

Contact Officer: Andrea Woodside

KIRKLEES COUNCIL

CABINET

Tuesday 29th January 2019

Present: Councillor Shabir Pandor (Chair)
Councillor David Sheard
Councillor Masood Ahmed
Councillor Viv Kendrick
Councillor Naheed Mather
Councillor Peter McBride
Councillor Cathy Scott

Apologies: Councillor Musarrat Khan
Councillor Graham Turner

175 Membership of the Committee

Apologies for absence were received on behalf of Councillors Khan and Turner.

176 Interests

Councillors Pandor and Scott declared an 'other' interest in Agenda Item 8 on the grounds that they have family members who are KNH tenants (Minute No. 182 refers).

177 Admission of the Public

It was noted that Agenda Item 12 would be considered in private session (Minute No. 186 refers).

178 Deputations/Petitions

Cabinet received a deputation and petition from Mr Akooji Badat with regards to a request for the implementation of a minimum wage for taxi drivers.

179 Public Question Time

No questions were asked.

180 Member Question Time

No questions were asked.

181 Council Annual Budget Report incorporating Capital, Treasury Management, General Fund, Revenue and Housing Revenue Account

(The report gave notice to Cabinet Members of the requirements of Section 106 of the Local Government Finance Act 1992 in relation to voting and participation in the meeting).

Cabinet gave consideration the Council Budget Report, prior to its submission to Council on 13 February 2019. The report (i) reviewed the general fund revenue budget strategies over the medium term financial plan and budget proposals to achieve a balanced general fund revenue budget in 2019-2020, and indicative revenue budget forecasts for the following two years (ii) incorporated the

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Government's announcement on the Local Government Finance Settlement for 2019-2020, and considered the level of general fund revenue budget required for Treasury Management and central contingencies (iii) reviewed the current levels of general fund revenue reserves and balances and made recommendations on the level of reserves (iv) incorporated Housing Revenue Account proposals to achieve a balanced HRA in 2019-2020, and indicative revenue budget plan for the following two years, informed by the HRA 30 year business plan (v) reviewed the current levels of HRA reserves, and made recommendations on the level of reserves (vi) reviewed the multi-year plan for capital investment (vii) reviewed the 2019-2020 Treasury Management Strategy, Investment Strategy and Capital Strategy (viii) made recommendations on the Council tax requirement for 2019-2020 and (ix) incorporated 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.

Having considered the content of the report and the accompanying appendices, it was agreed that the proposed budget be submitted to the meeting of Budget Council for determination.

RESOLVED - That the Motion be submitted to the Meeting of Council on 13 February 2019 with a recommendation that;

(i) General Fund Revenue

- the draft Revenue Budget 2019-2022 be approved, as attached at Appendix A
- the forecast levels of statutory and other Council reserves, as set out at Appendix Bii, be noted
- the strategy for the use of balances and reserves be approved (paragraph 2.15 refers)
- a further reassessment of reserves requirements be undertaken at year end and reported to Members as part of the 2018-2019 financial outturn and rollover report (paragraph 2.15.20 refers)
- the Council's continued participation in the North and West Yorkshire business rates pool for 2019-2020 be noted and that approval be given in principal to the new arrangements for the 2019-2020 pool, as set out at Appendix K, with authority being delegated to the Monitoring Officer, in conjunction with the Service Director (Finance), to finalise the new arrangements with the City Solicitor of Leeds City Council (paragraph 2.4.8 refers)
- the Flexible Capital Receipts Strategy for 2019-2020 be re-affirmed (Appendix I refers)
- the Council Tax requirement for 2019-2020 be approved (Appendix I refers)
- the Council's Statutory S151 Officer's positive assurance statement be noted (paragraphs 3.3.1 – 3.3.20 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 13 February 2019 (paragraph 3.1.3 refers)

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(ii) Treasury Management

- the borrowing strategy be approved (paragraphs 2.15-2.21 refer)
- the investment strategy be approved (paragraphs 2.22-2.32 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 2.33-2.37)
- the treasury management indicators be approved (Appendix D refers)
- the Investment Strategy (non-treasury investments) (Appendix E refers) be approved

(iii) Capital

- the updated Capital Plan 2018-2024 be approved (Appendix A)
- the Capital Strategy (including Prudential Indicators), as detailed at Appendix G, be approved

(iv) Housing Revenue Account

- the draft Housing Revenue Account Budget for 2019-2022 be approved (appendix A refers)
- the strategy for the use of the Housing Revenue Account reserves, as set out at paragraph 2.18.4, be approved

182 **Housing Revenue Account (HRA) Rent and Service Charge Setting and Key Housing Challenges**

Cabinet gave consideration to a report which provided the financial context and basis for the annual setting of rents and service charges within the Housing Revenue Account.

The report advised that the proposed average weekly dwelling rent for 2019 to 2020 would be £68.35, based upon a 53 week billing period and incorporating the compulsory 1% rent reduction. It was proposed that (i) the annual increases to average weekly garage rent and other service charges, as set out within the appendix to the considered report, would continue to be uplifted in line with the Retail Price Index figure, which for 2019/20 was 3.3% and (ii) the charges for Extra Care Services - Intensive Housing Management, would be uplifted by 6% and Extra Care Services – Night Care Service, by 20%.

The report also explained that properties let to new tenants, from 1 April 2019, would be charged at target rent. Cabinet noted that the target rent would generate approximately £8k of additional income during the first three years, based upon 5% stock re-let and an average increase of 52p per property, per annum, in the first year, and that this would generate additional income of £627k over the 30 year life of the HRA business plan.

It was noted that housing tenants would be notified of changes in the charges and be provided with advice on how to access information and support in relation to their housing costs.

RESOLVED -

- (1) That, in order to comply with the requirements of the Local Government and Housing Act 1989 to have a balanced Housing Revenue Account and the

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Welfare Reform and Work Act 2016 to reduce rents payable for social housing by at least 1% from April 2016, approval be given to the proposed rent and service charge changes, as detailed within the considered report, from April 2019 for 2019/2020.

- (2) That approval be given to uplift charges (i) for Extra Care Services – Intensive Housing Management at 6% (between £1.29 and £3.29 per week) and (ii) Extra Care Services – Night Care Service by 20.5% ((£2.94 a week), and the proposal to establish a 'discretionary hardship fund' be noted.
- (3) That approval be given to the charging of a target rent on all properties let to new tenants from 1 April 2019, and that it be noted that enhancements to the Council's lettable standard are to be made, with budget provisions having been considered at Agenda Item 7.
- (4) That it be noted that the approval of the above recommendations will ensure that a balanced Housing Revenue Account will be achieved, and that there is compliance with the requirements of the Local Government and Housing Act 1989.
- (5) That the national and local financial challenges as detailed within the report be noted.

183 Report seeking approval for Kirklees' School Funding arrangements for financial year 2019-20

Cabinet received a report which set out details of the arrangements which had been consulted upon for the funding of local schools and academies for the 2019-2020 funding year, and were asked to give consideration to (i) the specific funding factors to be used, and the relative weightings and values of the funding factors (ii) approvals given to exception applications submitted to the Education and Skills Funding Agency (ESFA) (iii) central budget provision within the Dedicated Schools Grant Schools Block of funding, the Central School Services Block and the Early Years Block and (iv) delegation arrangements for mainstream maintained schools.

The report advised that, based upon the ESFA funding timeline, it was expected that the Local Authority would inform maintained schools of their 2019-2020 budget allocations by 28 February 2019, and the ESFA would inform academies by 31 March 2019.

RESOLVED -

- (1) That the consultative process undertaken in collaboration with Head Teachers, via the Schools Forum, in order to determine the ongoing local approach to the distribution of DSG Schools Block funding for 2019-2020.
- (2) That the Exceptions Applications submitted to the Education and Skills Funding Agency, which were subsequently approved, be noted.
- (3) That approval be given to the submission of the schools funding formula for 2019-2020 (based upon a guaranteed funding rise of at least 1% per pupil in

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comparison to each school's 2017-2018 per pupil baseline) to the Education and Skills Funding Agency.

184 Consolidation of Kirklees Council Delivered Early Support Services

Cabinet gave consideration to a report which provided an update on the end of current contract arrangements and implications for TUPE arrangements for existing staff in the consolidation of contracts to ensure that they were in line with the Early Support Model.

The report advised that the Early Support offer provided early interventions in order to support and build resilience amongst children and families, particularly those which may be considered vulnerable and Cabinet were asked to approve the proposal to consolidate services, thereby aligning the Early Support Strategy and providing consistency and value for money. Further details regarding the arrangement were set out within the exempt appendix to the report.

(Cabinet gave consideration to the exempt information at Agenda Item 12 (Minute No. 186 refers) prior to the determination of this item.)

RESOLVED - That the proposal to consolidate services and align the Early Support Strategy, in order to achieve consistency and value for money, be approved.

185 Exclusion of the Public

RESOLVED - That under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following item of business, on the grounds that they involve the likely disclosure of exempt information, as defined in Part 1 of Schedule 12A of the Act.

186 Consolidation of Kirklees Council Delivered Early Support Services

(Exempt information within Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006, namely that the report contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It is considered that it would not be in the public interest to disclose the information contained within the report due to the need to maintain confidentiality regarding financial information relating to contracted authorities)

Cabinet gave consideration to the exempt information prior to the determination of Agenda Item 10 (Minute No. 184 refers).