensuring appropriate early intervention and prevention interventions will assist in mitigating this.</p> <p>Changes in the design of reablement services to maximise integration opportunities and embed a 'discharge to assess pathway' will ensure that people have increased opportunities to maximise independence and make decisions about long term care from their homes</p> <p>As part of other savings we will encounter reducing resources which will need to ensure</p>

reviewing resources are appropriately targeted.	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Lee Thompson & Debra Mallinson
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Service Director	Adults Social Care Operation
Service Area	Independent Sector Residential & Nursing Placements
Headline Proposal	Removal of Discounted Respite
Reference	EX AS5

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(35)	(0)	(0)	(0)
Cumulative Savings	(35)	(35)	(35)	(35)
Budget after Savings (Controllable Budget)	20,446	21,009	22,012	22,012
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>The revision of the Adult Social Care Charging Policy proposed a number of changes to the existing policy.</p> <p>One alteration was the removal of the discounted rate of £20 per night for the first 7 days of respite care. From 1 April 2017, all respite care has been subject to a financial assessment. This has led to a number of service users paying more towards their respite care as their financial assessment has shown that their affordable contribution is more than £20 per night. This will increase the amount of income raised through respite care.</p> <p>The budget after savings figure takes into account all changes relating to this activity area.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>The charging policy was approved by Cabinet (January 2017) and this was actioned from 1 April 2017. The impact of removing this discount is being monitored through performance data. There is a risk that some people may choose to use less respite provision as a result of an increase in cost.</p>	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Lee Thompson & Debra Mallinson
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Service Director	Adults Social Care Operations
Service Area	Day Care and Contracted services
Headline Proposal	Review of all existing contracts
Reference	EX AS8

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(133)	(133)	(0)	(0)
Cumulative Savings	(133)	(266)	(266)	(266)
Budget after Savings (Controllable Budget)	1,805	1,622	1,572	1,472
FTE Reduction				

Description of Savings Proposal (including interdependencies and risk)
<p>Reduction in demand and commissioning of day care services through:</p> <ul style="list-style-type: none"> <li>• Redesigning, refocusing and more alignment with the early intervention and prevention offer</li> <li>• Reconfiguration of the existing day services provision</li> <li>• Greater scrutiny of current packages through reviews</li> <li>• Developing and using community resources</li> <li>• Transformation programme for day care services</li> </ul> <p>Review of all existing contracts and:</p> <ul style="list-style-type: none"> <li>• Amend accordingly with any revised demand levels indicated by early intervention and prevention management.</li> <li>• Redesign and remodel contracts based on occupancy levels/take up</li> <li>• Reduce and decommission low level need/risk contracts</li> <li>• Identifying potential contracts for risk assessed reduction in provision</li> <li>• Implement integrated commissioning arrangements</li> <li>• Ensure robust contract evaluation process is implemented</li> </ul> <p>The budget after savings shown takes account of reductions in services and volume change (and other savings templates).</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<ul style="list-style-type: none"> <li>• The achievement of any savings in this area will be considered against the early intervention and prevention proposals being developed elsewhere and an equality impact assessment being developed for that area.</li> <li>• Adult social care demand and level of need is increasing significantly which places increased challenge on the system.</li> <li>• The reshaping of early intervention and prevention will take some time to take place and embed, and this gives rise to the risk of an increase in demand in the early stages.</li> <li>• The system relies on sufficient independent sector provision in the market. Currently there is no market provision available for complex dementia delivery. Market</li> </ul>

development is ongoing.	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	NO
Accountable Head of Service	Korrina Campbell

Service Director	Adults Social Care Operation
Service Area	Other Demand Led Services
Headline Proposal	Community equipment
Reference	EX AS9

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(34)	(33)	(0)	(0)
Cumulative Savings	(34)	(67)	(67)	(67)
Budget after Savings (Controllable Budget)	841	808	808	808
FTE Reduction				

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

<b>Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes</b>	
The approved list of equipment will continue to be reviewed against best clinical advice to ensure that service users receive the appropriate equipment to meet assessed need.  Service modelling has taken place as part of the tendering exercise.  The long term contract of 5 years with the option for a further 2 years should offer more stability and consistency.	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Korrina Campbell
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Service Director	Adults Social Care Operation
Service Area	Care Phones & Assistive Technology
Headline Proposal	Care phones - increased income
Reference	EX AS10

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(13)	(20)	(0)	(0)
Cumulative Savings	(13)	(33)	(33)	(33)
Budget after Savings (Controllable Budget)	60	40	40	40
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
It is proposed to achieve an increase in care phone income of £33K by 2019/20 through promoting and marketing the service with the aim of realising a 7% increase in the number of service users paying for the service. It is also intended to explore new opportunities to support independent providers and other partners through the provision of chargeable services.

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

Accountable Head of Service	Debra Mallinson
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Service Director	Adults Social Care Operation
Service Area	Other Demand Led Services
Headline Proposal	Review of out of hours services
Reference	EX AS11

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(66)	(67)	(0)	(0)
Cumulative Savings	(66)	(133)	(133)	(133)
Budget after Savings (Controllable Budget)	708	641	641	641
FTE Reduction				

**Description of Savings Proposal (Including interdependencies and risk)**

A report was submitted to cabinet (04/04/17) that set out proposals for developing a 24 hrs service provision for the council, where all out of hours operations are centralised.

The council has a number of functions that operate outside of normal office hours, providing emergency cover and telephone assistance for a variety of services, including Kirklees Neighbourhood Housing (KNH), Children’s and Young People’s services, Adults’ services, and Environmental Services.

Each service has different arrangements to cover these provisions and it is intended to consider how we can join up services where appropriate to achieve efficiencies and savings.

The report recommends taking a 2 phase approach. Phase 1 will merge together CCTV and Kirklees Direct Out of Hours Service creating an initial saving of £53k per annum. These savings are based on an overall reduction in staffing levels; this will be done by removing vacancies and temporary staff.

Phase 2 will bring in Children’s and Adults’ services to identify any potential saving and, in addition, will identify potential revenue savings within the councils current commitments for security and alarms. It will also consider the potential for a service that includes KNH CCTV to make further savings across the council.

Once successfully completed, the new service will offer an opportunity to then explore expanding our current CCTV provision to support early intervention and prevention, and economic resilience, and then to consider further expansion into the external market. This will require careful consideration so as not to adversely affect the local economy and local businesses, but could see CCTV provision for key local partners, schools, colleges and universities.

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

This proposal has the potential to improve out of hours services for adults and the work will link to the corporate front door services to deliver a consistent approach across the council out of hours.

Ensuring our legal duties with regards to safeguarding and data protection, particularly as phase 2 commences, are fundamental to the approach being proposed. The project will work closely both internally and with partner organisations to ensure protection of the most vulnerable adults and children and safeguard their interests at all times.

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

Accountable Head of Service	Debra Mallinson
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Service Director	Adults Social Care Operation
Service Area	Transfer of local authority care homes – older people residential strategy
Headline Proposal	Identify partner(s) to deliver integrated health and social care to those with specialist needs or explore new delivery models.
Reference	EX AS13

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(766)	20	48	
Cumulative Savings	(766)	(746)	(698)	(698)
Budget after Savings (Controllable Budget)	(1,244)	(1,224)	(1,176)	(1,176)
FTE Reduction	56			

#### Description of Savings Proposal (Including interdependencies and risk)

In order to maintain continuity of care for existing residents in the two long stay care homes and for the council to focus on only the things that the council can do; In July 2017 Cabinet agreed to look at transferring in-house residential care homes to an external organisation. There would be no overall loss of current bed capacity and individual residents continue to receive their existing service. Current residential care could, subject to the appropriate registration requirements and abilities of the successful provider, be run as nursing care although this is not guaranteed and is not an essential requirement within the tender specification. It is anticipated that existing staff would continue to be the core care delivery team as TUPE would apply once the homes are transferred.

The 20 pre-bookable respite beds currently provided in the 2 long stay care homes will be procured from the independent sector care home market prior to the transfer of the 2 homes. As the beds have a 60% occupancy rate, and changes to the charging policy around pre-bookable respite have shown early signs of lessening demand, 12 pre-bookable respite beds will be procured (which includes 2 emergency respite beds). The process of booking respite will be aided by some investment into brokerage services to ensure that these beds are the default option for provision and that annual allocation amounts are monitored both for under and over use.

Negotiations are underway with health colleagues in relation to the two Intermediate care homes with a view to reducing the overall running costs for the council.

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

The Care Homes Strategy has identified the need for additional dementia nursing beds to be available in the area together with a need to sustain a flexible intermediate care bed base.

The potential transfer of services to other providers will ensure continuity of care, support choice and provide for ongoing employment for existing staff within the service. In addition the proposal for revised services will enhance the availability of local nursing beds within the area.

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

Accountable Head of Service	Sue Richards
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Service Director	Adults Social Care Operation
Service Area	Other services
Headline Proposal	Business support realignment across Adult Social Care
Reference	EX AS14

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(94)	(93)	(0)	(0)
Cumulative Savings	(94)	(187)	(187)	(187)
Budget after Savings (Controllable Budget)	1,281	1,188	1,188	1,188
FTE Reduction	7			

Description of Savings Proposal (Including interdependencies and risk)
<p>This proposal will enable both commissioning and adults' services to investigate and realign its business support and have a well organised, structured support service which is able to deliver services based on the key priorities for 'New Council'.</p> <p>The realignment will focus on providing a cost effective and efficient service by reconsidering the number of vacancies and secondments within the service with a view to either removing or realigning posts to where pressures are emerging. The proposal is to merge existing resources, whilst addressing wider service changes and ensuring resources are used flexibly to support the changing demands within the directorate.</p> <p>The budget after savings shown is included in the management and regulatory functions line in the summary.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>Reductions in staffing and management levels within business support will impact on the services being supported. Before any decisions are finalised, an impact analysis will be created.</p>	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Debra Mallinson
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Service Director	Economy, Regeneration & Culture
Service Area	Kirklees Active Leisure (KAL)
Headline Proposal	Continuation of existing approach and reducing reduction of financial support to KAL
Reference	EX ER1

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(200)	(100)		
Cumulative Savings	(200)	(300)	(300)	(300)
Budget after Savings (Controllable Budget)*	1,091	941	941	941
FTE Reduction	0	0	0	0

\*Includes budget savings from New ER5

Description of Savings Proposal (Including interdependencies and risk)
<p>At this stage, KAL has not identified the areas in which the savings will be achieved, however, KAL and the council will work together innovatively through a commissioning model within which the outcomes Kirklees Council wishes to see for its citizens and the rules of engagement are clearly specified. These will take account of the correlation between economic status and physical health and it is recognised that physical activity and the critical role leisure centres play in supporting a number of Kirklees' outcomes.</p> <p>This will enable KAL to deploy its expertise and capability in the leisure market to ensure those outcomes are met. KAL will have the flexibility as part of this arrangement to adjust its business plan to implement new ways of working and deliver the efficiencies needed. KAL has proven market knowledge and is uniquely placed to exploit the opportunities to secure new sources of income and the commissioning arrangement will empower KAL to optimise demand by tailoring its services to what is needed in each of its localities.</p> <p>As a strong and viable business, KAL's business plan has made provision for contingencies and has the financial strength to enable it to deliver what are challenging targets whilst delivering the commissioned outcomes.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>To deliver the level of savings required, KAL may seek to increase the price of some of its services and activities which may lead to issues of affordability and the council will seek to mitigate the impact of this by ensuring KAL has due regard to those on low incomes. As a service that is operating in a commercial market, it is in KAL's interest to ensure its pricing strategy remains competitive for its users.</p> <p>There may be some re-configuration of services as KAL begins to tailor its services to the requirements of each locality and the council and KAL will work together to ensure any disruption is minimised through careful planning and communication.</p>	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	YES - KAL's Chief Executive has been consulted and he has informed his trustees
Accountable Head of Service	Adele Poppleton

Service Director	Economy, Regeneration & Culture
Service Area	Management and Regulatory Services
Headline Proposal	Service Efficiencies
Reference	EX ER2

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22
Incremental Savings	(56)			
Cumulative Savings	(56)	(56)	(56)	(56)
Budget after Savings (Controllable Budget)	2	2	2	2
FTE Reduction	2	0	0	0

Description of Savings Proposal (Including interdependencies and risk)
<p>Savings in Business Support (up to 2 fte) c£56k through smarter working.</p> <p>Note - Due to Council structure changes, the budget for £46k of this saving is held in Policy, Intelligence &amp; Public Health.</p>

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

Accountable Head of Service	Adele Poppleton
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Service Director	Commercial, Regulatory & Operational Services
Service Area	Highways
Headline Proposal	Changes to routine maintenance service
Reference	EX CR1

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(150)			
Cumulative Savings	(150)	(150)	(150)	(150)
Budget after Savings (Controllable Budget)				
FTE Reduction				

<b>Description of Savings Proposal (Including interdependencies and risk)</b>
The Highways Service has some opportunities to increase efficiency through the Digital by Design program. £100k productivity savings will be generated through reviewing the core service model and new ways of working as part of the Highways 2017 project. £50k will be funded from lower energy and reduced street lighting maintenance costs.

<b>Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes</b>	
If the assumptions associated with the digital model are realised there will be little or no impact upon service delivery.	
Does this proposal require an Equality Impact Assessment?	No
Will this proposal require a Specific Service Consultation	No

Accountable Head of Service	Will Accornley
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Service Director	Commercial, Regulatory & Operational Services
Service Area	Highways (Transport Strategy)
Headline Proposal	Efficiency Gains & Increase in Service Income
Reference	EX CR2

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(50)			
Cumulative Savings	(50)	(50)	(50)	(50)
Budget after Savings (Controllable Budget)				
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
Proposed increase in service income due to increase in housing development activity (section 38 income from new road building activity for housing sites) and also an increase in capital plan scheme delivery due to workload from the West Yorkshire Transport Fund – this joint increase in activity will lead to an increase in service income of £50,000 being achievable from 2018/19 onwards.

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

Accountable Head of Service	Richard Hadfield
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Service Director	Commercial, Regulatory & Operational Services
Service Area	Transport Services
Headline Proposal	Smarter Practices/Efficiencies
Reference	EX CR4

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(200)			
Cumulative Savings	(200)	(200)	(200)	(200)
Budget after Savings (Controllable Budget)	(1,662)	(1,765)	(1,765)	(1,765)
FTE Reduction	0	0	0	0

Description of Savings Proposal (Including interdependencies and risk)
<p>Reduction of 50 vehicles in the fleet producing savings in fuel, fleet SLAs, and a further reduction in the cost of accidents and Insurance claims</p> <p>Significant savings have been identified by reducing fuel consumption across the fleet through better use of telematics data and more efficient driving behaviour. Through the use of telematics data it is expected that savings can be made by reducing vehicle accident rates and with the introduction of an accident reduction plan, maintenance and repair costs can be reduced.</p> <p>Fleet rationalisation/reduction will deliver further savings.</p> <p>Interdependencies – given the vehicle fleet is used by other services in the Council, travel planning needs to be carried out in terms of introducing more efficient ways for people/staff to get about, accident reduction, driver behaviour and fuel reduction will need to be managed jointly between Transport Services and the relevant service.</p>

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

Accountable Head of Service	David Martin
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Service Director	Commercial, Regulatory & Operational Services
Service Area	Bereavement Services
Headline Proposal	Additional income potential, 20%, through smarter marketing/product offer
Reference	EX CR5

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(50)	(50)		
Cumulative Savings	(50)	(100)	(100)	(100)
Budget after Savings (Controllable Budget)	(1,647)	(1,697)	(1,697)	(1,697)
FTE Reduction	0	0	0	0

Description of Savings Proposal (Including interdependencies and risk)
<p>Following a recent Kirklees wide engagement session on the proposed changes, the council is currently reviewing its proposed model of operation and is no longer seeking full cost recovery for Burial services.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<ul style="list-style-type: none"> <li>• Capital investment is required in: <ul style="list-style-type: none"> <li>○ Cremators - essential to ensure machinery is robust and capable of meeting our operational needs. Existing cremators are prone to breakdown and some parts are now obsolete. New cremators would operate more efficiently, using less gas. Procurement support has been requested to commence this process.</li> <li>○ Cemeteries - to develop under-utilised space and maximise capacity.</li> <li>○ Memorialisation – to enable range of options that can generate income.</li> </ul> </li> <li>• Offer competitive pricing, improved marketing and IT access to service (bookings, memorial purchases) to improve our offer.</li> <li>• Potential service change to ensure correct structure and skills to develop business element to service. This will be done in line with corporate guidelines and with Trade Union and employee engagement.</li> </ul> <p>Political briefings and community engagement/planning to understand impact and encourage change.</p>	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	YES

Accountable Head of Service	Phil Deighton
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Service Director	Commercial, Regulatory & Operational Services
Service Area	Parks & Green Spaces
Headline Proposal	Performance Management, Service Level Agreement (SLA) review of Gold, Silver, Bronze and Natural (GSBN) standards
Reference	EX CR6 & 7

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(279)			
Cumulative Savings	(279)	(279)	(279)	(279)
Budget after Savings (Controllable Budget)	2,738	2,713	2,663	2,663
FTE Reduction	0	0	0	0

Description of Savings Proposal (Including interdependencies and risk)
<p>The climatic changes, combined with a lack of Geographic Information System (GIS) and mapping data, means performance management and operational adaptation is extremely difficult. As a result we are in the process of undertaking the full GIS mapping of the district and our assets, combined with the development of a public facing online platform for bookings/reporting issues and a digital work schedule/in-cab system.</p> <p>This is reliant on prioritisation of this project in the council's Digital by Design programme and re-modelling the workforce to be seasonal to meet demands.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>The outcomes of the Parks &amp; Open Spaces service would be impacted, with the service unable to respond as quickly as currently to any issues. To mitigate this the Council will work with the communities and partners to develop a model that strengthens the existing volunteering capacity that is in place and exploring the potential of how the sharing economy (e.g. the mainstreaming of Comoodle) can support this.</p>	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	YES
Accountable Head of Service	Will Acornley

Service Director	Commercial, Regulatory & Operational Services
Service Area	Environmental Health
Headline Proposal	New ways of working
Reference	EX CR8

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(25)			
Cumulative Savings	(25)	(25)	(25)	(25)
Budget after Savings (Controllable Budget)	950	950	950	950
FTE Reduction	1			

Description of Savings Proposal (Including interdependencies and risk)
<p>The proposals are IT based and can be broadly broken down into the following categories, all of which are interdependent on IT solutions:</p> <ol style="list-style-type: none"> <li>1. Digital by Design</li> <li>2. Installation of 'Assure' (Systems Supplier: MVM Northgate)</li> <li>3. Mobile solutions once 'Assure' has been installed</li> </ol> <p>For Pest Control, we are currently going down a digital by design route – once operational, this will allow customers to book appointments directly, and therefore reduce admin time. The introduction of a mobile solution would result in further admin savings as well as increased officer efficiency which could generate more income.</p> <p>For wider Environmental Health, the focus is on mobile solutions, allowing officers to complete inspection reports while on site, thus improving efficiency. For this to work, installation of 'Assure' is needed which is currently taking place.</p> <p>Installation of Assure would also allow for the introduction of the Licensing and Complaints package, allowing for savings in Business Support Officers in both functions.</p> <p><b>Risk</b> Any delay in the introduction of IT solutions would naturally pose a risk and may therefore need an alternative platform.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>Successful and timely introduction of the above IT solutions would significantly increase officer efficiency and reduce the amount of resources needed. Such an outcome would ensure the viability of a functional and effective environmental health service.</p>

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

Accountable Head of Service	Wendy Blakeley
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Service Director	Commercial, Regulatory & Operational Services
Service Area	Schools Facilities Management – Schools Transport
Headline Proposal	Combined Authority Working
Reference	EX CR9

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(285)			
Cumulative Savings	(285)	(285)	(285)	(285)
Budget after Savings (Controllable Budget)	2,480	2,480	2,480	2,480
FTE Reduction	5			

Description of Savings Proposal (Including interdependencies and risk)
<p>Create a co-operation agreement with WYCA for the procurement and contract management of all home-to-school transport functions, including the administration of bus passes (£110k).</p> <p>Change the policy to mirror the legislative requirements resulting in a “statutory duty only” service provision level (£175k).</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
Reducing service provision may increase the risk of non-attendance at school for a small number of children.	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Dave Martin
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Service Director	Commercial, Regulatory & Operational Services
Service Area	Schools Facilities Management - Catering/Assets
Headline Proposal	Assumed continuation of Universal Infant Free Schools Meals (UIFSM) national policy and funding arrangement, the service will continue to deliver the financial surplus
Reference	EX CR10

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(60)			
Cumulative Savings	(60)	(60)	(60)	(60)
Budget after Savings (Controllable Budget)				
FTE Reduction				

Factors impacting on retaining the catering surplus (Including interdependencies and risk)
Catering financial position has been in credit for a number of financial years and it is intended to maintain this level

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
In order to be a flexible service, the following actions are possible to mitigate any future changes in service delivery; <ul style="list-style-type: none"> <li>• Supplies and Services budgets will be reduced where possible to fund statutory gas work.</li> <li>• Service overheads reduced to mitigate any future losses incurred</li> <li>• To ensure full cost recovery</li> <li>• Review fees and charges through the budget setting process.</li> </ul>	
Does this proposal require an Equality Impact Assessment?	No
Will this proposal require a Specific Service Consultation	YES

Accountable Head of Service	Philip Deighton
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Service Director	Commercial, Regulatory & Operational Services
Service Area	Schools Facilities Management – Cleaning
Headline Proposal	Realignment to current performance
Reference	EX CR11

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(95)	(25)		
Cumulative Savings	(95)	(120)	(120)	(120)
Budget after Savings (Controllable Budget)	(396)	(421)	(421)	(421)
FTE Reduction	2	0	0	0

Description of Savings Proposal (Including interdependencies and risk)
Proposals include reduced council subsidy on living wage, reduction of relief staffing levels, and from 2019/20, £25k reduced staff hours through efficiency savings.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
As the Council rationalises its accommodation and occupies fewer buildings, the saving will be delivered. However, if this were to happen at a faster rate than expected, there would be an impact on overall controllable surplus for the Caretaking & Cleaning service.  Staff will be offered alternative hours to reduce the impact of the efficiencies in line with council procedures.	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	No

Accountable Head of Service	David Martin
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Service Director	Commercial, Regulatory & Operational Services
Service Area	Corporate Landlord
Headline Proposal	New ways of working
Reference	EX CR12

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(650)	(300)		
Cumulative Savings	(650)	(950)	(950)	(950)
Budget after Savings (Controllable Budget)	10,418	10,118	10,118	10,118
FTE Reduction		4		

Description of Savings Proposal (Including interdependencies and risk)
<p>Reduced facility management repairs budget from £1.25m to £1m. This budget was underspent last year and forecast to underspend this financial year. The number of operational assets is projected to reduce. The council will continue to adopt a prudential approach to repairs and the most efficient deployment of capital and revenue funding.</p> <p>Office accommodation reductions (subject to approval) with forecast saving of £200k in year 2018/19 is achievable. The pace and profile of saving is heavily linked to the journey to new council and new models of service delivery.</p> <p>Asset disposal programme £100k: a further batch of assets is to be brought forward to dispose in 2017 that will release further revenue savings. This is subject to the approval processes and the Asset Committee.</p> <p>Reduced FM overall budgets to reflect reduced overall resources required £100k</p> <p>2019/20 Office accommodation reductions (subject to approval) forecast £200k in year 2019/20</p> <p>Reduced FM overall budgets to reflect reduced overall resources required £100k</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
The budget savings are linked to the transformation of the council and the delivery of a number work streams. The reduced unplanned maintenance budget will be focused on strategic priorities and support service delivery.	
Does this proposal require an Equality Impact Assessment?	No
Will this proposal require a Specific Service Consultation	No

Accountable Head of Service	Joe Tingle
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Service Director	Commercial, Regulatory & Operational Services
Service Area	Capital Delivery & Development
Headline Proposal	Deletion of the Capital Development Manager post budget
Reference	EX CR13

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(60)			
Cumulative Savings	(60)	(60)	(60)	(60)
Budget after Savings (Controllable Budget)	0	0	0	0
FTE Reduction	1			

Description of Savings Proposal (Including interdependencies and risk)
This efficiency will be delivered through vacancy management.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
The associated work can be absorbed within service as it needs to continue to ensure the effective governance of the Council's Capital Investment Plan.	
Does this proposal require an Equality Impact Assessment?	No
Will this proposal require a Specific Service Consultation	No

Accountable Head of Service	David Martin
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Service Director	Commercial, Regulatory & Operational Services
Service Area	Service Directorate wide review of support services to gain efficiency savings
Headline Proposal	Further savings to be identified
Reference	EX CR14

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(200)			
Cumulative Savings	(200)	(200)	(200)	(200)
Budget after Savings (Controllable Budget)				
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
A Service Directorate wide review of support services to gain efficiency savings through procurement, shared centres of excellence and administration. This will be aimed at management and back office arrangement across the main frontline services including Waste, Highways, Parks, Licensing and Building Control.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
The review aims to improve service delivery through better coordination and working across services to make the efficiencies.	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Will Acornley
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Service Director	Commercial, Regulatory & Operational Services
Service Area	Town Halls & Public Halls
Headline Proposal	Review of fees and charges
Reference	EX CR15

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(50)			
Cumulative Savings	(50)	(50)	(50)	(50)
Budget after Savings (Controllable Budget)	159	159	159	159
FTE Reduction	0	0	0	0

Description of Savings Proposal (Including interdependencies and risk)
<p>Review of fees and charges and service change to make service delivery more efficient and effective. This will include the review of bookings, stewarding of events, and staff to manager ratios to ensure that resources are focused where they have the greatest impact.</p> <p>A full analysis of the programme of work in the service is being undertaken including benchmarking of charges with other similar services.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>Charges have only increased by inflation rates for the last four years and higher increases could mean hirers seeking alternatives or not using our services. This will be mitigated by ensuring benchmarking to ensure the pricing strategy remains competitive.</p>	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Phil Deighton
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Service Director	Policy, Intelligence & Public Health
Service Area	Sexual Health
Headline Proposal	Incorporating Additional Schemes into Integrated Sexual Health Services Main Contract
Reference	EX PI1

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(73)	(523)		
Cumulative Savings	(73)	(596)	(596)	(596)
Budget after Savings (Controllable Budget)	3,947	3,424	3,424	3,424
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>Savings to be found in 2018/19 through the following:</p> <ul style="list-style-type: none"> <li>• Savings made to the HIV prevention budget by working with the provider to find contract efficiencies</li> <li>• Reducing the tariff prices in primary care and expanding the spokes from the integrated service to ensure maximum coverage across Kirklees</li> <li>• As the new model focusses on greater emphasis on early intervention and prevention this will reduce the need for more costly clinical interventions later on in the treatment journey</li> </ul> <p>Planning and detailed discussions with the provider will ensure that any risks identified will be managed in preparation for the 500k savings (2019/20)</p> <p>Risks:</p> <ul style="list-style-type: none"> <li>• GP prescribing in primary care may decrease due to a reduction in tariff prices, which would result in higher demand in the main service and increased waiting times.</li> <li>• Out of area payments are out of our control and hence may increase.</li> </ul>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>We may see an increase in HIV late diagnosis. In order to mitigate against this we will look to increase investment in rapid HIV testing.</p> <p>In order to mitigate against the risks to the main integrated service we will work with the provider to refocus the service on high risk groups.</p>

Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	NO
Accountable Head of Service	Emily Parry-Harries

Directorate	Policy, Intelligence & Public Health
Service Area	Health Improvement – Wellness Programme
Headline Proposal	Incorporating a Range of Contracts under a new Wellness Model
Reference	EX PI2 and PI6

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(270)	0	0	
Cumulative Savings	(270)	(270)	(270)	(270)
Budget after Savings (Controllable Budget)	849	849	849	849
FTE Reduction	N\A	N\A	N\A	N\A

Description of Savings Proposal (Including interdependencies and risk)
<p>Savings made through the following proposal:</p> <ul style="list-style-type: none"> <li>Efficiencies made by bringing together a number of services into one integrated, holistic ‘Wellness’ model. Some current health improvement services are individually commissioned. By bringing these interdependent provisions under one collective resource we have the opportunity to design a new, innovative and integrated approach to health improvement that puts greater emphasis on prevention. This will result in efficiencies through economies of scale, maximising resources and reducing duplication. The Wellness model is heavily interdependent with the Community Plus service. Greater joined-up working will enable resources to be used to best effect.</li> </ul>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>By bringing a number of disparate services together, working more holistically with the client base and by ensuring integrated working with Community Plus it is expected that the new model will result in improved outcomes for service clients in the medium to long term. Bringing key health improvement services together will enable the new service to support people across a greater range of issues impacting on their health and wellbeing.</p> <p>There may be initial inconsistencies in service user experiences during transition to the new model, potentially due to issues such as data sharing, communication and capacity. To mitigate this risk, provision will be phased in from providers and the commissioners will work in partnership to support the smooth transition and ongoing transformation to the new model.</p>	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Keith Henshall
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Service Director	Policy, Intelligence & Public Health
Service Area	Substance Misuse
Headline Proposal	Reducing payments in Primary Care and Ongoing Contract Efficiencies
Reference	EX PI3

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	-	(500)	-	-
Cumulative Savings	-	(500)	(500)	(500)
Budget after Savings (Controllable Budget)	5,617	5,117	5,117	5,117
FTE Reduction	-	-	-	-

Description of Savings Proposal (Including interdependencies and risk)
<p>Savings to be made by:</p> <ul style="list-style-type: none"> <li>Working with the provider to find efficiencies via a whole integrated system approach (the provider is now responsible for managing the full integrated substance misuse provision including services in primary care and acute care)</li> <li>As the new model focusses on greater emphasis on early intervention and prevention this will reduce the need for more costly clinical interventions later on in the treatment journey.</li> </ul> <p>Risks:</p> <p>The implications of further reduction will be assessed to ensure the viability of the service is not threatened.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
We propose that a new model will be co-produced with the current providers; identified risk will be explored and mitigated as the model develops in more detail.	
Planning and detailed discussions with the provider will ensure that any risks identified will be managed in preparation for the savings (2019/20)	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Emily Parry-Harries
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Service Director	Policy, Intelligence & Public Health
Service Area	Obesity, Physical Act, Healthy Child
Headline Proposal	Incorporating Additional Schemes into Healthy Child Programme
Reference	EX PI4 (Obesity) PI5 (Physical Act) and PI7 HCP

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(46)	(103)		
Cumulative Savings	(46)	(149)	(149)	(149)
Budget after Savings (Controllable Budget)	7,578	7,475	7,475	7,475
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>Savings are proposed from the following programme areas:</p> <p>2018/19</p> <ul style="list-style-type: none"> <li>• Obesity &amp; Physical Activity (START) - (£24k)</li> <li>• Nutrition Initiative - Food for Life (£12k)</li> <li>• Auntie Pam's support for mums-to-be and families (£10k)</li> </ul> <p>2019/20</p> <ul style="list-style-type: none"> <li>• Obesity &amp; Physical Activity (START) - (£34k)</li> <li>• Nutrition Initiative - Food for Life (£18k)</li> <li>• Auntie Pam's support for mums-to-be and families (£15k)</li> <li>• Nutrition FINE (Food Initiative Nutritional Education) (£35k)</li> </ul> <p><b>Obesity and Physical Activity - (START)</b></p> <p>The START service is being redesigned, which will accommodate a reduction in budget by applying a system wide approach to focus on the following:</p> <ul style="list-style-type: none"> <li>• Early intervention – intervening at the earliest possible opportunity to ensure that future parents understand the importance of healthy weight.</li> <li>• Addressing the social norm that has developed due to the majority of the population now being an unhealthy weight, resulting in people being unable to recognise healthy weight. This includes both the population and the workforce.</li> <li>• Working in conjunction with partners to ensure that every opportunity is taken to integrate learning about healthy weight into existing programmes of work</li> <li>• Working co-productively with families to develop pathways and interventions to assist them to achieve and maintain healthy weight as a family. This will include working with existing providers to ensure that their offer is accessible and appealing to target families.</li> <li>• Working to upskill the staff who are in contact with families, to ensure that they are confident to introduce the subject of weight into their conversations with parents, and to offer appropriate advice and signposting.</li> </ul>

This proposal relies upon the interdependencies between START and Thriving Kirklees, FINE project, Community Hubs, and Early Help Team.

The risk associated with this proposal is that parents do not engage with the service. This risk has always existed when commissioning weight management services. This service will incorporate enough flexibility to ensure that it accommodates for the needs of service users.

#### **Nutrition Initiative - Food for Life**

The Food for Life contract ended September 2017 and was not renewed. Please see below for future plans.

#### **Auntie Pam's support for mums-to-be and families**

When the HCP was being developed Auntie Pam's was considered as an interdependent service within that programme. However, because of subsequent HCP partnership developments, Auntie Pam's was not included in the final submission.

A key element in the initial development of the service was to ensure value for money delivery, not replicating heavy spending services that were then developed by NHS and Council. As the service is volunteer led, staffing costs would continue to be low and a programme of work, co-produced, to reduce the on costs of the service will be conducted which will include the exploration of co-location with other services.

#### **Nutrition FINE (Food Initiative Nutritional Education)**

Discussions will commence next calendar year with FINE to identify specifically where savings can be made in 2019/20. This could affect the outputs and outcomes that the service can deliver, however we will seek to mitigate the impact of the budget reduction as described below.

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

#### **Obesity and Physical Activity - (START)**

The service is being redesigned to mitigate for any negative outcomes, by applying a much broader, system wide approach to tackling childhood obesity. This should result in greater impact by resulting in fewer children presenting as overweight or obese at Reception Year - the first weighing and measuring point for children as part of the National Child Measurement Programme.

#### **Nutrition Initiative - Food for Life and Nutrition FINE (Food Initiative Nutritional Education)**

Public Health is currently reviewing our Food Strategy to ensure a system-wide strategic approach to food and nutrition. The strategy will ensure that available resources are better

targeted with a focus on those populations in the greatest need/with the least healthy diets, critical stages of child development and malnutrition in later life.

The work programme will cover both policy and interventions. It will include Public Health and FINE staff working with partners to develop the capacity and capability of wider staff and community members to support them to improve diet and nutrition related outcomes for the people of Kirklees. The staff and community members that we will work with include those in Thriving Kirklees, Start (children’s weight management service), Schools as Community Hubs and staff from local hot food takeaways. The work programme will include embedding the principles of Food for Life in school settings. Interdependencies also exist between nutrition initiatives and the new Wellness Model to be commissioned.

**Auntie Pam’s support for mums-to-be and families**

The proposed savings for 2018/2019 of £10k are achievable because the genetic awareness cost within the Auntie Pam’s budget of £10k has been underspent for the last 3 financial years.

To ensure the impact on outcomes and service provision is minimised, the focus will be on co-location of services which will ensure that interventions presently delivered will continue.

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

Accountable Head of Service	Emily Parry-Harries
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Service Director	Policy, Intelligence & Public Health
Service Area	Communities Plus - Healthwatch
Headline Proposal	Healthwatch – savings
Reference	EX P18

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(32)			
Cumulative Savings	(32)	(32)	(32)	(32)
Budget after Savings (Controllable Budget)	19	19	19	19
FTE Reduction	0	0	0	0

Description of Savings Proposal (Including interdependencies and risk)
The saving reflects the removal of some commissioning resource which previously managed the Healthwatch contract. This work has now been absorbed within other existing posts.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
None	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Carol Gilchrist
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Service Director	Office of the Chief Executive
Service Area	Access, Strategy & Delivery - Library and Information Centres
Headline Proposal	Re-shape Library and information Service
Reference	EX OC5

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(700)	(1,200)		
Cumulative Savings	(700)	(1,900)	(1,900)	(1,900)
Budget after Savings (Controllable Budget)	3,485	2,285		
FTE Reduction		60		

Description of Savings Proposal (Including interdependencies and risk)
<p>This is an existing saving but the updated £700k saving in 2018/19 (compared to £1,900k previously proposed for 2018/19) reflects a re-profiling of existing savings across years. The service will reduce its spending on the book fund (£150k), supplies and services (£75k), equipment (£75k) and continue the review of vacancies (approx. £400k) in order to achieve the total £700k for 2018/19.</p> <p>Consultation with the public is taking place in early 2018 and Cabinet are expected to make a decision on the new service delivery models in summer 2018. These new models will be profiled to be achieved by March 2019 at the latest, therefore meeting the additional expectations of, and by, 2019/20 budget year.</p> <p>The library budget from 2019/20 will be based on the £2,238k allocated budget.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>Reducing the library building footprint could increase footfall in those that remain, as customers move to their next nearest building. The outreach programme will need to be developed further to mitigate reducing the footprint. Collaborating further with the health service, schools and local community groups will also support this.</p>	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	YES

Accountable Head of Service	Dave Thompson
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Service Director	Office of the Chief Executive
Service Area	Access, Strategy & Delivery - Registrars
Headline Proposal	Charging review - look to break even
Reference	EX OC6

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(18)			
Cumulative Savings	(18)	(18)	(18)	(18)
Budget after Savings (Controllable Budget)	22	22	22	22
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>The service undertook a service change in 2015/16. The further savings are to be a change to non-statutory fees and charges to bring them more into line with regional and national charges for services.</p> <p>This is a statutory service where a number of the charges are set nationally. Concentration will be on those charges the council has control of. Benchmarking with other LA's in the region will be undertaken.</p>

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

Accountable Head of Service	Dave Thompson
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Service Director	Office of the Chief Executive
Service Area	Access, Strategy & Delivery – Access to Services
Headline Proposal	New ways of working
Reference	EX OC7

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(100)	(100)	(100)	
Cumulative Savings	(100)	(200)	(300)	(300)
Budget after Savings (Controllable Budget)	925	825	725	725
FTE reduction	5	5	5	

Description of Savings Proposal (Including interdependencies and risk)
<p>The service has been moving to digital by design and automated service delivery models. There will be a complete service redesign looking at staff to manager ratios, senior role requirements and service delivery changes.</p> <p>Increasing digital by design contacts, increased automation of telephone calls and reducing avoidable contact are necessary to meet the budget requirements. Risks include the increase of services using the customer service centres and Kirklees Direct as those resources reduce.</p> <p>The proposals from 2018/19 onwards relate to the expected ongoing roll out of Universal Credit (from 2017 to at least 2022) and the transferring of claims and contacts to the Department for Work and Pensions (DWP). As the DWP take on all responsibility for specific claims this will reduce the caseload, the volume of claims for back office processing, and contacts into the customer service centres and Kirklees Direct.</p> <p>The migration to Universal Credit (UC) is a national process run by the DWP, the migration of working age Housing Benefit claimants to UC has already started in Kirklees for single people. November 2017 saw the start of couple's UC migration in Kirklees. The Council already has procedures in place to assist residents with the changes including "Advice Kirklees".</p> <p>Consideration will be given to reducing opening hours of both the customer service centres and telephone contact centre. Online would remain 24/7 with telephone contacts for emergency services only.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
Continued work with services to reduce avoidable contact, digital by design and automated services.	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Dave Thompson
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Service Director	Office of the Chief Executive
Service Area	Access, Strategy & Delivery - Community Languages
Headline Proposal	Efficiency savings/Further income
Reference	EX OC8

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(9)			
Cumulative Savings	(9)	(9)	(9)	(9)
Budget after Savings (Controllable Budget)	(114)	(114)	(114)	(114)
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
The service will be reviewed – to look at the current model and other models for this provision. This will take into account how additional savings could be made – or income increased.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
Any potential new model for providing interpretation services will not impact on outcomes for local people, though delivery within the organisation might change.	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Carol Gilchrist
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Directorate	Office of the Chief Executive
Service Area	Transformation Team
Headline Proposal	Increasing efficiency in support processes
Reference	EX OC9

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(600)			
Cumulative Savings	(600)	(600)	(600)	(600)
Budget after Savings (Controllable Budget)				
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>During 2018/19, the Council will target £600k of additional savings by increasing efficiency and realising the benefit of the Council's investment in new technology, especially Digital by Design, Office 365 and Mobile and Agile ways of working. Priority areas for focus will be identified through factors such as printing costs, numbers of business systems required to complete key transactions, avoidable contacts and GDPR risks. Teams will be supported to increase business process efficiency, automating as far as possible from end-to-end and completing work in the most efficient way possible.</p> <p>Savings will be achieved by identifying savings opportunities in individual service areas and reducing budgets by the corresponding amount.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>This saving is based on changing working practices, so that work is completed with a reduced resource requirement. This should reduce the risk of a negative impact on service outcomes, which can be a consequence where staffing levels reduce, but working practices do not change.</p>	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	Michelle Nuttall
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Directorate	Office of the Chief Executive
Service Area	Transformation Team
Headline Proposal	Reduction in sickness absence
Reference	EX OC10

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(1,295)	(859)		
Cumulative Savings	(1,295)	(2,154)	(2,154)	(2,154)
Budget after Savings (Controllable Budget)				
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>Proposal to reduce the current level of staff sickness through a variety of interventions, including delivering the people strategy.</p> <p>This assumes that all of the cost of sickness can be saved, not just the cost of agency cover, as it eliminates the cost associated with retention of staff capacity to cover sickness absence.</p>

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

Accountable Head of Service	Michelle Nuttall
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Service Director	Office of the Chief Executive
Service Area	Professional Organisational Development
Headline Proposal	Efficiency savings
Reference	EX OC11

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(145)			
Cumulative Savings	(145)	(145)	(145)	(145)
Budget after Savings (Controllable Budget)	470	470	470	470
FTE Reduction	3			

Description of Savings Proposal (Including interdependencies and risk)
Release of existing vacancies (80k) plus remainder of one of the posts (remaining 2 months). Further savings to be achieved by redesigning development activities available from the corporate Learning and Organisational Development team.

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
There will be reduced capacity and resource available from this budget for learning and organisational development. We will mitigate the impact by redesigning the service and our offer. We will increase self-service development and draw on expertise and other budgets across the council to sustain the development needed for New Council.	
Does this proposal require an Equality Impact Assessment?	NO
Will this proposal require a Specific Service Consultation	NO

Accountable Head of Service	
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Service Director	Legal, Governance & Commissioning
Service Area	Legal Services
Headline Proposal	Further savings to be identified
Reference	EX LG1

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(143)	(122)	(121)	
Cumulative Savings	(143)	(265)	(265)	(265)
Budget after Savings (Controllable Budget)	1,456	1,334	1,214	1,214
FTE Reduction				

**Description of Savings Proposal (Including interdependencies and risk)**

The original MTFP setting out the additional planned savings for Legal Services assumed that there might be a reduction in demand for legal services as other service areas were cut but it highlighted the risk of this not happening.

The reduction in demand hasn't materialised from the intelligence we have on time recording / case management information, discussion with service areas and spend on legal matters as well as cases open. In some cases the demand has increased, and there are pressure areas in children's and adult's services as well as an increase in property work (to increase capital receipts) and information governance.

We have enabled some services to undertake legal work that was previously done by Legal Services - for example some prosecutions, some lower value contracts/ procurement and we are looking at other areas where we can do this as set out in EX RE1 (past year) but this process is dependent on other services being willing and having the resources to do this.

Ultimately we don't control demand - it arises from service areas.

We are continuing to look at ways in which we can reduce the overall corporate cost of legal services to the Council. As noted below a significant amount of spend on legal support is external where the budget is held elsewhere. We are reviewing areas where it would be better to do this differently and reduce the overall corporate spend

**Spend elsewhere as follows:**

	<b>Barrister &amp; Ext Solicitors</b>	<b>All other disbs*</b>
2016/2017	£999,970	£921,600
2017/2018 to end Nov	£962,343	£629,180

\*this includes a wide range of costs linked to the matter e.g. search fees, court fees, assessment reports, medical reports.

We operate two frameworks across West Yorkshire for using external solicitors and barristers to keep costs competitive. We also use other frameworks where we can to get best value for money.

2019/20 and 2020/21

As above for 2018/19. The savings here are again dependent on reduced service area demand and the likely need for legal support across the Council. These are more difficult to foresee and are not controlled by Legal Services.

#### Interdependencies and Risk

Demand for legal support isn't decreasing overall. Although it fluctuates across legal work types there is no discernible reduction in demand overall.

The impact of Ofsted and Commissioner work is now known and will for the short to medium term be likely to impact on the support for Children's Services work which is a potential and significant risk area. There is the possibility we may need to fill new posts to support Children's Services during this period to reduce the cost of external legal spend.

There are other pinch areas – for example Adult Social Care, Special Educational Needs.

Staff absence (maternity leave) needs to be covered either by a temporary replacement or a locum or by external solicitors. This was previously offset by vacancies on the establishment but there are no longer any such vacancies as they were used to make previous savings. Parts of the service are operating much reduced staffing levels.

There are risks that costs will continue to be passed to Local Authorities to deal with and manage - for example Judiciary – continue to pass on costs to public sector to save costs e.g. drafting orders.

Historic external trading target ((£180k) needs adjustment to reflect what is achievable. The original target was set more than 10 years ago when Legal Services were a traded service and when there was significant work from WYTS, KNH, schools and academies. Due to structural and economic changes outside the Council that is no longer the case and the retention of this target in the Legal Services budget significantly distorts the reported financial performance of the service.

Further work is needed to consider the current budget for external income and the ability with less staff to achieve that. There is a significant risk that this won't be achieved.

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

We need to look at the corporate cost of legal support and how we can do things differently to reduce cost.

Service is largely demand driven. Reducing staff numbers any further is not cost effective and is likely to result in increased use of external lawyers at greater cost or create an unacceptable level of risk of an impaired quality of service .

Alternatively we may need to take a corporate decision (where it is appropriate) not to do some things. We can make suggestions about how we manage matters and deal with cases / advice that comes through but ultimately cases are impacted by strategic decisions / policy/ day to day activities of the Council.

Obvious synergy with approach to risk/commissioning approach moving forwards.

The Ofsted review/ Commissioner decision is now known as noted above. It will give an opportunity to review how we work together with Children’s Services. This area of work represents about half of the demand for legal support.

Services will need to do more themselves and recognise when the best time to seek support is. We will continue to help services to do this e.g. low value contracts, non-contested prosecutions and identify other areas.

The WYLAW framework for Solicitors has recently been retendered. We need to ensure we will continue to move towards more effective collaboration across WYLAW.

We corporately need to improve recording of disbursements across service areas.

Potential for better use of IT by the Courts. The new approach would transfer information to court electronically. Impact on paper lite policies and data protection risks

Improvements to case management system across Legal Services to move towards a more paper lite approach

Consider opportunities to improve external trading but subject to earlier comments.

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

Accountable Head of Service	Julie Muscroft – Service Director -Legal, Governance and Commissioning, John Chapman –Head of Legal , Karl Larrad (Corporate Head) and Margaret Miller (Safeguarding Head)
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Service Director	Finance, IT & Transactional Services
Service Area	Finance & Accountancy
Headline Proposal	Efficiency savings
Reference	EX FI1

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental savings (Existing)	(383)	(301)	(100)	-
Cumulative Savings	(383)	(684)	(784)	(784)
Budget after Savings (Net Controllable Budget) *	2,906	2,505	2,405	2,405
FTE Reduction	7.0	7.5	2.5	-

(\*these figures also take into account new service savings – see also, NEW FI1)

Description of Savings Proposal (Including interdependencies and risk)
<p>Includes £537k savings in accountancy function over the period; through the expanded rollout and development of SAP functionality to support core budget manager competency and skills through direct reporting access to key financial information, and through greater financial process automation. Savings also underpinned by smarter and prioritised use of available professional capacity to ensure delivery of key statutory accounting and service requirements based on relative complexity and risk.</p> <p>The balance of £247k savings relates to HD-One, which is the Council’s centre of excellence for the provision of payroll, payment processing and organisational infrastructure required to support the efficient running of the Council’s core business system, SAP. Savings include £200k specifically relating to payroll improvements.</p>

Potential impact on outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<p>There is reliance on IT colleagues for continued SAP support, maintenance and development, including associated transactional processes.</p> <p>Turnover of staff who support key specialist /technical accounting roles will be mitigated by effective forward and succession planning to ensure that statutory accounting and organisational requirements over the medium term.</p>	
Does this proposal require an Equality Impact Assessment?	No
Will this proposal require a Specific Service Consultation	No
Accountable Head of Service	Eamonn Croston

Service Director	Finance, IT & Transactional Services
Service Area	Information Technology
Headline Proposal	IT Efficiency Savings
Reference	EX FI2

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(1,145)	(1,360)		
Cumulative Savings	(1,145)	(2,505)	(2,505)	(2,505)
Budget after Savings (Controllable Budget)	10,554	9,194	9,194	9,194
FTE Reduction	12	28		

Description of Savings Proposal (Including interdependencies and risk)	
<p><b>2018/19</b></p> <p>Documents Solutions Service Review IT and Change VR/VER Process Reduction in network Reduction in legacy telephony Printing Reduction (volume and associated consumables) Withdraw Access WiFi Transfer Move to Digital Payslips only Contract Review / Renegotiation (Phase 1)</p> <p><u>Dependencies</u> Paperlite Council Modified courier routing Reduced print and mail Better use of buildings</p>	<p><b>2019/20</b></p> <p>IT and Change Service Review Contract Review &amp; Renegotiation (Phase 2)</p> <p><u>Dependencies</u> Mobile and Agile Programme, Digital by Design Programme, SAP Support Self Sufficiency Network Support Switches to BAU Rightsizing post-transformation Smaller Council Automation of IT support Reduced Application Portfolio Simplified development methods</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
<ul style="list-style-type: none"> <li>• Adjustment to courier services frequency and/or discontinuation</li> <li>• Frontline IT services will be automated / self service at first point of contact</li> <li>• Reduction in out of hours support cover / availability due to better automation</li> <li>• Onsite call response reduction due to less frequency of calls</li> <li>• Contracted level of service reduced</li> <li>• Reduced capacity of the service</li> </ul>	
Does this proposal require an Equality Impact Assessment?	Yes
Will this proposal require a Specific Service Consultation	No

Accountable Head of Service	Andrew Brammall
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Service Director	Finance, IT & Transactional Services
Service Area	Welfare and Exchequer – Welfare & Complimentary Benefits (Client Financial Affairs)
Headline Proposal	New Adult Social Care Charging Policy Automation of office services and increased collection of income
Reference	EX F13

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(76)			
Cumulative Savings	(76)	(76)	(76)	(76)
Budget after Savings (Controllable Budget)	959	959	959	959
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>Increase in income collection – New Adult Social Care Charging Policy, New Deferred Payment Arrangement policy, Review of recovery policy and changes to automate processes and CFA set-up.</p> <p>High risk as never implemented before and subject to consultation and approval of the full policy, any variation may affect the savings. (The policy has not been agreed, consultation started, Cabinet 7<sup>th</sup> Feb 2017.)</p> <p>Cabinet report on 3<sup>rd</sup> Oct – is on link below:-  <a href="https://democracy.kirklees.gov.uk/ieListDocuments.aspx?CId=139&amp;MId=5189">https://democracy.kirklees.gov.uk/ieListDocuments.aspx?CId=139&amp;MId=5189</a></p> <p>The consultation is also on the web  <a href="http://www.kirkleestalk.org/index.php/get-involved/lets-talk-adult-social-care/">http://www.kirkleestalk.org/index.php/get-involved/lets-talk-adult-social-care/</a></p> <p>Note - This saving line was originally in Adult services prior to CFA moving to resources, and had a total saving of £300k. An element of this saving is not directly controlled through the core CFA team and as such remains as a saving within the Adults Directorate. See additional template under Adults for this element/saving.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes	
See above	
Does this proposal require an Equality Impact Assessment?	YES
Will this proposal require a Specific Service Consultation	YES

Accountable Head of Service	Steven Bird
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Service Director	Finance, IT & Transactional Services
Service Area	Welfare and Exchequer - Welfare & Complementary Benefits
Headline Proposal	More Automation of back office services
Reference	EX FI4

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(53)	(50)	(50)	
Cumulative Savings	(53)	(103)	(153)	(153)
Budget after Savings (Controllable Budget)	1,623	1,573	1,523	1,523
FTE Reduction	2	2	2	

<b>Description of Savings Proposal (Including interdependencies and risk)</b>	
<p>Review of welfare and complementary benefits staffing, in light of changes to automation, caseload changes and implementation of Universal Credit (UC) in Kirklees. (UC rollout will run until at least 2022.)</p> <p>Statutory Service - this proposal will potentially impact on some of the most vulnerable people in Kirklees. The migration to Universal Credit (UC) is a national process run by the Department for Work and Pensions, the migration of working age Housing Benefit claimants to UC has already started in Kirklees for single people in June 2015. November 2017 saw the start of couples UC migration in Kirklees. The Council already has procedures in place to assist residents with the changes including "Advice Kirklees".</p>	

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

Accountable Head of Service	Steven Bird
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Service Director	Finance, IT & Transactional Services
Service Area	Welfare and Exchequer, - Social Fund/Local Welfare Provision
Headline Proposal	Review of Local Welfare provision and Loan scheme for white goods
Reference	EX F15

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(80)			
Cumulative Savings	(80)	(80)	(80)	(80)
Budget after Savings (Controllable Budget)	555	555	555	555
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
<p>Review of Local Welfare Provision funding for white goods, food and advice – the proposal is to review this non statutory service and move white goods expenditure of £410k to a loan scheme.</p> <p>The LWP funding also funds Advice for Welfare Benefits Advice and Universal Credit personal budgeting support (100k) to Kirklees Citizen Advice &amp; Law Centre (KCA&amp;LC). Support and Advice is also provided (53k) for the mission to fund homeless and welfare benefits support &amp; advice, and similar provisions are paid to Fusion Housing (79k) for North Kirklees.</p> <p>This proposal would reduce the grant allocation.</p> <ul style="list-style-type: none"> <li>- The white goods proposal is to utilise the Credit Union(s) to set up a loan scheme(s), this would replace the annual grant and therefore the expenditure.</li> <li>- KCA&amp;LC grant of 100k would be reduced by 30k and new burdens Universal Credit funding for personal budgeting support will be used instead.</li> <li>- Funding for support and advice to Fusion and the Mission to be reduced by approximately 50k – alternative support to be provided through “Advice Kirklees”.</li> <li>- Reserve fund from existing underspend (approximately 38k to be increased to 50k) held as a reserve/hardship fund.</li> </ul> <p>This proposal is also linked to Credit Union proposal and Advice Kirklees. Modelling is required on similar schemes to establish actual rate of repayments, and LWP schemes will be compared across West Yorkshire.</p>

Potential impact on service outcomes and any mitigating actions proposed. This should take into account, where applicable, relevant strategic, service plan or community planning outcomes
<p>The risks are minimised as the white goods provision is substituted with a low cost loan scheme, and alternative advice is still available through the main advice contract at other locations.</p>

The main risk with the proposal is setting up the Credit Union scheme(s).

There are also risks for Kirklees Neighbourhood Housing - if there are delays in providing white goods and basic furniture through the credit union(s), this could lead to delays in tenant occupation of properties, and therefore rent arrears if housing benefit cannot be paid, however, this risk will change as housing benefit is replaced by Universal Credit.

Does this proposal require an Equality Impact Assessment?

YES

Will this proposal require a Specific Service Consultation

NO

Accountable Head of Service

Steven Bird

Service Director	Finance, IT & Transactional Services
Service Area	Welfare and Exchequer - Advice Kirklees
Headline Proposal	Subject to further service review and digital automation
Reference	EX FI6

Forecast Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Incremental Savings	(100)			
Cumulative Savings	(100)	(100)	(100)	(100)
Budget after Savings (Controllable Budget)	1,149	1,149	1,149	1,149
FTE Reduction				

Description of Savings Proposal (Including interdependencies and risk)
Further review of Advice Kirklees, additional automation of processes and consolidation of Advice Kirklees contract, to include all advice and Better Off Kirklees web platform. Single claim form, welfare advice and benefits advice, debt advice, benefits calls (Impact on Kirklees Direct), KNH advice, employment advice, Credit Union, Kirklees Citizen Advice & Law Centre and Fusion Housing. This would affect our advice contract, Kirklees Neighbourhood Housing and Kirklees Direct.

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

Accountable Head of Service	Steven Bird
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i) COLLECTION FUND FORECAST 2017-18 (as at month 8 monitoring)

COLLECTION FUND	Council Tax	Business Rates
	£000	£000
<b>(surplus)/deficit as at 1 April 2017</b>	<b>(3,000)</b>	<b>1,300</b>
Planned Re-payments to/(from) General Fund in 2017-18	2,000	(1,900)
In-year financial performance	(2,500)	600
<b>Forecast (surplus)/deficit as at 31 March 2018</b>	<b>(3,500)</b>	<b>0</b>
Planned Re-payments to/(from) General Fund in 2018-19	3,500	0
<b>Adjusted (surplus)/deficit</b>	<b>0</b>	<b>0</b>

ii) Un-ringfenced Grants

Category	2018-19	2019-20
	£000	£000
New Homes Bonus	(4,700)	(4,000)
Housing & Council Administration Grant	(2,114)	(2,114)
Business Rates Relief Grant – multiplier (RPI) compensation grant	(2,100)	(3,100)
Business rates Relief Grant – Other Reliefs	(7,475)	(3,676)
Independent Living Fund	(835)	(810)
Other	(436)	(372)
<b>Total</b>	<b>(17,660)</b>	<b>(14,072)</b>

iii) Leeds City Region 100% business rates retention pilot – exemplification of funding adjustments applicable to 2018-19 only

Business rates retention scheme*	2018-19 No pilot (50% local share)	MTFP 2018-19 LCR Pilot (100% local share)
	£000	£000
Business Rates Local Share	(49,987)	(99,786)
(Top Up Grant) / Tariff	(27,535)	2,340
Revenue Support Grant	(22,825)	-
Business Rates Relief Grants*	(4,574)	(7,475)
<b>Total</b>	<b>(104,921)</b>	<b>(104,921)</b>

*\*excludes multiplier compensation grant which is not in scope for the purposes of the technical funding adjustments relating to the Pilot*

iv) **GENERAL FUND RESERVES**

<b>GENERAL FUND RESERVES</b>	<b>Actual Reserves as at April 1 2017</b>	<b>Planned use to support MTFP</b>	<b>Other Planned use In-year</b>	<b>Earmarked Reserves review</b>	<b>Forecast Reserves As at 31 March 2018</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>SCHOOL RESERVES*</b>	<b>(11,852)</b>	<b>-</b>	<b>2,090</b>	<b>-</b>	<b>(9,762)</b>
<b>EARMARKED</b>					
Workforce Restructure	(5,091)	-	3,551	-	(1,540)
Transformation	(4,944)	-	3,002	-	(1,942)
Rollover	(4,006)	-	2,394	322	(1,290)
Joint Adults/Health	(7,703)	7,700	-	-	(3)
Revenue Grants (various)	(8,215)	-	1,890	322	(6,003)
Stronger Families Grant	(1,902)	-	-	-	(1,902)
Prepayment reserve (PFI)	(3,314)	-	-	-	(3,314)
Insurance (MMI)	(1,900)	-	-	-	(1,900)
Other	(2,419)	-	810	-	(1,609)
Ward based activity	-	-	-	(644)	(644)
Financial Resilience	(28,046)	-	-	-	(28,046)
<b>Total - Other</b>	<b>(67,540)</b>	<b>7,700</b>	<b>11,647</b>	<b>-</b>	<b>(48,193)</b>
<b>General Balances**</b>	<b>(10,718)</b>	<b>3,485</b>	<b>-</b>	<b>-</b>	<b>(7,233)</b>
<b>Total – All General Fund</b>	<b>(90,110)</b>	<b>11,185</b>	<b>13,737</b>	<b>-</b>	<b>(65,188)</b>

*\*statutory reserve – cannot be transferred to other Council reserves*

*\*\*includes £5m minimum general balances requirement*

v) HRA Reserves

HRA RESERVES	Actual Reserves as at April 1 2017	Planned transfer from HRA	Planned use In-year	Forecast Reserves As at 31 March 2018
	£000	£000	£000	£000
Set aside for business risks	(4,000)	-	-	(4,000)
Set aside to meet current and future Investment needs (as per the HRA business plan)	(46,513)	(498)	-	(47,011)
Workforce Restructure reserve*	-	(2,500)	-	(2,500)
Working Balance	(1,500)	-	-	(1,500)
Forecast year end surplus	-	(374)	-	(374)
<b>Total</b>	<b>(52,013)</b>	<b>(3,372)</b>	<b>-</b>	<b>(55,385)</b>

\*proposed new reserve

**Name and date of meeting: Corporate Governance and Audit Committee  
 30 January 2018**

**Cabinet  
 30 January 2018**

**Council  
 14 February 2018**

**Title of report: Treasury Management Strategy 2018-19**

**Purpose of report**

Under the CIPFA Code of Practice on Treasury Management (2011) and accompanying Prudential Code 2011 the Council must present a Treasury Management Strategy at the start of each financial year. Within the Treasury Management Strategy an Investment Strategy must also be approved by Council.

<b>Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?</b>	<b>Yes</b>
<b>Key Decision - Is it in the <a href="#">Council's Forward Plan (key decisions and private reports?)</a></b>	<b>Key Decision: Yes</b> <b>Private Report/Private Appendix: N/A</b>
<b>The Decision - Is it eligible for call in by Scrutiny?</b>	<b>No</b>
<b>Date signed off by Strategic Director and name</b>	<b>Jacqui Gedman – 19 January 2018</b>
<b>Is it also signed off by Service Director</b>	<b>Debbie Hogg – 15 January 2018</b>
<b>Is it also signed off by the Service Director Legal, Governance and Commissioning</b>	<b>Julie Muscroft – 17 January 2018</b>
<b>Cabinet member <a href="#">portfolio</a></b>	<b>Corporate Graham Turner Musarrat Khan</b>

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

## 1 Summary

- 1.1 The Council has formally adopted CIPFA's Code of Practice on Treasury Management (2011 Edition), and accompanying Prudential Code 2011, and is thereby required to consider a treasury management strategy before the start of each financial year. In addition, the Department for Communities and Local Government (DCLG) issued guidance on local authority investments in March 2010, which requires the Council to approve an Investment Strategy before the start of each financial year.
- 1.2 This report meets the requirements of the current CIPFA Codes and current DCLG Guidance (2011 Edition). Both the current CIPFA Treasury Management and Prudential Codes and current DCLG guidance on local authority investments have been subject to recent consultation exercises, with a view to them being revised in time for 2018-19 financial year. .
- 1.3 Following consultations in February and August last year, CIPFA published its new 2017 editions of *Treasury Management in the Public Services: Code of Practice and Cross-sectoral Guidance Notes* and the *Prudential Code for Capital Finance in Local Authorities* just before Christmas 2017. Updated sector specific guidance notes, which include the treasury management indicators for local authorities, have yet to be published. The timing is unhelpful for many Councils, including Kirklees, in terms of adherence to the 2017 Code of Practice, in light of current Budget and Committee timetable requirements in preparation for 2018-19.
- 1.4 Before being able to refer to the revised code and guidance, Council officers will need to see the new Treasury Management (TM) Code Guidance Notes which include the TM indicators, and new DCLG Investment Guidance (not finalised at the time of writing this report), to fully appreciate the new regulatory framework for treasury management.
- 1.5 The 2017 TM guidance also includes the requirement for Councils to draft a capital strategy before the start of the 2018-19 financial year. However, DCLG consultation proposals include some potential overlaps with the CIPFA 2017 TM Code. As noted above, DCLG proposals have yet to be finalised, which means that the 2018-19 TM regulatory framework has yet to be finalised. As reported to full Council on 13 December 2017 as part of the half-yearly monitoring report on Treasury Management activities, which highlighted some of the key proposed Code changes, the existing 12 guideline treasury management practices within the existing code remain intact resultant from the Code 2017 revision , other than an additional section to cover commercial investments. The link to the 13 December 2017 report is included below for information (Agenda Item 11):  
  
[Agenda for Council on Wednesday 13th December 2017](#)
- 1.6 In light of the 2018-19 TM regulatory framework having yet to be finalised, the Council's external treasury management advisors, Arlingclose, have advised its clients to continue to prepare for, and obtain full Council approval for the 2018-19 Treasury Management Strategy, based on the current 2011 Codes of practice. In

any case, the requirement for a Treasury Management Strategy remains unchanged in the 2017 Code. The 2018-19 Treasury Management Strategy is therefore still based on the current CIPFA Codes and current DCLG guidance. It is intended that in preparation for the 2019-20 financial year, the Council's Treasury Management strategy will formally adopt the 2017 CIPFA Code revisions, and any relevant updated DCLG guidance on local Authority Investments.

1.7 Cabinet is responsible for the implementation and monitoring of the treasury management policies. The Corporate Governance and Audit Committee undertake a scrutiny role with regard to treasury management. Recent training for members of this Committee was provided in November 2017 by the Council's treasury management advisors.

1.8 This report will:

- (i) outline the outlook for interest rates and credit risk, and in light of this, recommend an investment strategy for the Council to follow in 2018-19;
- (ii) outline the current and estimated future levels of Council borrowing (internal and external) and recommend a borrowing strategy for 2018-19;
- (iii) review the methodologies adopted for providing for the repayment of debt and recommend a revised policy for calculating the Minimum Revenue Provision from 2017-18 onwards;
- (iv) review other treasury management matters including the policy on the use of financial derivatives, prudential indicators, the use of consultants, and the policy on charging interest to the Housing Revenue Account

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

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

### Economic Background

2.1 The major external influence on the Authority's treasury management strategy for 2018-19 will be the UK's progress in negotiating its exit from the European Union and agreeing future trading arrangements. The domestic economy remains relatively robust since the surprise outcome of the 2016 referendum, but there are indications that uncertainty over the future is now weighing on growth. Transitional arrangements may prevent a cliff-edge, but will also extend the period of uncertainty for several years. Economic growth is therefore forecast to remain sluggish throughout 2018-19.

2.2 Consumer price inflation reached 3.0% in September 2017 as the post referendum devaluation of sterling continued to feed through to imports. However, this effect is expected to fall out of year-on-year inflation measures during 2018, removing pressure on the Bank of England to raise interest rates.



- 2.7 The Capital Financing Requirement (CFR) represents the Council's underlying need to finance capital expenditure by borrowing or other long-term liability arrangements. An authority can choose to borrow externally to fund its CFR. If it does this, it is likely that it would be investing externally an amount equivalent to its total reserves, balances and net creditors. Alternatively, an authority can choose not to invest externally but instead use these balances to effectively "borrow internally" and minimise external borrowing. In between these two extremes, an authority may have a mixture of external and internal investments / external and internal borrowing.
- 2.8 Prior to 2009-10 the Council's policy had been to borrow up to its CFR, investing externally the majority of its balances. With the onset of instabilities in the financial markets and the economic downturn, the policy changed to one of ensuring the security of the Council's balances. This coincided with dramatic falls in investment returns, making the budgetary benefit of maximising external borrowing more marginal. Thus, the Council has chosen to steadily reduce monies invested externally and instead has used balances to offset new borrowing requirements.
- 2.9 The Service Director of Finance, IT and Transactional Services supports the approach that the borrowing and investment strategy for 2018-19 continues to place emphasis on the security of the Council's balances. Although credit conditions have been steadily improving, the global recovery is still fragile and regulation changes have increased local authority exposure in the event of a possible default of any financial institutions.
- 2.10 Until there is further improved confidence in the financial markets, it is recommended that balances should only be invested to a level which is perceived to be reasonably secure and which is needed to meet the day-to-day cash flow requirements of the Council (around £30 million). The remainder of the balances will be effectively invested internally, that is used to offset borrowing requirements.
- 2.11 In terms of the Council investing more balances and trying to make a return to help budgetary concerns, this would be both difficult and increase risk. To increase investment balances, the Council would have to borrow. To make a material return on investments, the Council would have to invest for longer periods than the borrowing period and/or invest with lower rated bodies.

#### Borrowing Strategy

- 2.12 The Council is forecast to hold around £575.8m of external borrowing and other long-term liabilities as at 31 March 2018. This is analysed at Table 2 below:

Table 2 – year end estimate – 31 March 2018

	£m	%
PWLB loans (fixed rate)	286.6	50
LOBOs	76.6	13
Loan stock (fixed rate)	7.0	1
Other long term loans (fixed rate)	30.2	5
Temporary borrowing	68.2	12
<b>Total external borrowing</b>	<b>468.6</b>	
Other Long Term Liabilities (mainly PFI)	107.2	19
<b>Total external debt liabilities</b>	<b>575.8</b>	

2.13 It is proposed to keep new borrowing to short periods, thus taking advantage of the very low interest rates forecast for the next few years. This will help mitigate budgetary pressures, whilst acknowledging there may be increased interest rate risk in the longer term. This will be monitored and advice sought from Arlingclose.

2.14 The approved sources of borrowing are:

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

2.15 Historically, the biggest source of borrowing for local authorities has been PWLB loans. These Government loans have offered value for money and also flexibilities to restructure and make possible savings. The Council also has LOBO (Lender's Option, Borrower's Option) loans, where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. The Council will take the option to repay at no cost, if it has the opportunity to do so. The Council's current limit on LOBO borrowing is set at 30% of long-term debt.

2.16 The Local Capital Finance Company was established in 2014 by the Local Government Association as an alternative source of local authority finance. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for two reasons: borrowing authorities may be required to provide bond investors with a joint and several guarantee over the very small risk that other local authority borrowers default on their loans; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable.

2.17 The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. The Council may take advantage of this and replace some of the higher rate loans with new loans at lower interest rates where this will lead to an overall saving or reduce risk.

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

### Investment Strategy

2.19 Investment guidance issued by DCLG requires that an investment strategy, outlining the authority's policies for managing investments in terms of risk, liquidity and yield, should be approved by full Council or equivalent level, before the start of the financial year. This strategy can then only be varied during the year by the same executive body.

2.20 The guidance splits investments into two types – specified and non-specified.

- Specified investments are those offering high security and liquidity. All such investments should be in sterling with a maturity of no more than a year. Investments made with the UK Government and a local authority automatically count as specified investments, as do investments with bodies or investment schemes of “high credit quality”. It is for individual authorities to determine what they regard as “high credit quality”; and
- Non-specified investments have greater potential risk, being either investments of “lower credit quality” or investments made for longer than one year.

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

2.22 A new regulatory update came into force from 3<sup>rd</sup> January 2018; the second Markets in Financial Instruments Directive (MiFID II), which meant that the Council had to formally apply to renew its status as a ‘professional client’ (also referred to as the ‘opt up’ option), but subject to certain criteria being met. Prior to this regulation update, coming into force, the Council, as with all local authorities, had been treated by regulated financial services firms as professional clients by default.

2.23 The Council would need to opt up for the purposes of being able to continue to invest with, or borrow from, regulated services firms including banks, brokers, advisers, fund managers and custodians, but only where they are selling, arranging, advising or managing designated investments. Otherwise, the default status of the Council would be ‘retail client.’

2.24 The key advantage of opting up was set out in the half-yearly 2017-18 treasury management monitoring report, namely that opting up was necessary in order to continue to have the widest opportunities to invest within the scope of the Council's current treasury management strategy, from 3<sup>rd</sup> January 2018; in particular with regard to continued access to money market funds, not available to retail clients.

- 2.25 Following full Council approval on 13<sup>th</sup> December 2017, officers have now successfully 'opted up' the Council to professional client status, effective from 3<sup>rd</sup> January 2018.
- 2.26 A key criteria for continuing professional client status is that the authority must have an investment balance of at least £10 million. The proposed investment strategy in para 2.27 below will ensure this this particular criteria will be met throughout 2018-19.
- 2.27 It is recommended that the investment strategy for 2018-19 continues to maintain a low risk strategy giving priority to security and liquidity, and as such invest an average of around £30 million externally, for the purpose of managing day-to-day cash flow requirements. The remaining balances will be invested "internally", offsetting borrowing requirements.
- 2.28 Having successfully opted up to professional client status, the Council's investment criteria remain unchanged from current, and are detailed at Appendix A. They contain specified and non-specified investment opportunities, recognising through the limits proposed, the slightly higher risk of non-specified investments.
- 2.29 The Council uses credit ratings from the three main rating agencies - Fitch, Moody's and Standard & Poor's to assess the risk of investment defaults (Appendix B). The lowest credit rating of an organisation will be used to help determine credit quality. Long term ratings are expressed on a scale from AAA (the highest quality) through to D (indicating default). Ratings of BBB- and above are described as investment grade, while ratings of BB+ and below are described as speculative grade.
- 2.30 Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria:
- No new investments will be made;
  - Any existing investments that can be recalled at no cost will be recalled;
  - Full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a rating is on review for possible downgrade ("negative watch") so that it is likely to fall below the required criteria, then no further investments will be made in that organisation until the outcome is announced. This policy will not apply to negative outlooks.

- 2.31 Full regard will be given to other available information on the credit quality of banks and building societies, including credit default swap prices, financial statements and rating agency reports. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the approved criteria.
- 2.32 If the UK enters into a recession in 2018-19, there is a small chance that the Bank of England could set its Base Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short term investment options. This situation already exists in many other countries. In this event, security will

be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

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

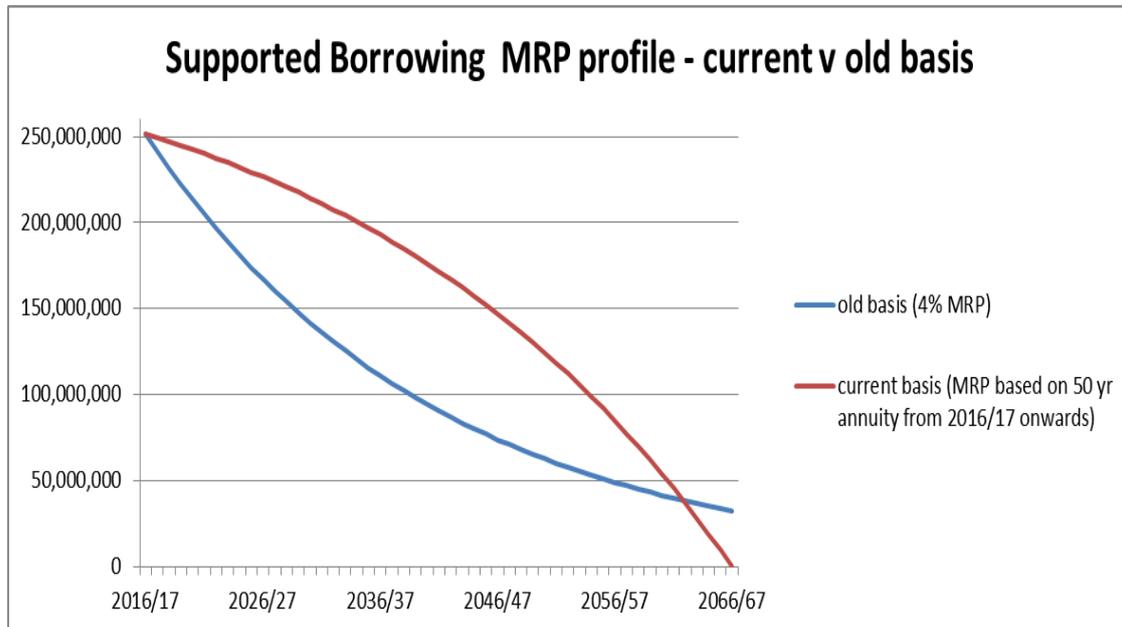
#### Statement of Policy on the Minimum Revenue Provision (MRP)

- 2.34 MRP is the statutory requirement for local authorities to set aside some of their revenue resources as provision for reducing the underlying need to borrow (Capital Financing Requirement – CFR), ie the borrowing taken out in order to finance capital expenditure.
- 2.35 Prior to the Local Authorities (Capital Finance and Accounting) (England) Regulations 2008, which came into force on 31 March 2008, the set aside was specified as a percentage of a council's CFR (2% for HRA debt, 4% for General Fund). The current Regulations are less prescriptive with a requirement to ensure the amount set aside is deemed to be **prudent**, although there is accompanying current DCLG guidance which sets out possible methods a council might wish to follow.
- 2.36 Paragraph 3 of the current DCLG guidance recommends that authorities prepare a statement of policy on making MRP in respect of the forthcoming year, with approval by full council before the start of the financial year. If these proposals subsequently need to be varied, a revised statement should be put to full council.

#### MRP – current approach

- 2.37 The Council formally approved a revised calculation for MRP for supported borrowing, effective from 2016-17 onwards, against the outstanding balance of £251m supported borrowing as at that date. This intention was to more 'prudently' align MRP to the average useful life of the assets; in this instance, 50 years.
- 2.38 The revised MRP calculation was based on the annuity method, which is a more prudent basis for providing for assets that provide a steady flow of benefits over their useful life. The pre-existing calculation had been based on 4% reducing balance basis. The following graph 1 illustrates the impact of the revised MRP calculation implemented on the supported borrowing debt re-payment profile, based on a 50 year annuity period.

Graph 1 – impact of current MRP calculation on supported borrowing debt repayment from 2016-17, over 50 years



2.39 The graph 1 above illustrates that under the revised MRP, the outstanding supported borrowing debt of £251m would effectively be paid off ‘prudently’, by 2066-67. Under the pre-existing method, there would still have been about £32m debt outstanding in 50 years’ time. The revised approach ensured that future Council Tax payers would not be burdened with the cost of debt relating to assets that may no longer be in use.

2.40 The above revision had a significant overall impact on the annual MRP calculation from current budgeted, reducing the annual MRP charge by £8m in 2016-17, with ongoing , albeit reducing, annual revenue treasury management benefits over the following 13 years, before MRP costs started to increase again. The budgeted impact at the time was factored into approved 2017-21 budget plans. The prudential indicator relating to the ratio of financing costs to net revenue stream also reduced from 12.83% pre-existing, to 9.0% revised, by 2021-22.

2.41 The annual budget report to full Council on 15th February 2017 further noted that many Local Authorities were also either reviewing, or had recently revised, their MRP calculations at the same time as this Council. Other aspects of the MRP calculation had also been reviewed by officers, but that officers were not proposing further changes at this time. This included the potential further backdating of annuity calculations on supported borrowing debt outstanding, a further 10 years to 2007/08; allowable under the 2008 Regulations (see paragraph 2.33 earlier).

2.42 The rationale for deferring the potential further backdate to 2007-08 was pending further clarification from both the National Audit Office and Department of Communities & Local Government (DCLG), who were raising some concerns

about the approach some Local Authorities were taking with regard to interpretation of the notion of 'prudent' within the 2008 Regulations, to their own MRP calculations.

2.43 With regard to Kirklees Council's approach, the Council's external auditors, KPMG, raised no concerns with the subsequent MRP revision implemented from 2016-17 onwards. As subsequently reported to Corporate Governance & Audit Committee on 17th November 2017, KPMG gave an unqualified opinion on the Council's 2016-17 financial statements, which incorporated the MRP revision.

MRP – further revision proposed from 2017-18 onwards

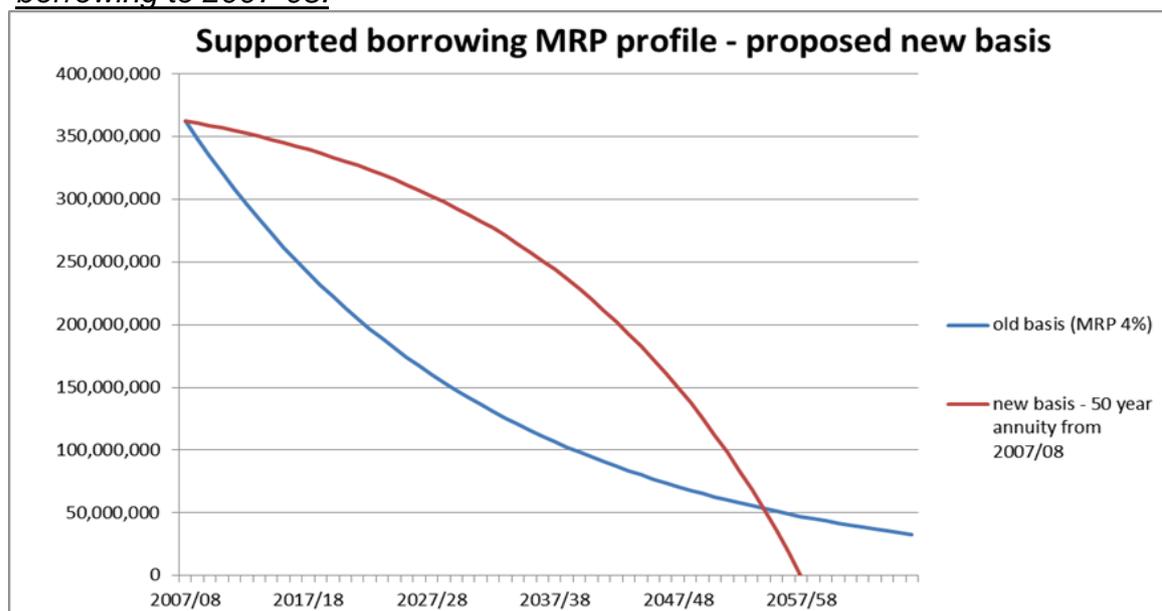
2.44 Officers have further reviewed the MRP calculation for supported borrowing and are proposing a further revision; to 'backdate' the current 50 year annuity basis to 2007-08. This revised MRP would be implemented from 2017-18 onwards.

2.45 The officer rationale for this further revision reflects a more consistent application of the 50 year annuity calculation for supported borrowing outstanding, to 2007-08; the date that the 2008 regulations effectively relaxed the pre-existing prescriptive 4% reducing balance basis for the MRP calculation.

2.46 This proposal also takes account, in conjunction with advice from the Council's external treasury management advisors, Arlingclose, a risk assessment of a recent DCLG consultation which closed on 22 December 2017, on proposals to update their own MRP guidance to Local Authorities from April 2018 onwards (see also, paragraph 2.64 below).

2.47 The following graph 2 illustrates the impact of the proposed further MRP revision on the supported borrowing debt repayment profile:

Graph 2 – impact of the revised 50 year annuity MRP calculation on supported borrowing to 2007-08:



2.48 Under the revised approach, debt will still be paid off 'prudently' over a 50 year period, but backdated to 2007-08; effectively paid off by 2056-57. The 50 year annuity calculation applied here relates to the supported borrowing debt as at the start of 2007-08; £362m. Under the pre-existing 4% reducing balance method, there would still have been about £50m debt outstanding by 2056-57.

2.49 The proposed MRP revision results in a calculated 'over-provision' of MRP charges made between 2007-08 and 2015-16 compared to the original 4% reducing balance MRP calculation. The over-provision is £91.2m and is summarised at Table 3 below:

Table 3 - MRP over-provision; 2007-18 to 2015-16

<b>Year</b>	<b>Original MRP £</b>	<b>Revised MRP £</b>	<b>Over-provision £</b>
2007-08	14,396,791	1,853,624	12,543,167
2008-09	13,843,068	1,942,412	11,900,656
2009-10	13,310,643	2,035,454	11,275,189
2010-11	12,798,695	2,132,952	10,665,743
2011-12	12,306,437	2,235,121	10,071,316
2012-13	11,833,113	2,342,183	9,490,930
2013-14	11,356,820	2,454,374	8,902,446
2014-15	11,119,891	2,571,938	8,547,953
2015-16	10,476,295	2,695,134	7,781,161
<b>Total</b>	<b>111,441,753</b>	<b>20,263,192</b>	<b>91,178,561</b>

2.50 In terms of options for un-winding the £91.2m over-provision back into general fund revenue, it could be 'front loaded' i.e. maximise the benefit of the un-winding in the early years. However, this unwinding cannot be more than the overall annual MRP calculation, as otherwise the Council would end up in a negative MRP position, which is not allowable under accounting rules. The maximum unwind allowable in 2017-18 would be £13.3m, £13.4m in 2018-19 and £13.6m in 2018-19 (see also paragraph 2.56 further below).

2.51 Some external auditors have also not looked favourably on Councils that have effectively maximised the unwinding of any calculated over-provision, to the extent that there has effectively meant nil MRP charge for the year in question; the auditor argument being that zero annual MRP provision is deemed not prudent.

2.52 An alternative approach could be to stretch the un-wind of the over-provision over the remaining 40 years of the supported borrowing annuity calculation. On an equal instalment basis, this would equate to an annual 'un-wind' of about £2.2m. However, in the context of the overall scale of the over-provision calculation, this approach could be seen as a potentially overly conservative un-wind profile.

2.53 The officer proposal here is to un-wind the £91.2m over-provision over a ten year time-frame, from 2017-18 to 2026-27; equivalent to £9.1m un-wind each year for the next ten years. This still leaves a prudent annual MRP provision in the region of £4.2m in 2017-18, £4.4m in 2018-19 and £4.5m in 2019-20; rising incrementally thereafter over following years.

- 2.54 The revised MRP proposal re-profiles the repayment of the Capital Financing Requirement (CFR) and therefore increases profiled payments of MRP by approximately £50m, by 2056-57. The additional cost reflects the fact that the revised MRP prudently pays off the totality of the £362m supported borrowing debt by 2056-57, whereas under the old 4% MRP calculation, there would have been a remaining balance of £50m debt still by 2056-57.
- 2.55 The MRP proposal will also increase annual treasury management costs by £820k from 2018-19 onwards, due to the back-dating of the current 50 year annuity calculation to 2007/08. This has been factored into overall treasury management budget proposals in the annual budget report.
- 2.56 The overall annual MRP calculations built into treasury management budget proposals over the 2018-20 period, factoring in the back-dated MRP revision, is £13.3m in 2017-18 (current year), £13.4m in 2018-19 and £13.6m in 2019-20.
- 2.57 Reduced MRP charges in earlier years also means that the Council's capital financing requirement (CFR) correspondingly increases, because MRP charges effectively offset against the annual CFR requirement.
- 2.58 This means that an increased CFR requirement in the earlier years increases the Council's underlying need to borrow, with a consequential increase in annual interest charges. Current borrowing policy reflects historically low temporary borrowing rates. It is anticipated the increase in CFR requirement resultant from the MRP over-provision un-wind, based on current temporary borrowing rates of 0.45%, would equate to about £45k additional interest charges in 2018-19, with subsequent further £45k increases (i.e. £90k in 2019-20) each year thereafter, for the duration of the unwind period. Clearly any increase in interest rates over the period would increase the calculated interest charge.
- 2.59 The prudential indicator relating to ratio of financing costs to net revenue stream would also 're-base' from 8.0% to 5.0% in 2018-19.
- 2.60 No changes are proposed to the MRP policy for HRA debt. The current policy is to make provision in line with any scheduled external debt repayments, which currently approximates to 50 year write down, in line with asset lives.
- 2.61 It is proposed to amend the Council's MRP Policy Statement for 2017-18 in order that the above changes in methodology apply from the current year (2017-18). The revised MRP Policy Statement is attached Appendix C.
- 2.62 The Council's external auditors, KPMG have reviewed the proposed MRP changes and have commented that they have no concerns with the changes, in principle from an audit perspective.
- 2.63 The Council's external treasury management advisors, Arlingclose, have also been commissioned by Council officers to advise on the proposed MRP revision above, taking into account both current DCLG and National Audit Office guidance, and DCLG's proposed changes to its own current MRP guidance to Local Authorities.

2.64 Arlingclose are of the view that the MRP revision proposals set out in this report are within current DCLG and National Audit Office guidelines. DCLG's proposed updated guidance on MRP includes the following key highlights:

- i) MRP cannot be a negative charge and can only be zero if the Council's CFR is nil or negative, or if the charge is fully reduced by reversing previous overpayments;
- ii) where a local authority has changed the methodology that it uses to calculate prudent provision and generated what the current guidance calls an 'overpayment' (over-provision), it can continue to incorporate that overpayment into future calculations of prudent provision;
- iii) maximum asset life used in an MRP calculation of 40 years, except freehold land where the maximum is 50 years. This applies to any calculation method using asset lives.

2.65 Arlingclose's interpretation of the above is that if the Council puts its proposed MRP back-date revision into its MRP policy now, then the Council will be able to continue to unwind the backdated over-provision, over future years. If the Council wishes to take this opportunity, it must do so as soon as is practical. However, the above proposals remain draft pending final confirmation of the updated guidance from DCLG, still pending at the time of writing this report.

2.66 Officers recommend that the revenue resource impact of the proposed over-provision unwind be transferred to Council reserves by default, as part of the Council's overall budget strategy and approach, ring-fenced for future consideration. This is also set out in as part of the overall annual budget report to Cabinet on 30<sup>th</sup> January and full Council on 14 February 2018.

#### Policy on the Use of Financial Derivatives

2.67 Local authorities (including this Council) have in the past made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans). The Localism Act 2011 includes a general power of competence that appears to remove the uncertain legal position over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment). The latest CIPFA Code requires authorities to clearly detail their policy on the use of derivatives in the annual strategy.

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

2.69 Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded

derivatives will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

### Non-Treasury Investments

2.70 Although not classed as treasury management activities and therefore not covered by the current CIPFA Code or the CLG Guidance, the Authority may also purchase property for investment purposes and may also make loans and investments for service purposes, for example in shared ownership housing, loans to local businesses and landlords, or as equity investments and loans to the Authority's subsidiaries. Such loans and investments will be subject to the Authority's normal approval processes for revenue and capital expenditure and need not comply with this treasury management strategy.

### Treasury Management Indicators

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

### Other Matters

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

(i) Investment Consultants

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

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

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

(ii) Investment Training

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

(iii) Investment of money borrowed in advance of need

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

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

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

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

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

The strategies outlined have been reflected in the treasury management and HRA budgets.

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

This report was presented to Corporate Governance & Audit Committee prior to the Cabinet meeting on 30 January. The recommendation from Corporate Governance & Audit Committee was that, following Cabinet, the Treasury Management strategy report as is, be considered at Budget Council on 14 February.

### **5 Next steps**

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

### **6 Officer recommendations and reasons**

That Cabinet recommend the following for approval by Council:

- (i) the borrowing strategy outlined in paragraphs 2.12 to 2.18;
- (ii) the investment strategy outlined in paragraphs 2.19 to 2.33 and Appendix A;
- (iii) the policy for provision of repayment of debt (MRP) outlined in Appendix C of the report, which reflects the changes in policy outlined in paragraph 2.34 to 2.66, effective from 2017-18 onwards;
- (iv) the treasury management indicators in Appendix D;

- (v) to note officer proposals to re-fresh the treasury management strategy for financial year 2019-20 to reflect revised 2017 CIPFA Treasury Management & Prudential Codes, and updated DCLG Investment strategy and MRP guidance to Local Authorities (still pending at the time of writing this report)

## **7 Cabinet Portfolio Holder recommendation**

The report and recommendations be submitted to Council on 14 February 2018.

## **8 Contact officer**

Eamonn Croston	Head of Accountancy & Finance	01484 221000
James Buttery	Finance Manager	01484 221000

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

CIPFA's Code of Practice on Treasury Management in the Public Services; CIPFA's Prudential Code for Capital Finance in Local Authorities; Guidance on Local Government Investments (DCLG 2010); The Local Authorities (Capital Finance and Accounting) (England) Regulations 2008; Localism Act 2011. CIPFA Treasury Management Code and Prudential Code 2017 DCLG consultations; MRP Guidance and Investment Strategies for Local Authorities

## **10 Service Director responsible**

Debbie Hogg 01484 221000

## **Investment Policy for 2018-19**

The guidance splits investments into two types – specified and non-specified.

- Specified investments are those offering high security and liquidity. All such investments should be in sterling with a maturity of no more than a year. Investments made with the UK Government and a local authority automatically count as specified investments, as do investments with bodies or investment schemes of “high credit quality”. It is for individual authorities to determine what they regard as “high credit quality”; and
- Non-specified investments have greater potential risk, being either investments of “lower credit quality” or investments made for longer than one year.

### ***Specified investments:***

- The Council is able to invest an unlimited amount with the UK Government for up to 6 months.
- The Council is able to invest up to £10 million and up to three months with UK banks and building societies with a “high to upper medium grade” credit rating.
- The Council is able to invest up to £10 million and up to two months with foreign banks with a “high to upper medium grade” credit rating.
- The Council is able to invest up to £10 million and up to two months with individual local authorities.
- The Council is able to invest up to £10 million in individual MMFs (instant access or up to 2 day notice). There will be an overall limit of £40 million for MMFs (non-government funds), plus up to £10 million invested in a fund backed by government securities.

### ***Non-specified investments:***

- The Council is able to invest up to £3 million and up to two months with individual UK banks and building societies with a mid “medium grade” credit rating.
- The Council is able to invest up to £1 million and up to two months with certain unrated building societies as approved by the Council’s treasury advisors.
- The Council adopts an overall limit of £10 million for non-specified investments.

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

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

## Specified

	Short-term Credit Ratings / Long-Term Credit Ratings			Investment Limits per Counterparty		Counterparties falling into category as at Dec 2017
	Fitch	Moody's	S & P	£m	Period (3)	
UK Banks / Building Societies (Deposit accounts, fixed term deposits and REPOs)	F1	P-1	A-1	10	<3mth	HSBC Lloyds Group Santander UK Nationwide BS Coventry BS      Close Bros
	AAA,AA+,AA,AA-,A+,A	Aaa,Aa1,Aa2,Aa3,A1,A2	AAA,AA+,AA,AA-,A+,A			
Foreign Banks (Deposit accounts, fixed term deposits and REPOs)	F1	P-1	A-1	10	<2mth	Svenska Handelsbanken
	AAA,AA+,AA,AA-,A+,A	Aaa,Aa1,Aa2,Aa3,A1,A2	AAA,AA+,AA,AA-,A+,A			
MMF (2)	-	-	-	10	Instant access/ up to 2 day notice	
UK Government (Fixed term deposits)	-	-	-	Unlimited	<6mth	
UK local authorities (Fixed term deposits)	-	-	-	10	<2mth	

## Non-Specified (1)

	Short-term Credit Ratings / Long-Term Credit Ratings			Investment Limits per Counterparty		Counterparties falling into category as at Dec 2017
	Fitch	Moody's	S & P	£m	Period (3)	
UK Banks / Building Societies (Fixed term deposits)	F1,F2	P-1,P-2	A-1,A-2	3	<2mth	Barclays      Leeds BS Nottingham BS      RBS Yorkshire BS
	Higher than BBB	Higher than Baa2	Higher than BBB			
Unrated Building Societies (Fixed term deposits)	-	-	-	1	<2mth	Darlington, Scottish, Furness, Hinckley & Rugby, Leek, Marsden, Loughborough, Mansfield, Nat Counties, Mkt Harborough, Newbury, Melton Mowbray, Tipton & Coseley, Stafford Railway.

- (1) Overall limit of £10 million.
- (2) Overall limit for investments in MMFs of £50 million – up to £40 million in non-government funds, plus up to £10 million in a fund backed by government securities.
- (3) The investment period begins from the commitment to invest, rather than the date on which funds are paid over.

**Credit ratings**

Moody's		S&P		Fitch		
Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	
Aaa	P-1	AAA	A-1+	AAA	F1+	Prime
Aa1		AA+		AA+		High grade
Aa2		AA		AA		
Aa3		AA-	AA-			
A1		A+	A-1	A+	F1	Upper medium grade
A2	A	A				
A3	P-2	A-	A-2	A-	F2	
Baa1		BBB+		BBB+		
Baa2	P-3	BBB	A-3	BBB	F3	Lower medium grade
Baa3		BBB-		BBB-		
Ba1	Not prime	BB+	B	BB+	B	Non-investment grade speculative
Ba2		BB		BB		
Ba3		BB-		BB-		
B1		B+		B+		Highly speculative
B2		B		B		
B3		B-	B-			
Caa1		Not prime	CCC+	C	CCC	C
Caa2	CCC		Extremely speculative			
Caa3	CCC-		In default with little prospect for recovery			
Ca	CC					
C	C					
/	Not prime	D	/	DDD	/	In default
/				DD		

**STATEMENT OF POLICY ON THE MINIMUM REVENUE PROVISION  
(REPAYMENT OF DEBT)**

**1. Background**

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

**2 Proposed policy for 2017-18 onwards**

- 2.1 The Service Director - Financial Management, Risk, IT & Performance recommends the following policy for making prudent provision for MRP:
- (i) General Fund Borrowing (pre 1<sup>st</sup> April 2008) - Provision to be made over the estimated average life of the asset (as at 1 April 2008) for which borrowing was taken - deemed to be 50 years (annuity calculation).
  - (ii) Calculations to compare this to the previous MRP charge indicate that between 2007-08 and 2015-16 the Council provided an additional £91.2m with which it will "un-wind" over the next 10 years.
  - (iii) General Fund Prudential Borrowing – Provision to be made over the estimated life of the asset for which borrowing is undertaken. Provision to commence in the year following purchase (annuity calculation). Where large loans are made to other bodies for their capital expenditure, no MRP will be charged. However, the capital receipts generated by the annual repayments on those loans will be put aside to repay debt instead.
  - (iv) HRA Borrowing - Provision to be made for debt repayments equal to its share of any scheduled external debt repayments.
  - (v) PFI schemes - Provision to equal the part of the unitary payment that writes down the balance sheet liability, together with amounts relating to lifecycle costs incurred in the year.

**TREASURY MANAGEMENT INDICATORS**

Gross Debt and the Capital Financing Requirement (CFR)

The Code requires that where gross debt is greater than the CFR, the reasons for this should be clearly stated in the annual strategy. This does not apply to this Council as its gross debt will not exceed the CFR.

Interest Rate Exposures

While fixed rate borrowing can contribute significantly to reducing the uncertainty surrounding future interest rate scenarios, the pursuit of optimum performance justifies retaining a degree of flexibility through the use of variable interest rates on at least part of the treasury management portfolio. The Code requires the setting of upper limits for both variable rate and fixed interest rate exposure.

It is recommended that the Council sets an upper limit on its fixed interest rate exposures for 2018-19, 2019-20 and 2020-21 of 100% of its net interest payments. It is further recommended that the Council sets an upper limit on its variable interest rate exposures for 2018-19, 2019-20 and 2020-21 of 40% of its net interest payments.

This means that fixed interest rate exposures will be managed within the range 60% to 100%, and variable interest rate exposures within the range 0% to 40%.

Maturity Structure of Borrowing

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

<b>Amount of projected borrowing that is fixed rate maturing in each period as percentage of total projected borrowing that is fixed rate</b>		
	<b>Upper Limit (%)</b>	<b>Lower Limit (%)</b>
Under 12 months	20	0
Between 1 and 2 years	20	0
Between 2 and 5 years	60	0
Between 5 and 10 years	80	0
More than 10 years	100	20

\*LOBOs are classed as fixed rate debt unless it is considered probable that the loan option will be exercised.

Total principal sums invested for periods longer than 364 days

The Council is not intending to invest sums for periods longer than 364 days.

KIRKLEES COUNCIL - FLEXIBLE USE OF CAPITAL RECEIPTS STRATEGY

1. Government guidance allows the capitalisation of certain types of qualifying revenue expenditure in-year, funded from the flexible use of 'in-year' generated capital receipts. It covers in-year capital receipts generated in-year, from 2016-17 to 2021-22 inclusive.
2. In-year generated capital receipts includes general fund receipts from the sale of general fund land and buildings. It also includes 'right to buy' (RTB) receipts from the sale of Council houses. These are remaining receipts that are also available to the Council, after taking account of the Council's other obligations in relation to RTB receipts generated in-year.
3. It is proposed that consideration be given to applying 'in-year' capital receipts generated, to fund the following qualifying capitalised revenue expenditure, in line with original DCLG guidance issued in March 2016, as follows :
  - i) *funding the cost of service reconfiguration, restructuring or rationalisation (staff or non-staff), where this leads to ongoing efficiency savings or service transformation;*
  - ii) *driving a digital approach to the delivery of more efficient public services and how the public interacts with constituent authorities where possible;*
4. The time period relating to the above qualifying expenditure covers 2017-18 and the following 4 years. The original DCLG guidance covered the 2016-19 period, but this was subsequently extended by a further 3 years, to 2021-22, following the Autumn Statement announcement on November 17th, 2017.
5. The extent to which capital receipts will actually be applied in-year will take into account the following factors :
  - i) the amount of capital receipts actually generated in-year;
  - ii) the amount of qualifying capitalisable revenue expenditure in-year;
  - iii) the affordability of borrowing to fund the capital plan in-year, where current funding assumptions include use of in-year capital receipts to part fund the Council's annual general fund capital plan
6. The proposals set out in 3. above are 'in principle', and allow officers the 'flexibility' to consider a range of funding options in-year that meet the intended objectives set out in the Council's budget strategy update.
7. It is intended that officers will update members as part of the annual budget report to full Council each February, and finalised proposals for the flexible use of capital receipts to be incorporated into an annual early closedown review report for Cabinet consideration early April.

## Summary Capital Plan & Funding Summary

Appendix E i)

<i>2018/19 – 2022/23 Capital Plan Expenditure Summary</i>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>	<b>2021/22 £'000</b>	<b>2022/23 £'000</b>	<b>Total £'000</b>
<b>General Fund:</b>						
Strategic Priorities	31,218	46,853	26,969	8,245	545	113,830
Baseline	35,120	29,179	26,719	22,381	22,131	135,530
Risks & Pressures	1,000	1,000	1,000	1,000	1,000	5,000
<b>General Fund Capital Plan</b>	<b>67,338</b>	<b>77,032</b>	<b>54,688</b>	<b>31,626</b>	<b>23,676</b>	<b>254,360</b>
<b>Housing Revenue Account:</b>						
Strategic Priorities	14,275	8,139	9,631	17,258	11,504	60,807
Baseline	16,442	14,167	14,249	14,338	14,605	73,801
<b>HRA Plan</b>	<b>30,717</b>	<b>22,306</b>	<b>23,880</b>	<b>31,596</b>	<b>26,109</b>	<b>134,608</b>
<b>TOTAL EXPENDITURE</b>	<b>98,055</b>	<b>99,338</b>	<b>78,568</b>	<b>63,222</b>	<b>49,785</b>	<b>388,968</b>

<i>Funding Summary</i>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>	<b>2021/22 £'000</b>	<b>2022/23 £'000</b>	<b>Total £'000</b>
<b>Direct / Earmarked Contributions to Schemes</b>						
<i>Capital Grants / Contributions applied</i>						
-In Year	26,473	15,279	14,824	13,913	13,664	84,153
-Funding brought forward (previous yr)	4,151	4,151	4,151	3,723	3,723	19,899
-Funding carried to next year	-4,151	-4,151	-3,723	-3,723	-3,723	-19,471
<i>Earmarked Capital Receipts</i>	4,073	1,932	2,679	4,968	3,241	16,893
<i>Revenue Contributions (HRA)</i>	17,575	8,602	9,853	13,195	6,513	55,738
<i>Reserves (HRA)</i>	8,990	11,917	11,493	13,579	16,500	62,479
<b>Pooled Resources</b>						
<i>Non Earmarked Capital Receipts</i>	6,000	8,000	8,000	8,000	8,000	38,000
<i>Commercial Loan Repayments</i>	0	4,000	8,000	8,500	1,867	22,367
<i>Corporate Prudential Borrowing</i>	34,944	49,608	23,291	1,067	0	108,910
<b>TOTAL FUNDING REQUIREMENT</b>	<b>98,055</b>	<b>99,338</b>	<b>78,568</b>	<b>63,222</b>	<b>49,785</b>	<b>388,968</b>

# Strategic Priorities Capital Plan

# Appendix E ii)

	Funding	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	Total £'000
<b>Learning &amp; Early Support</b>							
New Pupil Places in Primary/Secondary Schools	G/B	10,771	5,431	707	545	545	17,999
Delivery of an Autistic Spectrum Disorder (ASD) School to mitigate expenditure on out of area ASD placements	B	750	1,500	750	0	0	3,000
<b><i>Learning &amp; Early Support Total</i></b>		<b>11,521</b>	<b>6,931</b>	<b>1,457</b>	<b>545</b>	<b>545</b>	<b>20,999</b>
<b>Adults Social Care Operation</b>							
Pump Prime & Commissioning Specialist Accommodation		750	1,250	0	0	0	2,000
Commissioning Option Appraisals to facilitate outcomes of Specialist Accommodation Strategy		250	500	0	0	0	750
<b><i>Adults Social Care Operation Service Total</i></b>		<b>1,000</b>	<b>1,750</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,750</b>
<b>Economy Regeneration &amp; Culture</b>							
Aspirational Regeneration of Major Town Centres - Feasibility	B	500	0	0	0	0	500
Regeneration of Strategic Town Centres - Dewsbury	B	765	7,000	7,085	0	0	14,850
Regeneration of Strategic Town Centres - Huddersfield	B	550	12,172	10,759	6,500	0	29,981
Sports Facility (Spenborough area)	B	332	4,050	7,668	1,200	0	13,250
Sports Facility (Spenborough area) - KAL Contribution	B*	300	450	0	0	0	750
Dewsbury Learning Quarter	B	0	2,000	0	0	0	2,000
HD-One (KSDL)	B	4,250	0	0	0	0	4,250
Property Investment Fund	B	12,000	12,500	0	0	0	24,500
<b><i>Economy Regeneration &amp; Culture Total</i></b>		<b>18,697</b>	<b>38,172</b>	<b>25,512</b>	<b>7,700</b>	<b>0</b>	<b>90,081</b>
<b>Strategic Priorities Total</b>		<b>31,218</b>	<b>46,853</b>	<b>26,969</b>	<b>8,245</b>	<b>545</b>	<b>113,830</b>

	Funding	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	Total £'000
<b>Learning &amp; Early Support</b>							
Basic Need	G	500	500	500	500	500	2,500
Capital Maintenance	G	3,600	3,400	3,200	3,000	2,800	16,000
Devolved Formula Capital	G	950	900	850	800	750	4,250
One-Off Initiatives							
SEND Provision	G	352	352	352	0	0	1,056
SEN future needs review – option appraisal commissioning	B	150	500	0	0	0	650
IT Infrastructure for Children's System	R	450	0	0	0	0	450
Section 106 funded schemes	S106	691	0	0	0	0	691
<b>Learning &amp; Early Support Total</b>		<b>6,693</b>	<b>5,652</b>	<b>4,902</b>	<b>4,300</b>	<b>4,050</b>	<b>25,597</b>
<b>Economy Regeneration &amp; Culture</b>							
Housing Private Sector							
Disabled Facilities Grants	G	2,721	2,721	2,721	2,721	2,721	13,605
Discretionary Assistance	R	100	100	100	100	100	500
Minor Adaptations	R	290	290	290	290	290	1,450
Other	G	0	0	428	0	0	428
Economic Resilience	B/G	1,277	900	900	900	900	4,877
KAL - Self Funded	B*	1,917	500	617	617	617	4,268
Strategic Asset Utilisation /Rationalisation	B	300	0	0	0	0	300
<b>Economy Regeneration &amp; Culture Total</b>		<b>6,605</b>	<b>4,511</b>	<b>5,056</b>	<b>4,628</b>	<b>4,628</b>	<b>25,428</b>
<b>Commercial Regulatory &amp; Operational Services</b>							
Highways							
Maintenance :							
Principal Roads	G	2,600	2,600	2,600	2,600	2,600	13,000
Roads Connecting Communities	G	1,574	1,369	1,164	856	856	5,819
Local Community Roads	B/G	2,247	2,247	2,247	2,247	2,247	11,235
Structures	G	1,200	1,200	1,200	1,200	1,200	6,000
Street Lighting Replacement Strategy	B*	3,000	3,000	3,000	1,000	1,000	11,000
Unadopted Roads	B	50	50	50	50	50	250
Integrated Transport :							
Integrated Public Transport	B/G	553	300	0	0	0	853
Network Management	B/G	400	100	100	100	100	800

	Funding	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	Total £'000
(Integrated Transport continued)							
Cycling & Walking	B/G	1,270	20	20	20	20	1,350
Safer Roads	B/G	750	650	650	650	650	3,350
Town Centre Car Parking	B	100	100	100	100	100	500
Flood Management and Drainage Improvements	B/G	1,018	680	680	680	680	3,738
Corporate Landlord Asset Investment	B	3,300	4,050	2,300	1,300	1,300	12,250
Transport	B	1,500	1,250	1,250	1,250	1,250	6,500
Environment & Strategic Waste	B	100	100	100	100	100	500
School Catering	B/ B*	400	400	400	400	400	2,000
<b>Commercial Reg &amp; Operational Total</b>		<b>20,062</b>	<b>18,116</b>	<b>15,861</b>	<b>12,553</b>	<b>12,553</b>	<b>79,145</b>
<b>Finance &amp; Transactional Services</b>							
Information Technology	B*/ R	1,760	900	900	900	900	5,360
<b>Finance &amp; Transactional Services Total</b>		<b>1,760</b>	<b>900</b>	<b>900</b>	<b>900</b>	<b>900</b>	<b>5,360</b>
<b>TOTAL BASELINE</b>		<b>35,120</b>	<b>29,179</b>	<b>26,719</b>	<b>22,381</b>	<b>22,131</b>	<b>135,530</b>

**FUNDING KEY:**

B = Borrowing

B\* = Service funded Borrowing - Work is ongoing to remove this category and have one system of prudential borrowing.

G = Grant

R = Capital receipts

# Housing Revenue Account Capital Plan

# Appendix E ii)

	Funding	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	Total £'000
<b>Strategic Priorities</b>							
Housing Growth	H / R	4,000	4,000	4,000	4,000	4,000	20,000
New Build Phase 1 - Ashbrow Extra Care	H / R	4,962	1,139	0	0	0	6,101
New Build Phase 2 - Soothill Extra Care	H / R	0	0	3,631	3,703	0	7,334
New Build Phase 3	H / R	0	0	0	7,555	0	7,555
New Build Phase 4 - Environmentally Friendly Housing	H / R	2,075	0	0	0	0	2,075
Garage/Green Space Development Phase 1	H / R	1,238	0	0	0	0	1,238
Remodelling / High Rise	H / R	2,000	2,000	2,000	2,000	2,000	10,000
Strategic Priorities	H / R	0	0	0	0	5,504	5,504
IT System (Universal Housing Replacement)	H	0	1,000	0	0	0	1,000
<b>Sub-Total</b>		<b>14,275</b>	<b>8,139</b>	<b>9,631</b>	<b>17,258</b>	<b>11,504</b>	<b>60,807</b>
<b>Baseline</b>							
Whole Home	H	10,109	9,005	9,004	9,009	9,190	46,317
Estate Improvements	H	732	731	746	760	775	3,744
Compliance	H	2,200	1,000	1,000	1,000	1,000	6,200
Fuel poverty	H / G	662	638	650	663	676	3,289
Adaptations	H	2,739	2,793	2,849	2,906	2,964	14,251
<b>Sub-Total</b>		<b>16,442</b>	<b>14,167</b>	<b>14,249</b>	<b>14,338</b>	<b>14,605</b>	<b>73,801</b>
<b>TOTAL HRA PLAN</b>							
		<b>30,717</b>	<b>22,306</b>	<b>23,880</b>	<b>31,596</b>	<b>26,109</b>	<b>134,608</b>

**FUNDING KEY:**

H = HRA revenue contribution/major repairs reserve

R = Capital receipts

G = G

## Summary of General Fund Changes

Appendix E iii)

	Funding	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	Total £'000
<b>PROFILING CHANGES</b>							
<b>Strategic Priorities</b>							
Huddersfield Town Centre Action Plan (original budget)	B	-2,622	0	2,622	0	0	0
Dewsbury Town Centre Action Plan (original budget)	B	-1,085	0	1,085	0	0	0
Sports Facility (Spenborough area) - Council funded	B	-3,668	-3,950	5,668	1,200	0	-750
Sports Facility (Spenborough area) - KAL Self-funded	B*	300	450	0	0	0	750
New Pupil Places in Primary/Secondary Schools	B	-694	694	0	0	0	0
<b>Baseline (approved transfer from 17/18)</b>							
Kirklees Active Leisure Self-Funded	B*	558	-117	0	0	0	441
Highways	G	1,250	0	0	0	0	1,250
<b>Profiling Changes Sub-Total</b>		<b>-5,961</b>	<b>-2,923</b>	<b>9,375</b>	<b>1,200</b>	<b>0</b>	<b>1,691</b>
<b>ADDITIONS/REDUCTIONS</b>							
<b>Strategic Priorities</b>							
European Grant Funding Opportunities	B	-1,250	0	0	0	0	-1,250
Town Centre Action Plans (Dewsbury & Huddersfield)*	B	500	11,500	11,500	6,500	0	30,000
Delivery of an Autistic Spectrum Disorder (ASD) School to mitigate expenditure on out of area ASD placements*	B	750	1,500	750	0	0	3,000
Pump Prime and Commissioning Specialist Accommodation*	B	1,000	1,000	0	0	0	2,000
Commissioning option appraisals to facilitate the outcomes of the specialist accommodation strategy*	B	250	500	0	0	0	750
<b>Sub-Total</b>		<b>1,250</b>	<b>14,500</b>	<b>12,250</b>	<b>6,500</b>	<b>0</b>	<b>34,500</b>
<b>Baseline</b>							
Learning & Early Support (LES) Grant Assumptions	G	692	0	0	0	-250	442
LES Commissioning option appraisals to facilitate the delivery of the outcomes of the SEN High Level review of future needs*	B	150	500	0	0	0	650

## Summary of General Fund Changes (Continued)

Appendix E iii)

	Funding	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	Total £'000
<b>Baseline continued....</b>							
LES I.T. Infrastructure to build Children's System*	R	450	0	0	0	0	450
Housing Private Disabled Facilities Grant Assumptions	G/R	121	121	121	121	121	605
Economic Resilience – Local Growth Fund (Tackling Fuel Poverty)	G	377	0	0	0	0	377
KAL (Self-financed)*	B*	300	0	0	0	0	300
Various Highways Grants	G	416	0	0	0	0	416
Highways Bus Lane Enforcement*	B	25	300	0	0	0	325
Corporate Landlord – Cremation Equipment*	B	300	1,050	0	0	0	1,350
Corporate Landlord - Fire Safety Works*	B	1,000	1,000	1,000	0	0	3,000
School Catering (Self-Financed)*	B*	200	200	200	200	200	1,000
Information Technology - Digital by Design*	R	210	0	0	0	0	210
Information Technology - Digital Development*	R	650	0	0	0	0	650
<b>Sub-Total</b>		<b>4,891</b>	<b>3,171</b>	<b>1,321</b>	<b>321</b>	<b>71</b>	<b>9,775</b>
<b>Risks &amp; Pressures Reduction</b>	<b>Sub-Total</b>	<b>B</b>	<b>-1,500</b>	<b>-1,500</b>	<b>-1,500</b>	<b>-1,500</b>	<b>-7,500</b>
<b>Additions/Reductions Sub-Total</b>		<b>4,641</b>	<b>16,171</b>	<b>12,071</b>	<b>5,321</b>	<b>-1,429</b>	<b>36,775</b>
<b>TOTAL PLAN CHANGES</b>		<b>-1,320</b>	<b>13,248</b>	<b>21,446</b>	<b>6,521</b>	<b>-1,429</b>	<b>38,466</b>

(\* = Bids approved for additional investment)

FUNDING KEY:

B = Borrowing

B\* = Service-funded Borrowing

R = Capital receipts

G = Grant

## Summary of Housing Revenue Account (HRA) Changes

Appendix E iii)

	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	Total £'000
<b>PROFILING CHANGES</b>						
<b>Strategic Priorities</b>						
New Build Phase 1 – Ashbrow Extra Care	-1,038	445	0	0	0	-593
New Build Phase 2 – Soothill Extra Care	0	-3,631	-72	3,703	0	0
Strategic Priorities	0	0	0	-5,504	5,504	0
<b>Profiling Changes Sub-Total</b>	<b>-1,038</b>	<b>-3,186</b>	<b>-72</b>	<b>-1,801</b>	<b>5,504</b>	<b>-593</b>
<b>ADDITIONS/REDUCTIONS</b>						
<b>Strategic Priorities</b>						
Housing Growth	3,297	3,320	3,306	3,292	3,292	16,507
Garage/Green Space Development Phase 1 (formally 'New Build – KNH/Building Services Pilot')	1,238	0	0	0	0	1,238
Remodelling/High rise	2,000	2,000	2,000	2,000	2,000	10,000
IT System (Universal Housing Replacement)	0	1,000	0	0	0	1,000
<b>Baseline</b>						
Compliance	2,200	1,000	1,000	1,000	1,000	6,200
Various Other (inflationary adjustment)	0	0	0	0	267	267
<b>Additions / Reductions Sub-Total</b>	<b>8,735</b>	<b>7,320</b>	<b>6,306</b>	<b>6,292</b>	<b>6,559</b>	<b>35,212</b>
<b>TOTAL PLAN CHANGES</b>	<b>7,697</b>	<b>4,134</b>	<b>6,234</b>	<b>4,491</b>	<b>12,063</b>	<b>34,619</b>

## **PRUDENTIAL INDICATORS**

### 1. **Prudential indicators for affordability** (mandatory indicators highlighted)

#### Estimates of ratio of financing costs to net revenue stream

This prudential indicator measures the impact of borrowing costs on the General Fund and the HRA. It expresses financing costs as a percentage of the “net revenue stream” (taxation and non-specific grant income for General Fund and gross income for HRA).

	Actual		Estimates		
	2016/17	2017/18	2018/19	2019/20	2020/21
General Fund	10.00%	7.19%	7.19%	7.53%	7.51%
General Fund (excl PFI)	7.91%	4.75%	5.00%	5.17%	5.27%
HRA	32.07%	31.50%	31.38%	31.03%	30.77%
HRA (excl PFI)	30.07%	29.48%	29.50%	29.29%	29.03%

The reduction in the General Fund indicators from 2016/17 is the result of the proposed changes in policy for calculating the Minimum Revenue Provision, which will reduce the MRP charge compared with previous expectations over the next 10 years until 2026/27.

#### Estimates of the incremental impact of capital investment decisions on housing rents

This prudential indicator sets out the marginal cost of decisions to invest in housing assets and fund them from borrowing, expressed in terms of the impact on average weekly housing rents. There are no plans to use borrowing in the proposed capital plan.

#### Capital Expenditure and External Debt

The table below draws together the main elements of Capital Plan expenditure, highlighting the supported and unsupported elements of borrowing and other financing arrangements. It contains the following prudential indicators:

- 1) Capital expenditure – sets out the latest actual spend and the estimated spend in the plan period including slippage, split between General Fund and HRA.
- 2) Capital Financing Requirement (CFR) – this is the Council’s underlying need to borrow to fund capital investment. The indicators required show the latest actual CFR, as well as those based on estimates of new/ repayments of borrowing during the plan period, split between General Fund and HRA.
- 3) External debt – sets out the latest actual debt for the Council. The difference between external borrowing and the CFR in each year reflects the amount of internal balances that are being “borrowed” to finance capital indebtedness (see Treasury Management Strategy Report).

	Actual		Estimates		
	2016/17	2017/18	2018/19	2019/20	2020/21
	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
<u>Capital Expenditure</u>					
General Fund	58,729	53,056	71,790	73,027	61,389
General Fund PFI	1,392	1,392	1,849	1,554	2,010

HRA	17,015	16,210	30,717	22,306	23,880
HRA - PFI	173	174	266	300	220
Total	<u>77,309</u>	<u>70,832</u>	<u>104,622</u>	<u>97,187</u>	<u>87,499</u>
<u>Financed by -</u>					
Borrowing	24,928	17,092	36,822	43,409	29,986
PFI Liabilities/RCCOs	1,565	1,566	2,115	1,854	2,230
Other Resources	50,816	52,174	65,685	51,924	55,283
Total	<u>77,309</u>	<u>70,832</u>	<u>104,622</u>	<u>97,187</u>	<u>87,499</u>
CFR as at 31 March					
General Fund excl PFI	412,844	426,409	458,903	493,905	511,943
General Fund PFI	55,474	52,300	49,300	45,800	42,600
HRA excl PFI	186,181	182,801	175,289	170,706	165,699
HRA PFI	56,824	54,900	52,900	50,500	48,100
Total	<u>711,323</u>	<u>716,410</u>	<u>736,392</u>	<u>760,911</u>	<u>768,342</u>
External debt as at 31 March					
Borrowing	438,200	468,609	493,722	524,271	537,432
Other LT Liabilities	116,400	111,200	106,070	100,040	94,310
Total	<u>554,600</u>	<u>579,809</u>	<u>599,792</u>	<u>624,311</u>	<u>631,742</u>

A further two Prudential Indicators control overall level of borrowing. These are the Authorised Limit and the Operational Boundary. The Authorised Limit represents the limit beyond which borrowing is prohibited. It reflects the level of borrowing which, while not desired, could be afforded in the short-term, but is not sustainable. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3(1) of the Local Government Act 2003.

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

	2018/19	2019/20	2020/21
	<u>£m</u>	<u>£m</u>	<u>£m</u>
<u>Authorised limit for external debt</u>			
Borrowing	585.0	605.0	635.0
Other Long Term Liabilities	110.0	105.0	100.0
Total	<u>695.0</u>	<u>710.0</u>	<u>735.0</u>
<u>Operational boundary for external debt</u>			
Borrowing	495.0	525.0	535.0
Other Long Term Liabilities	106.1	100.1	94.3
Total	<u>601.1</u>	<u>625.1</u>	<u>629.3</u>

As part of HRA self-financing reform, the authority is now required to report the limit on HRA indebtedness. The limit was set by Department for Communities and Local Government (DCLG) at £247.6 million. It is the HRA CFR excluding PFI liabilities which is compared to this limit and the HRA is over £60 million below the limit with no current plans to increase its borrowing.

## 2. **Prudential indicators for prudence**

### Net Borrowing and the Capital Financing Requirement (CFR)

In order to ensure that over the medium term, net borrowing will only be for a capital purpose, the authority should ensure that net external borrowing does not, except in the short term, exceed the total CFR. The Council comfortably complied with this requirement in 2016/17 and no difficulties are envisaged for current or future years.

## 3. **Prudential indicators for treasury management**

### Treasury Management Code

A prudential indicator in respect of treasury management is that the local authority has adopted the CIPFA *Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes*. The aim is to ensure that treasury management is led by a clear integrated forward treasury management strategy, and a recognition of the pre-existing structure of the authority's borrowing and investment portfolios. The Council adopted the Code in February 2002. The Code was revised in 2011, and the prudential Indicators included here are based on the 2011 revision. The treasury Management Strategy Report 2018-19 makes reference to a further revision to the Code but in light of the timing of these, will be incorporated for 2019-20.

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

The Code requires that where gross debt is greater than the CFR, the reasons for this should be clearly stated in the annual strategy. This does not apply to this Council as its gross debt will not exceed the CFR.

### Interest Rate Exposures

While fixed rate borrowing can contribute significantly to reducing the uncertainty surrounding future interest rate scenarios, the pursuit of optimum performance justifies retaining a degree of flexibility through the use of variable interest rates on at least part of the treasury management portfolio. The Code requires the setting of upper limits for both variable rate and fixed interest rate exposure.

It is recommended that the Council sets an upper limit on its fixed interest rate exposures for 2018/19, 2019/20 and 2020/21 of 100% of its net interest payments. It is further recommended that the Council sets an upper limit on its variable interest rate exposures for 2018/19, 2019/20 and 2020/21 of 40% of its net interest payments.

This means that fixed interest rate exposures will be managed within the range 60% to 100%, and variable interest rate exposures within the range 0% to 40%.

### Maturity Structure of Borrowing

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

<b>Amount of projected borrowing that is fixed rate maturing in each period as percentage of total projected borrowing that is fixed rate</b>		
	<b>Upper Limit (%)</b>	<b>Lower Limit (%)</b>
Under 12 months	20	0
Between 1 and 2 years	20	0
Between 2 and 5 years	60	0
Between 5 and 10 years	80	0
More than 10 years	100	20

\*LOBOs are classed as fixed rate debt unless it is considered probable that the loan option will be exercised.

Total principal sums invested for periods longer than 364 days

The Council is not intending to invest sums for periods longer than 364 days.

## CORPORATE RISK REGISTER – RISK MANAGEMENT ACTION PLAN AT JANUARY 2018

## APPENDIX G

Risk No	Risk – Description of the risk	Management actions already in place to mitigate the risk
1	Failure to deliver against savings plan.	<ul style="list-style-type: none"> <li>• Established governance arrangements are in place and supported by the Council's transformation partner Deloitte.</li> <li>• Escalation processes are in place and working effectively.</li> <li>• Alignment of service, transformation and financial monitoring.</li> <li>• Tracker developed which allows all change plans to be in view and monitored on a monthly basis</li> <li>• Programme management office established and resourced</li> <li>• Monthly financial reporting to Executive Team, Portfolio Holders Briefing, and quarterly reports to Cabinet and Council.</li> <li>• Building on good progress and successes achieved in 2017-18</li> </ul>
2	Failure to maintain spend within service cash limits and within the overall annual council approved budget.	<ul style="list-style-type: none"> <li>• Significant service pressures recognised as part of 2017-18 &amp; 2018-19 budget rounds.</li> <li>• Responsibility for budgetary control aligned to Strategic and Service Directors.</li> <li>• Amend policies if possible to mitigate growth in demand.</li> <li>• Examine alternative strategies to mitigate costs e.g. increase extra care provision, adaptations, recruitment of additional foster parents</li> <li>• Utilise supplementary resources to cushion impact of cuts and invest to save.</li> <li>• Continue to lobby, through appropriate mechanisms, for additional resources e.g. Local Government Association (LGA) and Special Interest Group of Metropolitan Authorities (SIGOMA)</li> <li>• Review and comment on proposed changes in social care arising from Green paper (due Summer 2018)</li> </ul>
3	<p>Potential impact on the quality or performance of services being provided to Kirklees arising from above inflation price increases;</p> <ul style="list-style-type: none"> <li>• Contracts for services, particularly in the care sector where many employees are currently paid at or close to the current statutory living wage and will thus increase by up to 40%</li> </ul>	<ul style="list-style-type: none"> <li>• Monitor quality and performance of contracts.</li> <li>• Be aware of underlying issues through effective communication with service providers and suppliers about likely impact on prices</li> <li>• Renegotiate or retender contracts as appropriate.</li> <li>• Ensure that budgets anticipate likely cost impacts</li> <li>• Seek additional funding as a consequence of government imposed costs</li> </ul>

	<ul style="list-style-type: none"> <li>• Inflation in costs of goods (e.g. foods) as a consequence of increased operating costs</li> </ul>	
4	<p>Council supplier and market relationships, including contractor failure leads to;</p> <ul style="list-style-type: none"> <li>• loss of service,</li> <li>• poor quality service</li> <li>• inability to attract new suppliers - to create competition in existing supply chains, or to create new supply routes as an alternative to existing arrangements</li> <li>• complexities and difficulties in making arrangements in respect of significant and long running major outsource contracts, especially where external factors</li> </ul> <p>and influences operational arrangements and impacts on costs</p>	<ul style="list-style-type: none"> <li>• Avoid, where possible, over dependence on single suppliers; more thorough financial assessment when a potential supplier failure could have a wide impact on the council's operations but take a more open approach where risks are few or have only limited impact.</li> <li>• Recognise that supplier failure is always a potential risk; those firms that derive large proportions of their business from the public sector are a particular risk.</li> <li>• Need to balance between only using suppliers who are financially sound but may be expensive and enabling lower cost or new entrants to the supplier market.</li> <li>• Be realistic about expectation about what the market can deliver, taking into account matter such as national living wage, recruitment and retention issues etc.</li> <li>• Develop and publish in place market position statement and undertake regular dialogue with market.</li> <li>• Effective consultation with suppliers about proposals to deal with significant major external changes</li> <li>• Early consultation with existing suppliers about arrangements to be followed at the end of existing contractual arrangements and risk based commercial assessments about the intentions and actions to enable contacts to be ended, renewed, retendered or restructured (for example waste disposal)</li> </ul>
5	<p>The ability of the authority to adequately safeguard vulnerable children. This risk arises due to increased complexity, increased referral volumes coupled with the lack of service capacity to respond to the assessed need.</p>	<ul style="list-style-type: none"> <li>• Disclosure &amp; Barring Service (DBS) checking, staff training, supervision, protection policies kept up to date and communicated.</li> <li>• Effective management of social work (and related services); rapid response to any issues identified and from any serious case review work.</li> <li>• Active management of cases reaching serious case review stage, and any media interest</li> <li>• Review of current practices following the child sexual exploitation in Rotherham and the emerging requirements.</li> <li>• Ensure that workloads are balanced to resources.</li> <li>• Staff and skill development to minimise dependence on key individuals.</li> <li>• Use of agency staff and or contractors when necessary</li> <li>• Ideal manager training</li> </ul>

		<ul style="list-style-type: none"> <li>• Development of market sufficiency strategy; consider approaches to support the development of the available service offer both locally and regionally.</li> </ul>
6	The consequent need for additional resource and reputational risk for the Council arising from the heightened national attention to Child Sexual Exploitation and historical abuse cases.	<ul style="list-style-type: none"> <li>• Additional resources and expertise allocated to new and historical Child Sex Exploitation (CSE) work.</li> <li>• Risk matrix and risk management approach implemented with the police and partners.</li> <li>• Oversight of Council risks through the CSE Member Panel.</li> </ul>
7	The ability of Kirklees to respond to; a significant number of new referrals for financial advice, guidance, increased number of people presenting themselves as homeless and the deterioration in the collection of housing rents arising from the introduction of Universal Credit and reviews of existing benefit claimants.	<ul style="list-style-type: none"> <li>• Monitor government proposals and impact on council and partner services.</li> <li>• Strengthen communication between partners to ensure vulnerable people are dealt with effectivity first time.</li> <li>• Examine IT system capabilities to provide effective handover between partners.</li> <li>• Develop strategies to control/minimise losses through bad debt.</li> <li>• Multi agency discussions taking place to ensure a more comprehensive approach and examine the resourcing required preventing homelessness and supporting vulnerable individuals.</li> <li>• Provide additional resources to allow a more proactive approach</li> </ul>
8	The ability of the council to deliver against its key objectives due to loss of experienced staff, need for different skill sets and inability to identify and / or reach all staff to deliver appropriate staff training and skills development, industrial tribunals and settlements and industrial action. Difficulties in recruiting and/or retaining staff in specific areas and our overall ability to appoint staff with the appropriate skills and behaviours. Particular risks associated with changes to senior managers in activity areas with current challenging agenda.	<ul style="list-style-type: none"> <li>• Workforce Planning is part of the transformation</li> <li>• Modernise Human Resources policies and processes to equip managers with the tools to manage</li> <li>• Increased accessibility to online training tools for managers and employees.</li> <li>• Continue to embed the behaviours within our culture and practice, including within recruitment processes.</li> <li>• Progress plans re recruitment and retention issues</li> <li>• Selective use of interim managers and others to ensure continuity of progress regarding complex issues</li> <li>• Ensure robust change processes including Equality Impact Assessments (EIA's) and consultation.</li> <li>• Monitor position with regard to legislation.</li> </ul>
9	Funding shortfall in partner agencies e.g. NHS, Schools which leads to increased pressure on community services and unforeseen costs	<ul style="list-style-type: none"> <li>• Engagement in winter resilience discussions</li> <li>• Secure funding as appropriate</li> <li>• Consider extension of pooled funds</li> <li>• Accept that this may lead to an increase in waiting times</li> <li>• Strengthen partnership arrangements to ascertain whether other funding or cost reduction solutions can be introduced.</li> </ul>

10	Failure to address matters of violent extremism and related safer stronger community factors that could create significant community tension.	<ul style="list-style-type: none"> <li>• Prevent partnership action plan.</li> <li>• Community cohesion work programme</li> <li>• Local intelligence sharing and networks.</li> <li>• New status as a Prevent Priority Area provides funding for a Prevent Coordinator Post and enables the development of bids for additional funding.</li> <li>• Counter terrorism local profile.</li> <li>• Home Office funded Counter Extremism Community Co-ordinator role</li> </ul>
11	Unforeseen legislative changes	<ul style="list-style-type: none"> <li>• Reprioritise activities</li> <li>• Deploy additional resources</li> <li>• Use of agency staff or contractors where necessary</li> <li>• Development of horizon scanning service</li> </ul>
12	Unforeseen significant environmental events such as severe weather impact on the Council's ability to continue to deliver business as usual services.	<ul style="list-style-type: none"> <li>• Effective business continuity and emergency planning (including mutual aid) investment in flood management, gritting deployment plans.</li> <li>• Winter maintenance budgets are supported by a bad weather contingency.</li> <li>• Targeting gully cleansing for those areas which are prone to flooding.</li> <li>• The government continues to offer a revised Bellwin scheme in the event of major incidents.</li> <li>• Identify supplementary funding</li> </ul>
13	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)	<ul style="list-style-type: none"> <li>• Thorough, understandable information security policies and practices that are clearly communicated to workforce.</li> <li>• Effective management of data, retention and recording.</li> <li>• Raised awareness and staff training</li> <li>• Compliance with IT security policy.</li> <li>• Compliance with retention schedules.</li> <li>• Compliance with information governance policy.</li> <li>• Business continuity procedures.</li> <li>• Comply with new legislation around staff access to sensitive data.</li> <li>• Council has a Senior Information Risk Owner ("SIRO") officer who is supported by dedicated Information Governance Board</li> <li>• Development of action plan to respond to GDPR requirements and resourcing requirements as appropriate</li> </ul>
14	The ability and willingness of communities to do more for themselves and each are fundamental to our Medium Term Financial Plan. If these changes do not occur at the scale needed then our planning	<ul style="list-style-type: none"> <li>• Reduced demand for statutory services</li> <li>• If the reduction is not realised at the pace set out, (in change plans) then those services that are directly impacted will need to identify this early, and to help in doing so, ensure that appropriate demand management and monitoring is put in place to record the levels of service take up. Remedial action should also be</li> </ul>

	assumptions are not sustainable.	<p>identified by those services.</p> <ul style="list-style-type: none"> <li>• Successful implementation of new service models</li> <li>• Impact assessments for those services directly affected should be carried out to reflect the impact on citizens of losing a service as a consequence of the pace and scale of new service models not meeting demand.</li> </ul>
<b>15</b>	<p>Health &amp; 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.</p> <p>In particular issues arising from Grenfell and emerging issues such as compliance with building regulations</p>	<ul style="list-style-type: none"> <li>• New procedures introduced to ensure compliance with Regulatory Reform (Fire Safety) Order 2005;</li> <li>• Improved monitoring of fire risk in high and medium rise residential blocks;</li> <li>• Programme of Fire Risk Assessments (FRAs) in place targeted initially at high risk buildings;</li> <li>• Prioritised programme of remedial works to buildings to tackle issues raised by FRAs.</li> <li>• Review work practices to address H&amp;S risks</li> <li>• Monitor safety equipment</li> <li>• Staff recruitment, training &amp; retention measures</li> </ul>
<b>16</b>	<p>Exposure to increased liabilities arising from property ownership and management, reputational and financial implications arising from unmanaged incident.</p>	<ul style="list-style-type: none"> <li>• Routine servicing and cleansing regimes</li> <li>• Work practices to address risks from noxious substances</li> <li>• Disposal strategy linked to service and budget strategy</li> <li>• Review of fire risks following the Grenfell disaster. Develop management actions, categorised over the short to medium term and resource accordingly.</li> <li>• Prioritisation of funding to support reduction of backlog maintenance</li> <li>• Clarity on roles and responsibilities particularly where property management is outsourced.</li> </ul>
<b>17</b>	<p>Financial losses as a result of lending, and making inappropriate choices in relation to borrowing decisions.</p>	<ul style="list-style-type: none"> <li>• Effective due diligence prior to granting loans and careful monitoring of investment decisions.</li> <li>• Effective challenge to treasury management proposals by both officers and members (Corporate Governance &amp; Audit Committee) taking account of external advice</li> </ul>
<b>18</b>	<p>Exposure to material unforeseen costs</p>	<ul style="list-style-type: none"> <li>• Ensure adequacy of financial revenue reserves to protect the council financial exposure and managed effectively not to impact on the council essential services.</li> <li>• Consider risks and most cost effective appropriate approach to responding to these (internal or external insurance provision)</li> </ul>

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

**KIRKLEES METROPOLITAN COUNCIL**

**COUNCIL MEETING - 14 FEBRUARY 2018**

**COUNCIL TAX**

1. That the Revenue Budget for the year 2018-2019, as submitted, be approved.
2. That it be noted that at its meeting on 17 January 2018 the Council calculated the following amounts for the year 2018-2019 in accordance with regulations made under Section 31B of the Local Government Finance Act 1992, as amended (the "Act") and subject to the calculation of any consequential changes to the Council Tax Base delegated to the Director of Resources:-

(a) 117,770.00 being the amount calculated by the Council, in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as its council tax base for the year.

(b) Part of the Council's area

Parish of Denby Dale	5,732.57
Parish of Holme Valley	9,960.21
Parish of Kirkburton	8,861.25
Parish of Meltham	2,761.79
Parish of Mirfield	6,599.19
Kirklees (outside the Parish of Holme Valley) special expense area	107,809.79

being the amounts calculated by the Council, in accordance with regulation 6 of the Regulations, as the amounts of its council tax base for the year for dwellings in those parts of its area to which one or more special items relate.

3. Calculate that the Council Tax Requirement for the Council's own purposes for 2018-19 (excluding parish precepts) is £172,586,032
4. That the following amounts be now calculated by the Council for the year 2018-2019 in accordance with Sections 31 to 36 of the Act:-
  - (a) £ 832,571,032 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
  - (b) £ 659,985,000 being the aggregate of the amounts which

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

the Council estimates for the items set out in Section 31A(3) of the Act

- (c) £ 172,586,032 being the amount by which the aggregate at 4(a) exceeds the aggregate at 4(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act)
- (d) £ 1,465.45 being the amount at 4(c) above (Item R), all divided by Item T (2(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
- (e) £ 0 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.
- (f) £ 1,465.45 being the amount at 4(d) above, less the result given by dividing the amount at 4(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its council tax for the year for dwellings in those parts of its area to which no Parish precept relates.

g)

<u>Part of the Council's area</u>	Base Council Tax £	Special Expenses £	Parish Precept £	Resultant Council Tax £
Parish of Denby Dale	1465.45	0.32	0.00	1465.77
Parish of Holme Valley	1465.45	0.00	0.00	1465.45
Parish of Kirkburton	1465.45	0.32	0.00	1465.77
Parish of Meltham	1465.45	0.32	0.00	1465.77
Parish of Mirfield	1465.45	0.32	0.00	1465.77
Kirklees (outside special expense area)	1465.45	0.32	0.00	1465.77

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

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

the Act, as the basic amounts of its council tax for the year for dwellings in those parts of its area to which one or more special items relate.

(h)                      **Kirklees**                      **Valuation Bands**

Part of the Council's area	<u>A</u> £	<u>B</u> £	<u>C</u> £	<u>D</u> £	<u>E</u> £	<u>F</u> £	<u>G</u> £	<u>H</u> £
Denby Dale	977.18	1,140.04	1,302.90	1,465.77	1,791.50	2,117.22	2,442.95	2,931.54
Holme Valley	976.97	1,139.79	1,302.62	1,465.45	1,791.11	2,116.76	2,442.42	2,930.90
Kirkburton	977.18	1,140.04	1,302.90	1,465.77	1,791.50	2,117.22	2,442.95	2,931.54
Meltham	977.18	1,140.04	1,302.90	1,465.77	1,791.50	2,117.22	2,442.95	2,931.54
Mirfield	977.18	1,140.04	1,302.90	1,465.77	1,791.50	2,117.22	2,442.95	2,931.54
All other parts	977.18	1,140.04	1,302.90	1,465.77	1,791.50	2,117.22	2,442.95	2,931.54

Being the amounts given by multiplying the amounts at 4(g) by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

5. That it be noted that for the year 2018-2019 the major precepting authorities have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings in the Council's area as shown below:-

Precepting Authority	<u>A</u> £	<u>B</u> £	<u>C</u> £	<u>D</u> £	<u>E</u> £	<u>F</u> £	<u>G</u> £	<u>H</u> £
West Yorkshire Fire & Civil Defence Authority	41.81	48.77	55.74	62.71	76.65	90.58	104.52	125.42
West Yorkshire Police Authority	107.23	125.11	142.98	160.85	196.59	232.34	268.08	321.70

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

6. That, having calculated the aggregate in each case of the amounts at 4(g) and 5, the Council, in accordance with Sections 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of council tax for the year 2018-2019 for each of the categories of dwelling shown below:-

Part of the Council's area	<u>Valuation Bands</u>							
	<u>A</u> £	<u>B</u> £	<u>C</u> £	<u>D</u> £	<u>E</u> £	<u>F</u> £	<u>G</u> £	<u>H</u> £
Denby Dale	1,126.22	1,313.92	1,501.62	1,689.33	2,064.74	2440.14	2,815.55	3,378.66
Holme Valley	1,126.01	1,313.67	1,501.34	1,689.01	2,064.35	2,439.68	2,815.02	3,378.02
Kirkburton	1,126.22	1,313.92	1,501.62	1,689.33	2,064.74	2440.14	2,815.55	3,378.66
Meltham	1,126.22	1,313.92	1,501.62	1,689.33	2,064.74	2440.14	2,815.55	3,378.66
Mirfield	1,126.22	1,313.92	1,501.62	1,689.33	2,064.74	2440.14	2,815.55	3,378.66
All other parts	1,126.22	1,313.92	1,501.62	1,689.33	2,064.74	2440.14	2,815.55	3,378.66

7. The Council has determined that its relevant basic amount of Council Tax for 2018-2019 is not excessive in accordance with principles approved under section 52ZB Local Government Finance Act 1992.

As the billing authority, the Council has not been notified by a major precepting authority that its relevant basic amount of Council Tax for 2018-2019 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK Local Government Finance Act 1992.

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

**Motion to be presented by Cllr David Sheard and Cllr Shabir Pandor**



## Calculation of Council Tax for 2018-2019

Appendix H ii)

	<u>2017-18 Budget</u>		<u>2018-19 Budget</u>		<u>% change</u>
	£	£	£	£	
Total Directorate Budgets		294,544,000		291,226,690	
Adjustment for contribution to (+)/use of (-) balances		<u>-11,142,000</u>		<u>0</u>	
Total Expenditure		283,402,000		291,226,690	
Less: Business Rates Local Share	47,644,000		99,786,000		
Less: Top Up / (Tariff)	26,676,000		-2,340,000		
Less: RSG	32,763,000		0		
Less: Unringfenced Specific Grants	16,768,000		17,660,000		
Less: Transfer of Collection Fund Deficit	<u>0</u>		<u>3,500,000</u>		
		123,851,000		118,606,000	
Council Tax Requirement		<u>159,551,000</u>		<u>172,620,690</u>	
Less: Special Expenses		<u>34,658</u>		<u>34,658</u>	
Balance to be raised by Council Tax (excludes special expenses)		159,516,342		172,586,032	
<i>Kirklees Taxbase</i>		<i>115,371.39</i>		<i>117,770.00</i>	
<b>Kirklees Council Tax on Band D Properties (Holme Valley)</b>		<b>£1,382.63</b>		<b>£1,465.45</b>	
Special Expenses * Incurred Outside Holme Valley		0.3283		0.3215	
<b>Kirklees Council Tax on Band D Properties (excluding Holme Valley)</b>		<b>1,382.96</b>		<b>1,465.77</b>	<b>5.99%</b>
<b><u>Precept Figures</u></b>					
West Yorkshire FCDA	£7,025,500	60.89	<b>£7,385,360</b>	<b>62.71</b>	2.99%

West Yorkshire Police	£17,173,458	148.85	£18,943,304	160.85	8.06%
<b>Kirklees Plus Fire &amp; Police</b>		<b>£1,592.71</b>		<b>£1,689.33</b>	<b>6.07%</b>
Parish Precepts	£565,713	£4.90	£0	£0.00	-100.00%
<b>Council Tax at Band D</b>		<b>£1,597.61</b>		<b>£1,689.33</b>	<b>5.74%</b>

### Council Tax by Council Tax Band

	<u>2017-18</u>	<u>2018-19</u>	<u>Annual increase</u>	<u>Weekly Increase</u>
Band A	£1,061.81	1,126.22	64.41	1.24
Band B	£1,238.78	1,313.92	75.14	1.45
Band C	£1,415.74	1,501.62	85.88	1.65
Band D	£1,592.70	1,689.33	96.63	1.86
Band E	£1,946.64	2,064.74	118.10	2.27
Band F	£2,300.58	2,440.14	139.56	2.68
Band G	£2,654.51	2,815.55	161.04	3.10
Band H	£3,185.42	3,378.66	193.24	3.72

<u>Referendum Calculation</u>		<u>2016-17</u>		<u>2017-18</u>	
		£		£	
Council Tax Requirement		159,551,000		172,620,690	
<i>Divided by Taxbase</i>	<i>115,371.39</i>		<i>117,770.00</i>		
<b>Average Band D Council Tax</b>		<b>1,382.93</b>		<b>1,465.74</b>	<b>5.99%</b>

\* Special expenses relate to expenditure incurred in respect of public seats on or adjoining highways, War Memorials and Public Clocks outside the area of the Holme Valley Parish Council. This Parish Council provides such items within its area.

**Kirklees Council – Pay Policy Statement for the period 1 April 2018 to 31 March 2019**

**Introduction**

Sections 38 – 43 of the Localism Act 2011 require that the authority produce a policy statement that covers a number of matters concerning the pay of the authority's staff, principally Chief Officers. This policy statement meets the requirements of the Localism Act in this regard and also meets the requirements of guidance issued by the Secretary of State for Communities and Local Government to which the authority is required to have regard under Section 40 of the Act. The policy was first considered and approved by the full Council at the Council meeting which took place on 18 January 2012. This policy also has some connection with the data on pay and rewards for staff which the Authority publishes under the Code of Recommended Practice for Local Authorities on Data Transparency and the data which is published under The Accounts and Audit (England) Regulations (2015). This policy statement does not cover or include school staff and is not required to do so.

**Definition of officers covered by the Policy Statement**

This policy statement covers the following posts:

- a) Head of the Paid Service, which in this authority is the post of
  - Chief Executive
  
- b) Monitoring Officer, which in this authority is the post of
  - Service Director Legal, Governance & Commissioning
  
- c) Statutory Chief Officers, which in this authority are the posts of
  - Strategic Director Children and Families
  - Strategic Director Adults & Health
  - Director of Public Health (which is being carried out by the (Acting /Interim?)[need to check term used] Strategic Director – Corporate Services - Service Director – Finance, Transactional Services – Section 151 Officer
  
- d) Non-statutory Chief Officers, which in this authority is the post of
  - Strategic Director Economy, & Infrastructure
  
- e) Deputy Chief Officers, (those who report directly to a Statutory or Non-Statutory Chief Officer) which in this authority are the posts of:
  - Service Director – Child Protection & Family Support
  - Service Director – Early Help & Learning
  - Service Director – Quality Assurance, Standards & Safeguarding
  - Service Director - Policy, Intelligence & Public Health
  - Service Director – Service Integration
  - Service Director – Adults Social Care Operation
  - Service Director – Regeneration & Culture
  - Service Director – Commercial, Regulatory & Operational Services

- Service Director – Customer & Service Solutions
- Head of IT
- Head of Finance & Accountancy
- Head of Revenues & Benefits

### **Policy on remunerating Chief Officers**

The authority's policy on remunerating Chief Officers is set out on the schedule that is attached to this policy statement at Appendix I iv. It is the policy of this authority to establish a remuneration package for each Chief Officer post that is sufficient to attract and retain staff of the appropriate skills, knowledge, experience, abilities and qualities that is consistent with the authority's requirements of the post in question at the relevant time.

Following the implementation of Single status, all Chief Officers are paid in accordance with the Council's pay spine including national pay awards.

### **Policy on remunerating the lowest paid in the workforce**

The authority applies terms and conditions of employment that have been negotiated and agreed through appropriate collective bargaining mechanisms (national or local) or as a consequence of authority decisions, these are then incorporated into contracts of employment. This authority has implemented a Local Living wage from 1 April 2015. Existing Spinal Column Points 6-10 within the Authority's current pay spine, have been deleted as of 1 April 2016, and the new lowest pay point in this Authority, will be Grade 3, Spinal Column Point (SCP) 11; £8.82 hourly rate.

The pay rate is increased in accordance with any pay settlements which are reached through the National Joint Council for Local Government Services (the pay spine shown at Appendix I iii) is inclusive of the most recent pay award offer).

### **Policy on the relationship between Chief Officer Remuneration and that of other staff**

The highest paid (actual) salary in this authority is £158,748 which is paid to Jacqui Gedman. The median (full time equivalent) salary\* in this authority (not including Schools or other external organisations) is £20,081.

#### **\*Median**

*The median is the value falling in the middle when the data items are arranged in an array of either ascending or descending order. If there is an odd number of items, the median is the value of the middle item. If there is an even number of items, the median is obtained by taking the mid points of the two middle points (add middle points together and divide by 2).*

*Excluded : Kirklees active Leisure, Kirklees neighbourhood Housing, Maintained Schools, Academies, Claiming Teachers, Temp Direct, Teachers pensions, casual and Paymaster Only Contracts, any record where the actual salary is*

zero.

The ratio between the two salaries, the 'pay multiple', is 7.49:1.

This authority does not have a policy on maintaining or reaching a specific 'pay multiple', however the authority is conscious of the need to ensure that the salary of the highest paid employee is not excessive and is consistent with the needs of the authority as expressed in this policy statement and its wider pay policy and approach.

The authority's approach to the payment of other staff is to pay that which the authority needs to pay to recruit and retain staff with the skills, knowledge, experience, abilities and qualities needed for the post in question at the relevant time, and to ensure that the authority meets any contractual requirements for staff including the application of any local or national collective agreements, or authority decisions regarding pay.

### **Policy on other aspects of Chief Officer Remuneration**

Other aspects of Chief Officer remuneration are appropriate to be covered by this policy statement, these other aspects are defined as recruitment, pay increases, additions to pay, performance related pay, earn back, bonuses, termination payments, transparency and re-employment when in receipt of an Local Government Pension Scheme (LGPS) pension or a redundancy/severance payment. These matters are addressed in the schedule that is attached to this policy statement at Appendix I iv).

### **Approval of Salary Packages in excess of £100k**

The authority will ensure that, at the latest before an offer of appointment is made, any salary package for any new post that is not currently included within Appendix I ii) (not including schools and any initial transfer to the Council under TUPE), that is in excess of £100k will be considered by full Council. The salary package will be defined as base salary, any bonuses, fees, routinely payable allowances and benefits in kind that are due under the contract.

### **Flexibility to address recruitment issues for vacant posts**

In the vast majority of circumstances the provisions of this policy will enable the authority to ensure that it can recruit effectively to any vacant post. There may be exceptional circumstances when there are recruitment difficulties for a particular post and where there is evidence that an element or elements of the remuneration package are not sufficient to secure an effective appointment. This policy statement recognises that this situation may arise in exceptional circumstances and therefore a departure from this policy can be implemented without having to seek full Council approval for a change of the policy statement. Such a departure from this policy will be expressly justified in each case and will be approved through an appropriate authority decision making route.

**Policy for future years**

This policy statement will be reviewed each year and will be presented to full Council each year for consideration in order to ensure that a policy is in place for the authority prior to the start of each financial year.

**RENUMERATION OF CHIEF OFFICERS**

**APPENDIX I ii)**

Job Category	Employment Conditions either Chief Execs, Chief Officer or Local Government Scheme (LGS)	Post Title	Salary Band* **	Expenses	Performance Related Pay (PRP) Arrangements	Earn Back Arrangements	Bonus	Non Cash Benefits	Election Fees	Any Joint Authority Payments
A Head of Paid Service	LGS	Chief Executive	£145,000 - £174,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	Contract includes duties of returning officer for District, Parliamentary & European elections. The LA receives the income from National Government for the Parliamentary and European elections. For Referenda separate fees are paid to the officer.	No
B Monitoring Officer	LGS	Service Director Governance & Commissioning Support (Monitoring Officer)	£85,000 - £99,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No
C Statutory Chief Officers	LGS	Strategic Director Children & Families (a)	£115,000 - £129,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No
C Statutory Chief Officers	LGS	Strategic Director Adults & Health	£115,000 - £129,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No
C Statutory Chief Officers	LGS	Strategic Director - Corporate Services (Policy, Intelligence & Public Health)	£115,000 - £129,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No
C Statutory Chief Officers	LGS	Service Director - Finance, IT & Transactional Services (Section 151 Officer)	£85,000 - £99,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No

Job Category	Employment Conditions either Chief Execs, Chief Officer or Local Government Scheme (LGS)	Post Title	Salary Band* **	Expenses	Performance Related Pay (PRP) Arrangements	Earn Back Arrangements	Bonus	Non Cash Benefits	Election Fees	Any Joint Authority Payments
D Non -Statutory Chief Officers	LGS	Strategic Director Economy & Infrastructure	£115,000 - £129,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No
E Deputy Chief Officer (those who report to a Statutory or Non-Statutory Chief Officer)	LGS	Service Director - Child Protection & Family Support	£85,000 - £99,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No
E Deputy Chief Officer (those who report to a Statutory or Non-Statutory Chief Officer)	LGS	Service Director - Early Help & Learning	£85,000 - £99,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No
E Deputy Chief Officer (those who report to a Statutory or Non-Statutory Chief Officer)	LGS	Service Director - Quality Assurance, Standards & Safeguarding	£85,000 - £99,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No
E Deputy Chief Officer (those who report to a Statutory or Non-Statutory Chief Officer)	LGS	Service Director - Service Integration	£85,000 - £99,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No
E Deputy Chief Officer (those who report to a Statutory or Non-Statutory Chief Officer)	LGS	Service Director - Adult Social Care Operation	£85,000 - £99,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No
E Deputy Chief Officer (those who report to a Statutory or Non-Statutory Chief Officer)	LGS	Service Director - Regeneration & Culture	£85,000 - £99,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No
E Deputy Chief Officer (those who report to a Statutory or Non-Statutory Chief Officer)	LGS	Service Director - Commercial, Regulatory & Operational Services	£85,000 - £99,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No

Job Category	Employment Conditions either Chief Execs, Chief Officer or Local Government Scheme (LGS)	Post Title	Salary Band* **	Expenses	Performance Related Pay (PRP) Arrangements	Earn Back Arrangements	Bonus	Non Cash Benefits	Election Fees	Any Joint Authority Payments
E Deputy Chief Officer (those who report to a Statutory or Non-Statutory Chief Officer)	LGS	Service Director - Customer & Service Solutions	£85,000 - £99,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No
E Deputy Chief Officer (those who report to a Statutory or Non-Statutory Chief Officer)	LGS	Service Director - Policy, Intelligence & Public Health	£85,000 - £99,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No
E Deputy Chief Officer (those who report to a Statutory or Non-Statutory Chief Officer)	LGS	Head of IT	£54,000 - £64,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No
E Deputy Chief Officer (those who report to a Statutory or Non-Statutory Chief Officer)	LGS	Head of Finance & Accountancy	£54,000 - £64,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No
E Deputy Chief Officer (those who report to a Statutory or Non-Statutory Chief Officer)	LGS	Head of Revenues & Benefits	£54,000 - £64,999	Kirklees has a common set of Terms and Conditions that applies to all staff. Entitled to claim.	No	No	No	No	No	No

\* Salary is Full Time Equivalent - salary bands quoted reflect pay levels as at 1 April each year

\*\* 2018 Salaries are still to be confirmed salary band based on Employers offer

(a) Position currently being covered by Leeds City Council employee

Appendix I (iii)

**KIRKLEES COUNCIL SINGLE STATUS GRADES**

Grade	SCP	1.4.18 £	Grade	SCP	1.4.18 £
1*	4	-	14	46	£41,846
	5	-		47	£42,806
2	6	£16,394	15	48	£43,757
	7	£16,495		49	£44,697
	8	£16,626		50	£45,530
3	9	£16,755	16	51	£46,406
	10	£16,863		52	£47,227
**	11	£17,007		53	£48,085
4	12	£17,173	17	54	£48,927
	13	£17,391		55	£49,781
	14	£17,681		56	£50,637
5	15	£17,972	18	57	£51,509
	16	£18,319		58	£52,213
	17	£18,672		59	£53,283
6	18	£18,870	19	60	£54,195
	19	£19,446		61	£55,130
	20	£19,819		62	£56,410
	21	£20,541		63	£60,540
7	23	£21,693	20	64	£67,959
	24	£22,401		65	£72,912
	25	£23,111		66	£78,236
8	26	£23,866	21	67	£77,895
	27	£24,657		68	£83,586
	28	£25,463		69	£89,670
9	29	£26,470	22	70	£85,712
	30	£27,358		71	£92,166
	31	£28,221		72	£98,615
	32	£29,055		23	73
10	33	£29,909	74		£120,445
	34	£30,756	75		£123,468
	35	£31,401	76		£126,407
	36	£32,233	77	£129,348	
11	37	£33,136	24	78	£148,826
	38	£34,106		79	£153,789
	39	£35,229		80	£158,748
12	40	£36,153		81	£163,710
	41	£37,107		82	£168,671
	42	£38,052		83	£173,634
13	43	£39,002			
	44	£39,961			
	45	£40,858			

\*SCP4 abolished from 1.10.13/SCP5 abolished from 1.10.15

\*\* The Council pays a local Living Wage, meaning that no staff are paid less than SCP 11

**Range of Policies**

**APPENDIX I iv)**

<b>Aspect of Chief Officer Remuneration</b>	<b>Authority Policy</b>
Recruitment	The post will be advertised and appointed to at the appropriate approved salary for the post in question level unless there is good evidence that a successful appointment of a person with the required skills, knowledge, experience, abilities and qualities cannot be made without varying the remuneration package. In such circumstances a variation to the remuneration package is appropriate under the authority's policy and any variation will be approved through the appropriate authority decision making process.
Pay Increases	The authority will apply any pay increases that are agreed by relevant national negotiating bodies and/or any pay increases that are agreed through local negotiations. Following the implementation of Single status, all Chief officers are paid in accordance with the Council's pay spine including national pay awards. The authority will also apply any pay increases that are as a result of authority decisions to significantly increase the duties and responsibilities of the post in question beyond the normal flexing of duties and responsibilities that are expected in senior posts.
Additions To Pay	The authority would not make additional payments beyond those specified in the appropriate policies i.e. Market Rate Supplement, Recruitment and Retention, Acting Up or Honoraria payments.
Performance Related Pay (PRP)	The authority does not operate a performance related pay system as it believes that it has sufficiently strong performance management arrangements in place to ensure high performance from its senior officers. Any areas of under-performance are addressed rigorously by utilising the Performance Management system.
Earn-Back ( Withholding an element of base pay related to performance)	The authority does not operate an earn-back pay system as it believes that it has sufficiently strong performance management arrangements in place to ensure high performance from its senior officers. Any areas of under-performance are addressed rigorously.
Bonuses	The authority does not pay bonus payments to senior officers.

Termination Payments	The authority applies its normal redundancy payments arrangements to senior officers and does not have separate provisions for senior officers. The authority also applies the appropriate Pensions regulations when they apply. The authority has agreed policies in place on how it will apply any discretionary powers it has under Pensions regulations. Any costs that are incurred by the authority regarding senior officers are published in the authority accounts as required under the Accounts and Audit (England) Regulations 2015.
Transparency	The authority meets its requirements under the Localism Act, the Code of Practice on Data Transparency and the Accounts and Audit Regulations in order to ensure that it is open and transparent regarding senior officer remuneration.
Re-employment of staff in receipt of an Local Government Pension Scheme Pension or a redundancy/severance payment	<p>The authority is under a statutory duty to appoint on merit and has to ensure that it complies with all appropriate employment and equalities legislation. The authority will always seek to appoint the best available candidate to a post who has the skills, knowledge, experience, abilities and qualities needed for the post.</p> <p>The authority will therefore consider all applications for candidates to try to ensure the best available candidate is appointed. If a candidate is a former employee in receipt of an LGPS pension or a redundancy payment this will not rule them out from being re-employed by the authority. Clearly where a former employee left the authority on redundancy terms then the old post has been deleted and the individual cannot return to the post as it will not exist.</p> <p>The authority will apply the provisions of the Redundancy Payments Modification Order regarding the recovery of redundancy payments if this is relevant. Pensions Regulations also have provisions to reduce pension payments in certain circumstances to those who return to work within the local government service.</p>

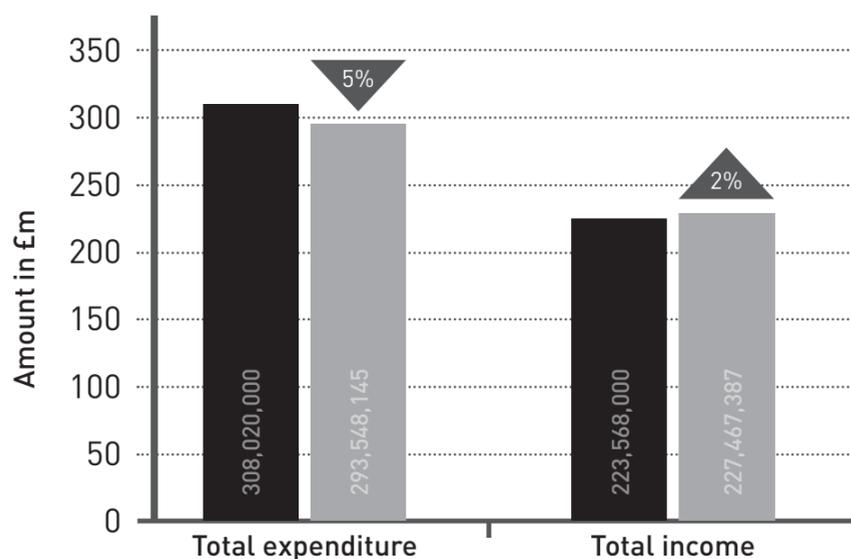


# Council budget 2018 - The results

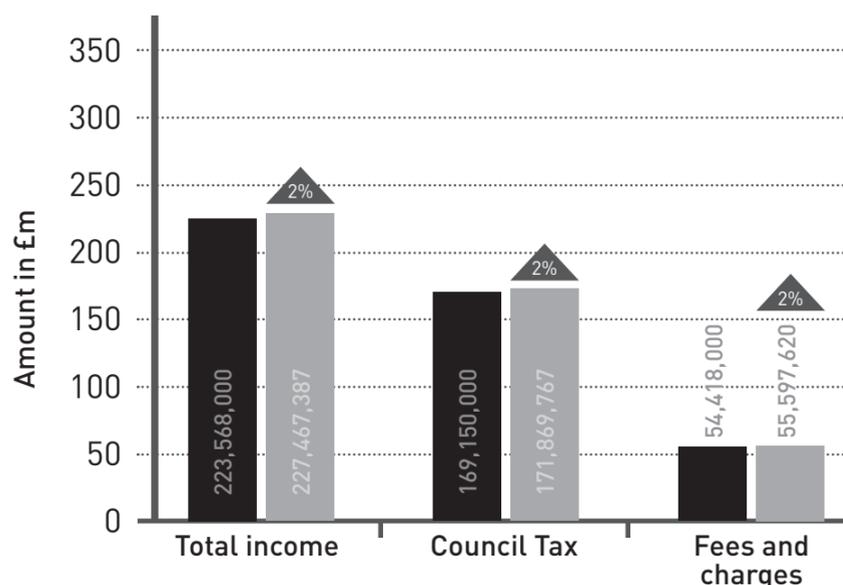
During November and December 2017, the Council ran a budget consultation which asked the public to try and balance the Council's finances. It utilised an online budget simulator and people had to achieve the required savings of **£28m**.

We had **385** budgets submitted and of these, **83%** provided their age and postcode which helps us understand the way the current financial challenges are viewed across the whole of Kirklees.

## Total Budget Figures

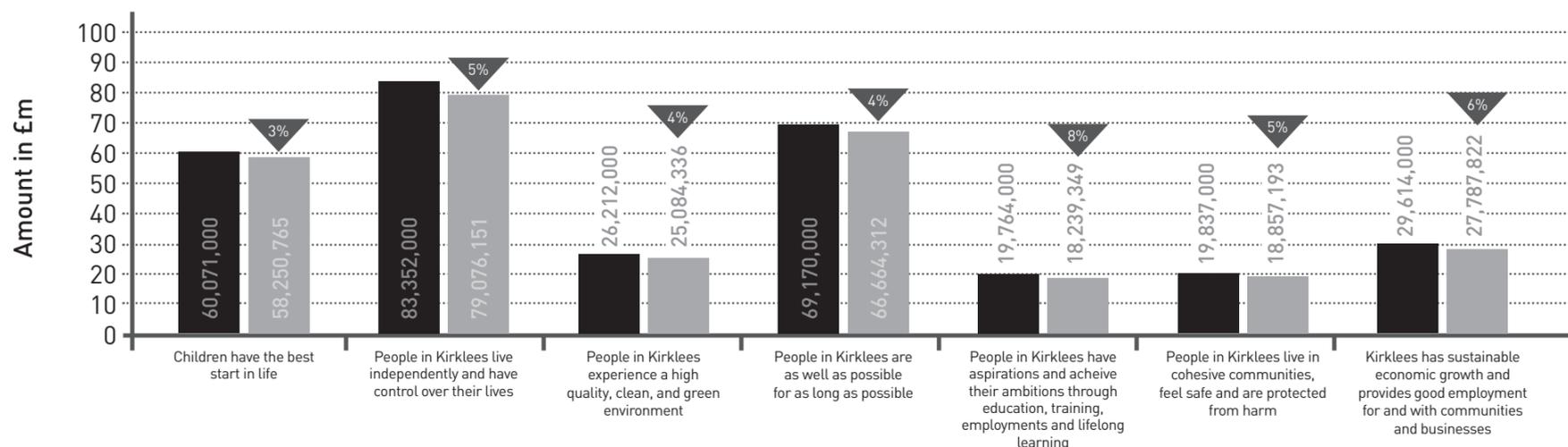


## Options To Generate Income

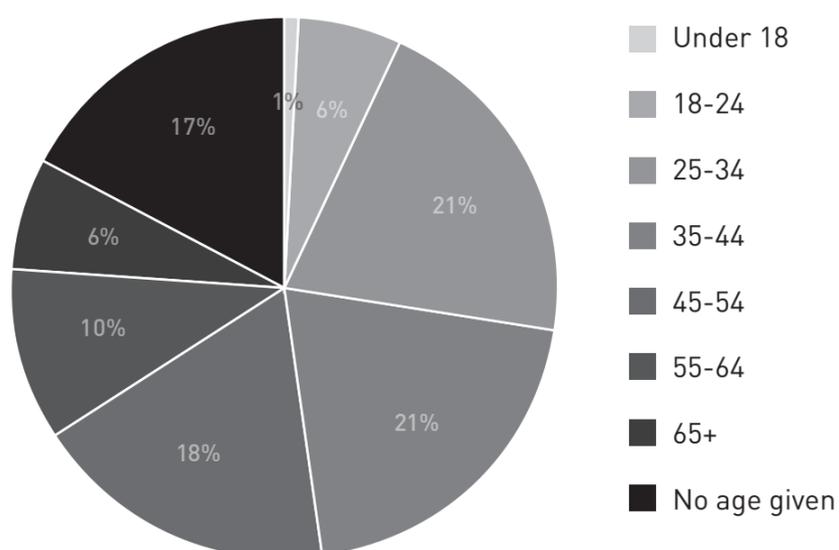


■ Original Budget  
■ Average Revised Budget

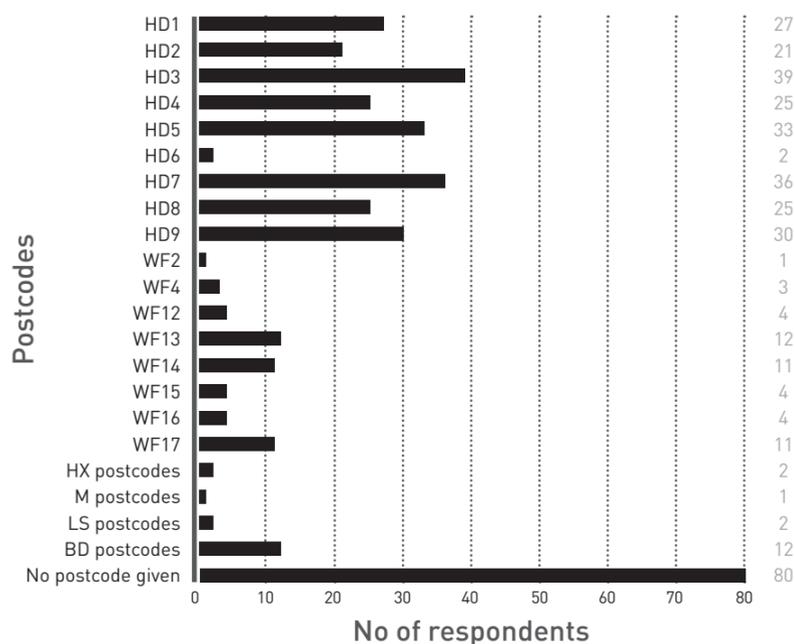
## Theme Budget Breakdowns



## Age of Respondents



## Location of Respondents



## **RECOMMENDATIONS OF THE MEETING OF BUDGET CABINET 30 JANUARY 2018**

That the Motion be submitted to the Meeting of Council on 14 February 2018 with a recommendation that;

- (i) Capital
  - the draft Capital Plan 2018-2023 be approved (appendix E)
  - the Prudential Indicators as detailed at appendix F be approved
  
- (ii) Treasury Management (Appendix C)
  - the borrowing strategy be approved (paragraphs 2.12-2.18 refer)
  - the investment strategy be approved (paragraphs 2.19-2.33 refer)
  - the policy for provision of repayment of debt (minimum revenue provision/MPR) be approved (appendix C refers, reflecting the changes in policy outlined in paragraphs 2.34-2.66) effective from 2017-2018, be approved
  - the treasury management indicators be approved (Appendix C refers)
  - proposals to re-refresh the treasury management strategy for financial year 2019-2020 to reflect revised 2017 CIPFA Treasury Management and Prudential Codes, and updated Government Investment Strategy and MRP guidance to Local Authorities (Government guidance pending), be noted.
  
- (iii) General Fund Revenue
  - the Draft Revenue Budget 2018-2020 be approved, as attached at appendix A
  - the forecast levels of statutory and other Council reserves, as set out at appendix B, be noted
  - the strategy for the use of balances and reserves be approved (paragraph 3.73 refers)
  - a further reassessment of reserves requirements be undertaken at year end and reported to Members as part of the 2017-2018 financial outturn and rollover report (paragraph 3.74 refers)
  - the Council's continued participation on the Leeds City Region business rates pool for 2018-2019 be noted (paragraph 3.26 refers)
  - the Flexible Capital Receipts Strategy for 2018-2019 be approved (appendix D refers)
  - the Council Tax requirement for 2018-2019 be approved (appendix H refers)
  - the Council's Pay Policy Statement for 2018-2019 be approved (appendix I i-iv refers)
  - the Council's Statutory S151 Officer's positive assurance statement be noted (paragraphs 4.4.2 – 4.4.9 refer)
  - the Council's Statutory S151 Officer be given delegated authority to amend how the finally approved precepts are recorded in the Council's revenue budget in line with the final notifications received following decisions by the Office of Police and Crime Commissioner, the Fire and Rescue Authority and Parish Councils, should these be received after 14 February 2018 (paragraph 4.1.3 refers)

- (iv) Housing Revenue Account
  - the draft Housing Revenue Account Budget for 2018-2020 be approved (appendix A refers)
  - the strategy for the use of the Housing Revenue Account reserves, as set out at paragraphs 3.93 -3.94, be approved