

CALDERDALE MBC

WARDS AFFECTED: ALL

CABINET

8 DECEMBER 2025

DRAFT BUDGET 2026/27 to 2028/29 FOR CONSULTATION

REPORT OF THE DIRECTOR OF RESOURCES & TRANSFORMATION

1. Purpose of Report

1.1 The reasons for this report are to:

- (i) Present the draft revenue budget for 2026/27 to 2028/29.
- (ii) The report sets out the latest information in respect of the Local Government Finance Policy Statement and the implications for the Medium-Term Financial Plan 2026/27 to 2028/29.
- (iii) Agree the commencement of a period of consultation and engagement on the draft budget.

2. Need for a Decision

- 2.1 The Council is legally required to set a balanced budget before the start of each new financial year. As part of the financial planning process these draft budgets are based upon the latest forecasts of expenditure and income to achieve a balanced budget position for 2026/27.
- 2.2 This report sets out Cabinet's draft budget for 2026/27 and indicative budgets for 2027/28 and 2028/29 which is subject to stakeholder consultation and engagement for a minimum of 28 days.
- 2.2 To enable Cabinet to recommend a balanced budget to Budget Council on 23 February 2026, the final budget recommendation will be presented to Cabinet on 9 February 2026.

3. Recommendations

Cabinet is recommended to:

- 3.1 Note that the proposed budget is balanced based on assumptions around the potential impact of the Fair Funding Review 2.0 as outlined in the Medium-Term Financial Plan (MTFP) in October 2025. These assumptions may be subject to change when the provisional local government finance settlement is published by Government (expected mid-December) and furthermore once the final settlement is published.

- 3.2 That Cabinet approves that the draft budget for 2026/27 to 2028/29 for a period of stakeholder consultation and engagement.
- 3.3 The responses to the consultation be submitted to Cabinet at a meeting to be held on 9 February 2026, to enable Cabinet to make its final recommendations to Budget Council on the 23 February 2026. A balanced budget must be set no later than 10th March 2026.
- 3.4 Note the content of the CIPFA Financial Management and Financial Resilience Review Report and the change programme and action plan being developed to improve financial management processes to support achieving financial sustainability (**Annex A**).

4. Background and/or Details

- 4.1 In October 2025, Cabinet received a report on the rebased Medium Term Financial Plan (MTFP) for 2026/27 to 2028/29 and agreed the approach and timescales for setting a balanced budget 2026/27. The funding position used in the MTFP was based upon the Fair Funding Review 2.0 consulted upon during the summer.
- 4.2 The financial strategy is based upon the following aims and principles:

Aims

- We will continue to place careful and responsible financial management at the heart of our financial planning.
- We will review and update our MTFP to maintain the Council's financial resilience and will monitor and realign our budgets where needed to ensure we are directing our limited resources to where they make the most difference.

Principles

- The revenue budget will be balanced for 2026/27, and the capital programme will be affordable across the life of the MTFP.
 - Reserves and contingency budgets will be maintained at a level proportionate to the level of risk.
 - The budget will be set aligned to the agreed policy framework of the council.
 - Budget Managers, Directorate Leadership Teams, Corporate Leadership Team, Cabinet members are accountable for their respective budgets.
 - Budgets set will reflect value for money at service level.
 - Capital investment complies with the Prudential Code.
 - Performance against agreed budget limits and outcomes will be reported on a regular basis.
- 4.3 The Council's operating environment has been subject to significant changes since early 2020 creating sustained financial pressure on the Council's Budget. The areas with the most significant cost pressures are adult's and children's social care, special educational needs, highways and waste management. This draft budget aims to address known pressures in the base budget and makes appropriate provision for inflation (pay and

prices) and a reasonable assessment of demand pressures based upon the latest available information.

- 4.4 As previously reported, the landscape of local government funding is significantly changing from 2026/27 onwards. This presents an opportunity and a risk.
- There will be a multi-year settlement re-instated, giving certainty for the next 3 years.
 - The Fair Funding 2 review that will be used to determine the Core Spending Power for the Council represents a radical overhaul to the methodology for the distribution of funding across the sector.
 - An update of the Relative Needs Formulas used (the current methodology uses data from 2013), and
 - An assessment of available resource to meet the relative need (council tax equalisation), which is potentially beneficial for Calderdale.
 - The Business Rates system will also be re-set, meaning each Council's Baseline Funding will be adjusted.
 - Whilst the Local Government Finance Settlement Policy Statement has now been published, concluding the outcome of the Fair Funding Formula Review consultation, there remains some uncertainty pending the publication of the Provisional Settlement.
- 4.5 The Local Government Policy Statement published 20 November 2025 confirmed that there will be a 3-year finance settlement for the period 2026/27 to 2028/29. The funding increase of £5bn for local services, set in the Spending Review 2025 are confirmed in the Policy Statement. Of this £3.4bn of new grant funding will be delivered through the multi-year settlement.
- 4.6 The Policy Statement confirms the following changes to the Fair Funding Review 2.0 (FFR 2.0) model consulted on:
- Introducing the 2025 Indices of Multiple Deprivation in the Foundation Formula and Children and Young People Services Formula.
 - Maintaining the Recovery Grant allocations from 2025-26.
 - Reducing the weighting on remoteness, including the adjustment only in the Adult Social Care relative needs formula.
 - Updating the data within the model, including population data.
 - Reducing the weighting of day-time visitors and commuters, recognising that they do not have the same level of needs as a resident.
 - Increasing the distance cap in Home to School Transport from 20 miles to 50 miles.
 - The notional council tax Band D used in the resource adjustment for the next 3 years (£2,060, £2,160 and £2,265), which is at a higher level and will increase by more than expected.
 - Introduces a complex set of bespoke floors (to mitigate losses from the formula change).
 - Council Tax referendum limits are 3% for general council tax and 2% for Adult Social Care precept. Transitional protections, including the maintenance of the Recovery Grant will be subject to Councils applying the referendum limits in full.
- 4.7 In the October 2025 MTFP report the Fair Funding consultation model indicated that Calderdale's total needs assessment was 0.363% of national and that Calderdale's share

of the resource's deduction could be 0.318%. The final proposed FFR 2.0 calculates Calderdale's total needs assessment as 0.342% and the anticipated resources deduction is 0.31%. This means that Calderdale's relative need is higher than the estimated resources available to meet the level of need and this drives the resulting revenue support grant. The final allocations will be confirmed in the Provisional Settlement later this month but for the purposes of the draft budget, the working assumption of **£260.3m** is considered to represent a reasonable working estimate of funding for 2026/27.

Council Tax

- 4.8 The Government Council Tax referendum principles have been confirmed in the Local Government Finance Policy Statement. These allow Council's to apply up to a 3% Council Tax uplift, without requiring a local referendum. The draft budget reflects a proposed **2.99%** Council Tax uplift in 2026/27 (excluding precepts). This equates to £3.84m income.
- 4.9 In addition to allowable Council Tax uplifts within referendum principles, the Government grants Councils with Social Care responsibilities local discretion to uplift Council Tax up to a maximum of a further 2%. The draft budget assumes the maximum allowable uplift of **2%** for Adult Social Care (ASC) precept in 2026/27, which equates to £2.57m which is ring-fenced to support adult social care base budget additional spend requirements.
- 4.10 Taking into account both the basic Council Tax uplift and the ASC precept, the current budget assumes a total proposed Council Tax increase for 2026/27 will be **4.99%**. The impact of the proposed 4.99% uplift on households in Calderdale is outlined in the following table.

Bands	Council Tax Charge - CMBC only							
	A	B	C	D	E	F	G	H
Annual	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
2025/26	1,291.68	1,506.95	1,722.23	1,937.51	2,368.07	2,798.61	3,229.19	3,875.02
2026/27	1,356.13	1,582.15	1,808.17	2,034.19	2,486.23	2,938.27	3,390.32	4,068.38
Increase	64.45	75.20	85.94	96.68	118.16	139.66	161.13	193.36
Weekly								
2025/26	24.84	28.97981	33.11981	37.25981	45.53981	53.81942	62.09981	74.51962
2026/27	26.08	30.43	34.77	39.12	47.81	56.51	65.20	78.24
Increase	1.24	1.45	1.65	1.86	2.27	2.69	3.10	3.72

- 4.11 The Council Tax Base for 2026/27 is currently being updated and will be reported to Cabinet in January 2026, taking account of changes in dwellings, discounts and exemptions.

Business Rates

- 4.12 The Business Rates Retention System (BRRS) is being reset from 1 April 2026. This is a core part of the government's Fair Funding Review 2.0 to ensure the local government funding system is fit for the future. At the reset, all local authorities will be assigned new Business Rates Baselines (BRBs), Baseline Funding Levels (BFLs) and top-up or tariffs. The Provisional Settlement will confirm the BRB, BFL and top-ups/tariffs. An estimate has been made in the draft budget of £48.3m from retained rates and top-up.
- 4.13 The Council has been part of a regional Business Rates Pool since 2013. All Pools are subject of an annual application process to Government, both existing and new Pools. Cabinet has previously received a report to approve the Council's continued participation in a Leeds City Region (LCR) Pool, which included all West Yorkshire Councils and York, each year. Due to the changes, including the safety net thresholds of the BRRS it is

unlikely that the benefits of being part of the pool outweighs the increased risk, therefore the pool will be disbanded at the end of 2025/26.

Revenue Budget

- 4.14 The focus of this year's financial planning process is to fix the foundations of the budget, ensuring the Council can meet present and future challenges. The budget intends to balance sustainability, efficiency and protecting valued services. As previously reported, there has been sustained cost pressures in some service areas. This budget addresses some underlying base issues whilst projecting for future challenges, increases in the base budget for 2026/27 are summarised in the below table:

	In-year pressure	Projected Demand and Price	Total
	£	£	£
Waste Collection	2,000		2,000
Home to School Transport	1,000		1,000
Highways Maintenance	1,400	800	2,200
Children's Social Care and SEND	1,426	723	2,149
Adults Social Care	3,753	5315	9,068
Investment Income	1,395		1,395
Pay Inflation		3,227	3,227
Levies and Other Services		347	347
	10,974	10,412	21,386

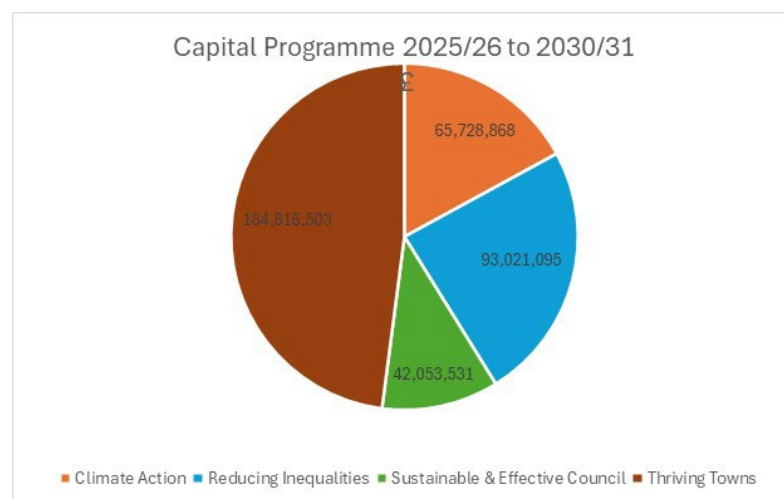
- 4.15 The draft budget for 2026/27 onwards, detailed in Appendix 2 of the report, also takes account of some legislative and regulatory changes to ensure we can meet our statutory duties. This includes responding to the learning from the Grenfell tragedy and new requirements under the Fire Safety Act; protecting resource to support the Council's Prevent duties and providing the relevant resource when the Local Government Boundary Commission changes come into effect in 2026/27. These adjustments amount to £398k.
- 4.16 The draft budget includes funding amounting to £8.7m over the next three years, including protecting people from harm, enabling regeneration and employment opportunities, supporting people with learning disabilities, building on the Culture Dale legacy and ensuring the council operates efficiently and improves productivity.
- 4.17 The council has a legal duty to agree a balanced budget, which means it cannot spend more money than it has. To balance the required net expenditure of £266.7m for 2026/27, spending in some areas needs to be reduced and the draft budget includes £5m of new savings next year. Efficiency savings will be achieved by reducing administrative costs, building in vacancy management targets to service budgets, increasing income, and making changes to the way some services are delivered so they are more efficient and productive. The draft budget assumes that fees and charges will be increased by at least of 3% or assessed against market conditions and regulatory requirements. In addition, approximately £1.7m investment in transformation activity will be funded from capital receipts flexibility (see 4.23).
- 4.18 Whilst the draft budget for 2026/27 represents a balanced budget, the medium-term outlook for 2027/28 and 2028/29 is forecasting a cumulative budget gap of £7.8m, as detailed in Appendix 2. To achieve this level of savings in a meaningful way requires a

comprehensive plan based upon a range of option appraisals. This is a priority for the first quarter of the new year and will be developed in conjunction with the Finance Improvement Plan (**Annex A**).

- 4.19 The Council continues to focus on improving business as usual delivery and managing spend by:
- Maximise use of automation of business process and administrative functions.
 - Focus on collecting a greater level of arrears and other debts owed to the council.
 - Review social care placements to ensure they are both appropriate for the level of need and represent best value for the council.
 - Continuing to reduce high-cost agency and consultancy spend.
 - Keep a focus on ensuring reduced costs of energy through energy efficiency initiatives and procurement opportunities in partnership with YPO.
 - Continue joint work with health and hospital trusts to ensure appropriate NHS contributions for health elements of care packages for children and adults.
 - Support local economic growth, working with the Combined Authority to prioritise investment that will achieve growth.

Capital Programme

- 4.20 The revenue budget includes adjustments to the estimated costs of borrowing to reflect the latest approved Capital Programme, reported to Cabinet on 3 November 2025. An estimated cost of borrowing for known commitments and a new capital allocation of £17.5m for identified priorities has been incorporated into the draft budget for 2026/27 onwards.
- 4.21 The revised capital programme amounts to £385.6m over the period 2025/26 to 2030/31, of which £250.5m is funding from external grants from Government and West Yorkshire Combined Authority. A summary of spend aligned to Council Priorities is shown below.



- 4.22 The draft budget incorporates the revenue costs associated with borrowing (£39.6m estimated in 2026/27). Schemes in the revised capital programme funded from Borrowing, include:
- Schools Improvement and Maintenance
 - Vehicle Replacement, including Refuse Fleet
 - Garden Communities
 - Children's Residential Provision
 - Halifax Leisure Centre
 - New allocation of £4m pa for Highways Maintenance

- 4.23 The Capital Strategy is being updated for consideration by Cabinet in February 2026. The report will confirm prioritisation of schemes to be incorporated in the Capital Programme. Approval will also be sought to continue to utilise capital receipts to support the budget process by funding transformation projects, estimated at £1.67m for 2026/27, in line with government guidance and legislation.
- 4.24 The Capital Strategy describes our strategic approach to asset management and prioritisation of business cases to support service and organisational requirements for new capital investment. The Strategy also outlines the sources of capital financing to maximise external sources of capital grants and the benefits of having pipeline schemes and business cases identified. The Capital Programme is a dynamic plan as is regularly updated to reflect new schemes funded by external partners including the West Yorkshire Combined Authority. Further investment will be required over the medium term to deliver improvements and upgrades to the Council's network, corporate estate, transport, equipment and additional places in schools and these requirements inform a pipeline of schemes to be developed through business cases for future prioritisation.

Education and Dedicated Schools Grant (DSG)

- 4.25 The draft budget does not include the spend on Schools funded from the Schools Block or High Needs Block of the DSG. This will be reported to Schools Forum in early 2026 and the details of DSG allocation and Schools Funding Formula shares will be included in the Budget report in February 2026. Schools Forum will also receive a report to approve the allocation of the High Needs Block and agree a budget for each area of spend. This will include the forecast growth in the High Needs DSG Deficit.
- 4.26 There is a Statutory Override in place for the High Needs DSG Deficit. This means that the balance is not reported against the Council's General Reserves and is accounted for as an unusable reserve on the balance sheet. The closing balance at 31 March 2025 was £19.4m (representing the cumulative deficit) and the current forecast closing balance on 31 March 2026 is £40.4m. The Chancellor's Autumn Budget on 26 November 2025 stated that "the government would not expect local authorities to need to fund future special educational needs costs from general funds, once the Statutory Override ends at the end of 2027-28". Further details on the support for local authorities (both for "historic and accruing deficits") will be set out in the provisional settlement next month.

Government Grants

- 4.27 The Government's Fair Funding Review 2.0 aimed to simplify funding streams. This has been achieved by:
- Bringing together the Levelling Up Fund, Town Deals, and the Pathfinder Pilots into a single Local Regeneration Fund as the first step to simplify capital funding.
 - Bringing together funding into four high-value consolidated grants.
 - Consolidating funding directly into the Revenue Support Grant (RSG).
- 4.28 There are 17 funding streams consolidated into the RSG totalling £25.29bn over the multi-year settlement period 2026/27 to 2028/29. The four new consolidated grants that will form part of the multi-year settlement totalling £21.49bn over three years, are as follows:
- Children, Families and Youth Grant £3.1bn (made up from: Children's Social Care Prevention Grant; Supporting Families: Holiday Activities and Food Programme; Post-16 Pupil Premium Plus Programme and new funding for children's social care reform).

- Crisis and Resilience Fund £2.49bn (made up from: Household Support Fund and Discretionary Housing Payments).
 - Homelessness, Rough Sleeping and Domestic Abuse Grant £2.45bn (made up from: Prevention and Relief element of the former Homelessness Prevention Grant; Rough Sleeping Accommodation Programme; Rough Sleeping Prevention & Recovery Grant and Domestic Abuse Accommodation Support).
 - Public Health Grant £13.45bn (made up from: Public Health Grant; Drug and Alcohol Treatment and Recovery Grant; Local Stop Smoking Services and Support Grant; Individual Placement and Support Grant and Swap to Stop programme).
- 4.29 Adjustments have been made in the draft budget to reflect change in treatment of some grants: EPR and PFI grant moved from funding to service grant, Homelessness moved from service to funding. Once the final settlement is published, we will adjust the treatment of grants to match Core Spending Power and multi-year settlement allocations.

Reserves

- 4.30 The General Fund Balance Reserve is currently £7.254m on 1 April 2025. The budget proposes to increase this to £12.2m by 31 March 2029. In addition to the General Fund Balance Reserve there are corporate reserves, held to manage risk and earmarked service reserves that are for use of specified purposes. It is currently estimated that the balance of these categories of reserves on 31 March 2026 will be £31.96m. For the purposes of this budget report the worst-case scenario, taking account of the in-year outturn forecast report to Cabinet in November 2025 would reduce the balance available to c£26m. The level of reserves is unlikely to provide the financial cover should all of the identified risks materialise. Over the medium term, the level of reserves needs to grow to provide appropriate resilience. Appendix 4 provides more information on risk and resilience.
- 4.31 The schools and DSG reserve balance on 31 March 2026 is expected to be £14.4m. This balance is the net effect of maintained schools with surplus balances and maintained schools with deficit balances.
- 4.32 The draft budget is set out in the Appendices.
- Appendix 1** - Leader's Statement on the Budget
Appendix 2 - Draft Budget 2026/27 to 2028/29
Appendix 3 – Contextual Information – Service descriptions
Appendix 4 – Financial Resilience and Risk

5. Options Considered

- 5.1 The draft budgets are based upon the base MTFP, which may be subject to further change post publication of Provisional Settlement.
- 5.2 As set out in the MTFP, council tax increases are assumed to be **2.99%** for general council tax and **2%** for Adult Social Care Precept.
- 5.3 The funding position is based upon a provisional council tax base and the final tax base will be presented to Cabinet for approval in January 2026.

- 5.4 The draft budget is subject to a period of stakeholder consultation and engagement and Cabinet will determine a final recommendation to Budget Council in February 2026.

6. Financial Implications

- 6.1 The summary of the draft revenue budget for 2026/27 to 2028/29 in Appendix 2 of the report confirms a balanced position for 2026/27. The indicative budget for 2027/28 and 2028/29 has a cumulative gap of £3.4m and £7.8m respectively. Work to formulate options for a robust and achievable savings plan will commence in quarter one of 2026/27. This will be aligned to the Finance Improvement Plan outlined in Annex A of this report.
- 6.2 The estimated funding position will be subject to emerging national policy intent, for example, the White Paper on Special Educational Needs. The Provisional Settlement is expected to be published week commencing 15th December 2025 and will provide allocations for the next three years. There is a risk that the outcome of the final settlement will require changes to be made to the final budget recommended to Council in February 2026.
- 6.3 The priority for the Council is to ensure future financial sustainability. As part of improving financial resilience, CIPFA was commissioned to provide an independent assessment of the organisation's Financial Management and review of Financial Resilience. The outcome of this review has identified areas for improvement, which provides the basis for a Finance Management Improvement and Development Plan. This is a fundamental element of enabling the Council to achieve financial sustainability and improve resilience. The executive summary of the report and our initial response is included in Annex A.

7. Legal Implications

- 7.1 Budget and Policy Framework at Part 4.3 of the Constitution, sets out the process that must be followed when the Council sets the budget. It is for the Cabinet to approve the proposals and submit them to full Council to formally set the budget.
- 7.2 There is a limited duty to consult representatives of non-domestic ratepayers before setting the budget (under section 65 Local Government Finance Act 1992. This statutory duty does not specify a timescale for consultation. The Council extends the consultation to wider stakeholders and the Constitution specifies that this will be for no less than 4 weeks. At the end of the consultation period Cabinet will take any responses from Overview and Scrutiny Committee and any other responses to the consultation into account when drawing up proposals for submission to Council and its reports to Council will reflect comments made by consultees and the Cabinet's response.
- 7.3 Under section 151 of the Local Government Act 1972, the S151 officer has responsibility for the Council's financial management.

- 7.4 Section 25 of the Local Government Act 2003 provides that where the Council makes Council tax calculations (i.e. sets the annual budget) the S151 officer must report to it the following matters.
- (a) the robustness of the estimates made for the purposes of the calculations, and
 - (b) the adequacy of the proposed financial reserves.

Under section 25(2) of the Local Government Act 2003 an authority to which a report under this section is made shall have regard to the report when making decisions about the calculations in connection with which it is made.

- 7.5 Section 31A of the Local Government Finance Act 1992 (as amended) provides a duty to calculate expenditure in the forthcoming year and deduct income. This is the duty to calculate the “Council tax requirement” and is the duty to set a balanced budget.

8. HR and Organisation Development implications

- 8.1 HR and OD implications where relevant are contained within the report.

9. Consultation

- 9.1 This report presents the draft budget for stakeholder consultation and engagement. The stakeholder consultation will be available online and will be supported by information providing a summary of the proposed budget. The consultation will ask the public for their opinions on the draft budget. Feedback from the consultation will then be collated, analysed and used to help inform final decision making related to the budget. A summary of the consultation results will be provided alongside the budget at Cabinet on the 9 February 2026, and at Council on the 23 February 2026. The consultation will include the following stakeholders:
- Major and other preceptors
 - Business Rate payers
 - Residents and communities
 - Staff and trade unions
 - Elected members and Scrutiny.

10. Environment, Health and Economic Implications

- 10.1 The environment, health and economic implications are considered as part of service delivery and service plans associated with the resources identified in the draft budget.

11. Equality and Diversity

- 11.1 The Equality Act 2010 creates the Public Sector Equality Duty (PSED). Under section 149 of the Act:
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.

- 11.2 In order to fulfil the PSED the Council is required to assess the impact of any proposed action on the equality objectives set out above. The way in which the Council has approached this task is to conduct Equality Impact Assessments (EIA's) as appropriate.
- 11.3 There is a requirement to consider the impact of the EIA in any budget policy change. There is also an expectation that the EIA process is not limited to consideration of savings proposals, but in the context of the totality of resource allocation proposals set out in this report, and other emerging policy changes and developments, any subsequent detailed proposals that result from these, will be informed by the EIA process to help inform key decision making in the future.

12. Summary and Recommendations

- 12.1 The prevailing local government operating environment creates significant financial challenges. Whilst the latest reforms of local government finance policy achieve a level of resource distribution by the end of the settlement period (2028/29), the overall quantum is insufficient to fund the extent of local services required. Further policy reforms are expected in the new year, including SEND which may impact on the medium-term financial plan locally.
- 12.2 The draft budget for 2026/27 presents a balanced position, investing to maintain current and future levels of service required to meet current demand and to deliver our statutory duties and achieve strategic priorities.
- 12.3 During the period of stakeholder consultation on the draft budget, further changes may be required following the publication of the Provisional Settlement later in December.
- 12.4 The draft budget represents the best estimates on available information. Further work will be required to ensure financial sustainability over the period of the financial plan.
- 12.5 Cabinet is recommended to: -
 - Note that the proposed budget is balanced based on assumptions around the potential impact of the Fair Funding Review 2.0 as outlined in the Medium-Term Financial Plan (MTFP) in October 2025. These assumptions may be subject to change when the provisional local government finance settlement is published by Government

(expected mid-December) and furthermore once the final settlement is published.

- That Cabinet approves that the draft budget for 2026/27 to 2028/29 for a period of stakeholder consultation engagement.
- The responses to the consultation be submitted to Cabinet at a meeting to be held on 9 February 2026, to enable Cabinet to make its final recommendations to Budget Council on the 23 February 2023. A balanced budget must be set no later than 10th March 2026.
- Note the content of the CIPFA Financial Management and Financial Resilience Review Report and the change programme and action plan being developed to improve financial management processes to support achieving financial sustainability (**Annex A**).

FOR FURTHER INFORMATION ON THIS REPORT, CONTACT:

B McIntyre
e-mail:

Director Resources and Transformation
becky.mcintyre@calderdale.gov.uk

DOCUMENTS USED IN THE PREPARATION OF THIS REPORT ARE:

Cabinet Report – Updated MTFP 2026/27 TO 2028/29

Local Government Finance Policy Statement 2026/27

Cabinet Report – Revenue and Capital Q2 Outturn Forecast 2025/26

DOCUMENTS ARE AVAILABLE FOR INSPECTION AT: On-line

LEADER'S BUDGET STATEMENT

A sensible budget for a brighter future

I am proud to present this Cabinet's Consultation Budget for 2026/7-2028/9. It is a budget that is safe, fit for purpose, and decent: a Calderdale Budget. The proposals in these documents meet our duty to set a balanced Revenue Budget for 2026/7. In addition, we have provided an indicative Budget for the following two years.

This would not be possible without the Labour Government's welcome new approach to Local Government funding as set out in the attached papers. This government has implemented, at last, a Fair Funding Review, which rebalances funding towards councils with high levels of deprivation and compensates councils which have low Council Tax Bandings and therefore less opportunity to generate income. Calderdale Council fits both of those categories and so its budget will be rebalanced over the next three years.

Of course, in its first eighteen months the new government has still not completely fixed local government finance, and the local government settlement is less still than we would like, but with the Fair Funding Review the Labour Government is beginning to repair a decade of unfair funding. We are also delighted to have the news that our council will now have more certainty about how much funding it will have from central government because, it's the first three-year settlement for local government for a decade. This will provide more stability for local government finances and enable us to do more robust long-term planning.

This new settlement is very welcome after many years of austerity. The targeting of local government for significant cuts by firstly the Conservative-Liberal Democrat Coalition, and then by the following years of Conservative Government had forced Calderdale Council alongside other councils to find continued cuts and savings over that time.

Councils across the country have been facing extreme financial difficulties, with more councils than ever accessing Exceptional Financial Support (EFS) from Government to avoid running out of cash. EFS means getting permission to borrow for day-to-day spending. Calderdale Council does not want to be in that position and aims to maintain its reputation for robust financial management. Therefore, we are committed to continuous review of our financial position throughout the next year, to ensure we achieve financial sustainability amidst this period of public finance uncertainty. Annexed to these Budget Papers therefore is a Finance Management, Improvement and Development Plan based upon an independent report produced by the Chartered Institute of Public Finance and Accountancy, CIPFA. This report was commissioned by the Council as part of our continuing drive for improvement and openness to constructive advice. Work on implementing its recommendations is already underway.

Building back the foundations for strong local government will take time and you will see that the challenge of balancing the Budget in following years still remains, with council tax rises likely to still be needed in the short term. As well as balancing the books for this year, we are also working as prudently and realistically as we can to ensure that our finances are on as strong a footing as possible for the future. We will have to raise Council Tax by the maximum allowable without a referendum (4.99%)

as Government has based overall funding levels on the expectation that councils will do this.

Our balanced budget will therefore require a continuation of the hard work being done to control costs and re-shape services if we are to meet the investment aspirations set out in these documents.

Before detailing some of the highlights I would also like to thank our Director and Resources and Transformation, Becky McIntyre, the Finance Team, and the staff in Directorates who have worked so hard to achieve so many of our goals without risking the long-term sustainability of the Council.

Looking to the future

This is our Labour Budget, which is putting into effect our published priorities to reduce inequalities, create thriving towns and places, take positive steps on climate action and ensure we remain a sustainable and effective Council, as well as looking to the future with our Vision 34. It is a budget that is focused on keeping people safe, protecting the most vulnerable, investing in Calderdale's towns and places and moving to a more sustainable financial position in the future. But it is more than that, it is a budget that, for the first time in many years, begins to provide hope again that we can really make Calderdale a better place.

We care about vulnerable children and adults and there is within the budget strong, realistic provision for the growth of demand led services such as Adult and Children's Social Care and Home to School Transport.

We give cautious welcome to the announcement from the Labour Government that Local Authority SEND costs will be taken over by central Government in the near future. The cost of giving our SEND children the right education has risen dramatically in recent years and continues to pose a real threat to our sustainability.

We are expanding our Learning Disability Team to better support adults with learning disabilities and investing in our Appointeeship and Guardianship Services to provide safe accountable, management of finances for those who can't manage themselves.

Among just some of our other revenue investments to highlight are:

- Keeping our residents and communities safe. Ensuring fire safety after the terrible Grenfell disaster. Investing in the Community Safety Team in order to better tackle the scourges of fly-tipping and anti-social behaviour.
- Helping our towns to thrive, ensuring events, lively markets and a strong cultural offer that keeps attracting tourists to spend money in our beautiful borough, as well as encouraging business.
- Tackling inequality by reducing temporary accommodation through increasing our capacity to commission better quality, more affordable, alternatives to Bed and Breakfasts – none of our children should be doing their homework on the floor of B &Bs.

Among just some of the capital investments to highlight are:

- A major investment in our Highways by investing in larger scale resurfacing of our roads with more sustainable repairs, borrowing over 3 years – moving from short-term pothole fixing to longer-term solutions.

- Bringing over 200 extra SEND school places into our borough, through the establishment of a new SEND school and new places in our existing schools.
- Investing in Regeneration and Employment through the planned Clifton Enterprise Zone site in Brighouse.
- A pipeline of additional capital projects to be financed by borrowing or external monies in the future, being brought forward for future prioritisation through business cases – we already have a good track record of bidding for and drawing down extra funds from government. Those familiar with our finances will know that borrowing funds a small proportion of our overall capital spend, and we currently have low levels of borrowing.

On the savings side this budget has kept savings to a minimum where possible and focussed on efficiencies through digital innovation, transforming and modernising our ways of working, as well as keeping rigorous control of costs and spend. That also includes investment in some services to generate more income, updating fees where appropriate. And we will be doing our bit to save paper as well as money by moving to e-billing and email correspondence for Council Tax, where possible. This is a year in which we will put in place key efficiency changes which are aimed at doing things differently in order to pay dividends in future years.

And of course, a sustainable Council requires adequate reserves. We have followed the advice of our Director of Resources and started replenishing our Reserves this year. We aim to continue to do so in the following two years.

The ‘Summaries of Services Provided’ in the budget documents demonstrates the sheer range of responsibilities and activities carried out by Calderdale Council. Many of these are not statutory but help to make all our lives better, create hope, provide opportunities, and build a sense of aspiration and pride for our residents and our businesses.

In conclusion, our Consultation Budget is full of hope and ambition underpinned by prudence and a commitment to good financial management. Others may wish to talk down the borough, its people, and its businesses. We celebrate them, we are proud of them, and we commend our Budget which supports growth and prosperity for all.

Seeking your views

The Cabinet meeting on Monday 8th December 2025 begins a period of consultation on the draft budget for 2026/27 to 2028/29. We encourage you to take part in the consultation, further details can be found on the [Council's website](#). Feedback forms can also be found at our Libraries.

The on-line consultation is live from 9th December until Midnight on 30th January 2026. All responses will be considered before recommendations are made by Cabinet on Monday 9th February 2026. Final decisions on the budget will then be taken at the Annual Budget Council meeting on Monday 23rd February 2026.

Councillor Jane Scullion – Leader of the Council

Cabinet Draft Budget

Cabinet is planning to provide additional investment to restore the underlying base budget and has carefully considered growth in priority areas.

In order to balance the Council's budget next year this can be achieved with the following measures.

1. In line with the local government core spending power assumptions, it is proposed that general Council Tax will be increased by 2.99%, in line with the maximum allowable under the referendum limit. The Adult Social Care precept will also be increased by 2%.
2. Making savings by reducing administrative costs, setting vacancy management targets, increasing income, and making changes to the way some services are delivered so they are more efficient and productive, to bring the net operating costs in line with spending power.

To improve financial resilience the draft budget provides for increasing General Fund Reserves by £5m by the end of 2028/29 to £12.3m.

Draft Budget New Investment and Savings 2026/27 to 2028/29			
	2026/27	2027/28	2028/29
	£'000	£'000	£'000
New Investment Proposals			
AWB002 Appointeeship service	290		
AWB003 Direct Payments Team	188		
AWB004 OT Team	192	160	
AWB005 Brokerage Service	80		
AWB007 Learning Disability Team	153	140	
AWB008 Mosaic Revenue Costs	270	422	20
AWB006 Disabled Facilities Grants	0	500	
AWB001 AWB Digital*	306		
CYP001 Procurement – Sufficiency Project*	61		
CYP002 Transformation Service Manager*	92		
PS007 Domestic Abuse Support Service	260		
PS001 Community Safety (CCTV Fly Tipping)	100		
PS006 Culturedale Match	100		
PS008 Leisure Remodelling	200		
RS005 Land Management	250	250	
RS006 Queens Road NC	235		
RS008 Temp Accommodation*	153	-22	-21
RS009 Clifton – Project Costs*	650		
RS007 Gainshare Funding end	0	0	576
RS011 Celebrating Thriving Towns Events Fund	30		
RT001 Workforce Strategy Pay and Grading Project*	500		
C001 Revenue costs of borrowing	188	960	1,377
Total Investment Proposals	4,297	2,410	1,952
New Savings and Efficiencies			
AWB009 Reduced spend on managed service ('E)	-500		
AWB010 Income from Deputy & Apointeeship (I)	-100		
AWB011 Vacancy Review AWB ('E)	0		
CX001 Vacancy Review CX ('E)	0		
CYP003 Vacancy Review CYP ('E)	0		
PS005 E-Billing (Ctax) ('E)	-13	-38	
PS002 Remodelling Licensing Fees (I)	-20		
PS004 Moving Traffic Violation (I)	-100		
PS003 Non-hazardous waste ('E)	-40		
PS008 Inflation Fees uplift (I)	-320		
PS009 Vacancy Review PS ('E)	0		
RS011 Inflation Fees uplift (I)	-50		
RS003 Energy price saving ('E)	-200		
RS004 Remodelling of employment support for vulnerable people ('E)	-75	-125	
RS001 Commercial Property Income (I)	-722		
RS002 Workplace/Office Accomodation Strategy (I)	-100		
RS012 Vacancy Review RS ('E)	0		
RT002 Vacancy Review RT ('E)	0		
C002 Insurance Premium Renewal ('E)	-250		
C003 Vacancy Management Target ('E) (to be allocated to service budgets	-2,500		
Total Savings and Efficiencies	-4,989	-163	0
Other			
Funded from Transformation Fund	-1,674		
Contribution to Reserves	680	1,000	1,000
	-994	1,000	1,000
Total New Investment and Savings	-1,686	3,248	2,952

APPENDIX 2

Net Cost of Services

Approved Budget 2025/26 £'000		Draft Budget* 2026/27 £'000	Indicative Budget* 2027/28 £'000	Indicative Budget* 2027/28 £'000
93,881	Adults and Wellbeing	102,098	108,920	114,640
5,750	Chief Executive Office	5,979	5,979	5,979
50,732	Children and Young People	52,349	52,828	53,702
38,200	Public Services	35,218	34,840	34,720
22,685	Regeneration and Strategy	24,813	24,757	25,312
13,593	Resources and Transformation	13,816	13,696	13,696
24,991	Central and Corporate	26,033	36,381	45,637
249,831		260,306	277,401	293,687
-249,831	Forecast Funding Total (see table below)	-260,305	-274,013	-285,856
0	GAP	0	3,388	7,830

*Subject to a vacancy target being applied (currently shown in Central and Corporate)

Indicative funding (pending Local Government Finance Settlement confirmation)

Approved 2025/26 £000s		3 YEAR FORECAST			Note
		2026/27 £000s	2027/28 £000s	2028/29 £000s	
-9,665	Revenue Support Grant New Homes Bonus, Housing Benefit & Council	-58,877	-61,564	-63,989	
-1,106	Tax Admin Grant	0	0	0	1
	Section 31 Grants related to Business Rates				
-13,660	reliefs	0	0	0	3
-4,028	Market Sustainability and Fair Cost of Care	0	0	0	1
-10,408	iBCF (and existing Discharge Funding rolled in)	-10,408	-10,408	-10,408	1a
-22,955	Social Care Funding	0	0	0	1
-1,490	PFI Interest Grant	0	0	0	2
-28,382	Local Share Retained Rates	-36,188	-36,960	-36,658	3
-17,670	Top-up Grant	-12,085	-12,227	-13,450	3
-4,797	Extended Producer Responsibility	0	0	0	2
-1,131	Childrens Social Care Prevention Grant	-1,131	-1,131	-1,131	4
-3,906	Recovery Grant	-3,906	-3,906	-3,906	
	Homelessness Prevention Grant	-535	-535	-535	4
-592	Domestic Abuse Safe Accommodation Grant	-592	-592	-592	4
	Employer National Insurance Contributions				
-1,690	Grant	0	0	0	1
-108,331	Council Tax (Increases of 2.99% p.a.)	-113,690	-120,477	-125,818	5
-20,020	Social Care Precept (Increases of 2% p.a.)	-22,893	-26,213	-29,370	5
-249,831	Forecast Total Funding	-260,305	-274,013	-285,856	

Notes

As outlined in paragraph 4.28 and 4.29 of the report, the Local Government Finance Policy Statement confirms that a range of grants are to be streamlined. Once the provisional settlement has been published the above funding table will be adjusted to show the grant allocations that are part of the multi-year settlement. This will mean further technical adjustments between 'funding' and 'net cost of services'.

- Indicates the grants from 2025/26 which have been 'rolled-in' to Revenue Support Grant for 2026/27.
 - The BCF continues to be a separate ring-fenced section 31 grant for pooling purposes.
- Historically, the PFI grant has been presented as funding but as it is outside settlement this has been moved to net cost of services. The EPR grant was new in 2025/26, it is also outside settlement and therefore has been moved to net cost of services. The change does not affect the bottom line.
- Estimated based upon new baselines.
- Grants identified to form part of the four new consolidated grants.
- Subject to final calculation of tax base.

Summary of adjustments 2026/27 Draft Budget

	Base Budget 2025/26 £'000	Prior Year Approval	Base Pressure Adjustments	Demand Forecast	Price and Inflation	Other Base Adjustments (technical, regulatory)	Adjusted Base Budget 2026/27 £'000	Investments	Savings	Vacancy Review* 2026/27 £'000	Draft Budget	Change
Adults and Wellbeing	93,881	-1,000	3,753	1,500	3,815	-728	101,221	1,477	-600		102,098	8,217
Chief Executive Office	5,750	-75	200	0	0	104	5,979	0	0		5,979	229
Children and Young People	50,732	0	1,426	0	723	-685	52,197	153	0		52,349	1,617
Public Services	38,200	-740	3,000	0	0	-5,410	35,050	660	-493		35,218	-2,982
Regeneration and Strategy	22,685	-297	1,400	800	0	54	24,642	1,318	-1,147		24,813	2,129
Resources and Transformation]	13,593	-125	0	0	150	-302	13,316	500	0		13,816	223
Central and Corporate	24,991	4,840	-267	0	3,424	-3,402	29,586	868	-1,920	-2,500	26,033	1,042
	249,832	2,603	9,512	2,300	8,112	-10,369	261,990	4,975	-4,159	-2,500	260,307	10,474

Summary of adjustments 2027/28 Indicative Budget

	Base Budget 2026/27 £'000	Prior Year Approval	Base Pressure Adjustments	Demand Forecast	Price and Inflation	Other Base Adjustments (technical, regulatory)	Adjusted Base Budget 2027/28 £'000	Investments	Savings	Vacancy Review* 2027/28 £'000	Indicative Budget	Change
Adults and Wellbeing	102,098			1,500	4,100		107,698	1,222			108,920	6,822
Chief Executive Office	5,979						5,979				5,979	0
Children and Young People	52,349		-350	29	800		52,828				52,828	479
Public Services	35,218	-220				-120	34,878		-38		34,840	-378
Regeneration and Strategy	24,813	-159				0	24,654	228	-125		24,757	-56
Resources and Transformation]	13,816	-120					13,696				13,696	-120
Central and Corporate	26,033	5,533			3,101	2,253	36,920	1,960		-2,500	36,381	10,347
	260,307	5,034	-350	1,529	8,001	2,133	276,653	3,410	-163	-2,500	277,401	17,095

Summary of adjustments 2028/29 Indicative Budget

	Base Budget 2027/28 £'000	Prior Year Approval	Base Pressure Adjustments	Demand Forecast	Price and Inflation	Other Base Adjustments (technical, regulatory)	Adjusted Base Budget 2028/29 £'000	Investments	Savings	Vacancy Review* 2028/29 £'000	Indicative Budget	Change
Adults and Wellbeing	108,920			1,500	4,200		114,620	20			114,640	5,720
Chief Executive Office	5,979						5,979				5,979	0
Children and Young People	52,828			74	800		53,702				53,702	874
Public Services	34,840					-120	34,720				34,720	-120
Regeneration and Strategy	24,757						24,757	555			25,312	555
Resources and Transformation]	13,696						13,696				13,696	0
Central and Corporate	36,381	2,818			3,178	3,383	45,760	2,377		-2,500	45,637	9,256
	277,401	2,818	0	1,574	8,178	3,263	293,234	2,952	0	-2,500	293,687	16,286

APPENDIX 3

CONTEXTUAL INFORMATION

Adult Services and Wellbeing – Summary of Service

The service exists in order to provide advice and information, early intervention, assessment, care, and support to adults with learning disabilities, mental health needs, physical and sensory impairment, and older people. In doing so the service works in partnership to ensure the protection of these people and to ensure their health, wellbeing, independence, choice, control, and personal dignity is maximised.

Key elements within the service include:

- **Gateway to Care** – This element of the service provides a first point of contact for the people of Calderdale in the provision of information and advice. The team also deals with referrals, self-assessments and where necessary will make arrangements for a social care worker to visit.
- **LINC** - to provide early intervention with a focus on delaying or deferring the need for long term support and ensuring people are connected to their communities.
- **Assessment and Care Management** - The assessment, care management and review teams respond to initial referrals and enquiries, undertake assessment of need, and arrange for service provision. There are five Locality Teams and a team which is based in Calderdale Royal Hospital and Huddersfield Royal Infirmary. The review team focuses on ensuring that people's identified needs are appropriately met.
- **Management of safeguarding allegations** in relation to vulnerable adults, mental capacity act assessments and deprivation of liberty safeguards.
- **Support to stay at home** - There is a variety of community-based support initiatives including home care and shared lives which are provided or commissioned for adults. These services can be delivered as a managed service or as part of a Direct Payment.
- **Day Opportunities** - this includes day services for adults and for working age adult employment initiatives. These are provided both by the local authority and independent sector providers as a directly managed service or by way of Direct Payments
- **24-hour support** - Both the Local Authority and Independent Sector providers provide a variety of residential, nursing, and supported living support.
- **Commissioning** – we have a range of staff that ensure that there is a range of high-quality services in place to meet the needs of those with eligible care and support needs. Staff will ensure that we have a diverse and resilient market that provides value for money, are of a good quality and maximise independence and wellbeing.

Chief Executive's Office – Summary of Service

The Chief Executive's Office provides the whole Council with specialist support in the following specific areas: -

COMMUNICATIONS

To provide a communication service for the Council along with specialist advice in this area, including management of the Council's central printing and reprographics functions.

LEGAL AND DEMOCRATIC SERVICES

The service provides legal, administrative and partnership services to the public, elected Members, and other Council Services. The key functions are:

- To provide a secretarial and administrative service for Councillors and Committees, including the Mayor's Office
- To support the Council's scrutiny function and to undertake the duties of Monitoring Officer
- To prepare for, organise and conduct all elections, polls, and referenda.
- To provide a timely, accurate and cost-effective legal service to the Council
- To provide the Information Governance support for the Council, including compliance with GDPR and Freedom of Information requests.

PUBLIC HEALTH

The service provides the chief source of public health leadership and advice within the Council and works closely with other directorates and external bodies to improve the health and wellbeing of Calderdale residents.

The key to improving the population's health and wellbeing is to take action to address the social, economic and environmental determinants of health. The Council has 6 mandatory public health responsibilities: Health Visitor service, National Child Measurement Programme, the NHS Health Check assessments, sexual health services, dealing with health protection incidents and advising NHS commissioners on Public Health issues.

In addition, local authorities' other responsibilities include:

- Reducing smoking
- Alcohol and drug misuse services
- Public Health services for children and young people aged 0-19 years
- Interventions to support healthy behaviours, promote healthy weight and increase physical activity.
- Working with partners to develop healthy communities and healthy policy.

Children & Young People's Services – Summary of Service

EARLY INTERVENTION AND SAFEGUARDING

Early intervention and Safeguarding are responsible for assessing and meeting the needs of children in need, children on a child protection plan, children in care and care leavers. It also oversees and works with a range of family support services along with youth justice services, youth support and support for young carers.

Early Intervention is responsible for providing a range of flexible and accessible preventative, early intervention, and support services. These are aimed at preventing the needs of children escalating. The service plays an important role in improving outcomes for children, young people, and their families by increasing the support at an earlier stage including for children with disabilities and additional needs.

Children's social care is there to try and keep families together, be more resilient and help children and young people thrive. Child protection services and ultimately children in care services are available when children cannot live safely at home. Protecting children relies upon working in partnership with schools, health, the police, and a range of voluntary and other services.

This area is responsible as one of the three statutory partners, with the Health Service and the Police for the Safeguarding Children arrangements in the Borough. The Independent Reviewing Officers provide reviews for looked after children and the child protection conferencing service.

EDUCATION AND INCLUSION SERVICES

Education and Inclusion Services are responsible for monitoring, supporting and challenging schools to improve attainment and the quality of provision for children and young people up to 19 years (and 25 for children with special education needs). The service also has the responsibility to intervene in maintained schools when necessary. The service carefully targets resources provided towards those schools needing the most support to secure improvement in teaching and learning and the attainment and achievement of pupils.

This service also provides: -

- Strategic planning management and oversight of the allocation, monitoring, and management of the Dedicated Schools Grant.
- Co-ordination of the schools' forum.
- Support to children and young people who need extra help in school including a Virtual School service for care experienced children.
- Early years care and learning including children's centres, play services and support for early years settings.
- Planning and commissioning school places.
- Responsibility for admissions and the management of admissions appeals.
- Special educational needs and alternative provision support from a range of services.

Public Services – Summary of Service

NEIGHBOURHOODS

Community Protection: This service has now been integrated to include Community Safety Partnership & Community Response, Environmental Health and Partnership & Licencing.

Community Safety & Community Response: Works closely with the Police and other partners to address anti-social behaviour, domestic violence and substance misuse, and helps to make people feel safer through the provision of a high quality, modern CCTV facility, together with a high visibility presence through the Community Safety Wardens.

Environmental Health: Enforces legislation including food safety, workplace safety, animal welfare, prevention of pollution as well as tackling fly tipping, noise and air pollution, drainage and dangerous housing conditions.

Partnership & Licensing: Processes and enforces a wide range of licences including premises, taxi, alcohol, entertainment and gambling.

Green Spaces and Street Scene: Works with local people to look after parks, open spaces, play areas, Ogden Water, Jerusalem Farm and the wider countryside, and keeps Calderdale's streets clean and free of graffiti, and litter.

Bereavement Services: Provides a modern and efficient burial and cremation service from Park Wood Crematorium and 10 cemeteries across Calderdale, and looks after 25 closed cemeteries and heritage sites, including war memorials.

Waste Management: – collection and disposal of the Borough's household waste, maximising recycling and recovery where possible.

Transport Services: Provides a passenger transport service from home to school/day care centres and manages and maintains the Council's fleet of 182 vehicles, including compliance with Operator's Licencing requirements and management of the Battinson Road Depot.

Parking Services: Manages on street and off-street parking across the borough and the enforcement of all parking restrictions.

CUSTOMER SERVICES

Neighbourhoods & Community Cohesion: Community engagement including running Ward Forums, addressing social isolation and co-ordinating support for asylum seekers and new migrants. Leading on work to combat extremism, hate crime and delivering our requirements through the statutory Prevent duty, promote cohesion and manage community tensions.

Libraries and Information Services: The service is currently responsible for the Central Library in Halifax, 6 hub libraries and 5 community libraries.

Museums and Arts: The service runs two museums - Shibden Hall and Bankfield in addition to providing education and outreach activities for schools, community groups and adult learners. The Council also provides a contribution, in the form of a grant to The Piece Hall Trust to support the maintenance and operation of this important heritage asset.

Council Tax and Benefits: Administers the billing and collection of Council Tax. Provide a range of financial services directly to the public including housing benefit and other assessment-based allowances such as Council Tax Reduction.

Registrars: The Registration Service carries out statutory functions and ceremonies relating to births, deaths, marriages, civil partnerships etc.

Customer Services: Operate face-to-face support where customers can access all services. The Council also operates a contact centre providing a high-quality telephony service for all high-volume contacts. This is enhanced by a responsive website supported by Web Chat, social media and an e-mail response service.

The Web Team: The web team delivers the Council's online presence which plays a key role in providing 24/7 access to information and Council services.

Sport Services: The service manages 3 leisure facilities/pools - Sowerby Bridge, Brighouse and Todmorden. It also manages the Shay Stadium and Spring Hall Running Track. The service also runs Swimming Development providing all school and out of school swimming lessons, Swim England and RLSS courses. The service manages initiatives such as Better Living Team who deliver health interventions around weight management, alcohol consumption and smoking cessation and helps disabilities sports projects. The service also supports local clubs and volunteers to improve sports facilities across Calderdale and works in partnership with schools to deliver fitness programmes.

Victoria Theatre: The Victoria Theatre is a 1,600/1,900 capacity live arts and entertainment venue presenting about 170 performances throughout the year. 30% of the artistic programme comprises of community work liaising with local societies and businesses. The professional programme comprises of a broad range of music, theatre, opera, dance and comedy.

Todmorden Town Hall: used for a variety of functions.

Regeneration and Strategy – Summary of Service

PLANNING

Development Management: Determination of planning and other applications, planning appeals, advice and guidance, enforcement of planning control, conservation of the built environment.

Development Strategy: Preparation of the Local Plan and other Development Plan Documents.

Building Control: Ensure compliance with Building Regulations and fire safety and access legislation. Has corporate responsibility for dealing with dangerous structures.

STRATEGIC INFRASTRUCTURE

Asset and Capital (Highways): Responsible for the management of our highway network and associated assets to ensure an efficient, safe and reliable network for all users. Leading on all traffic engineering related issues associated with new highway schemes or highway improvement projects. Responsible for the design, planning and delivery of all capital and revenue maintenance works.

Highways Delivery: Keeps roads and footways safe through responsive minor repairs and maintenance, and delivery of Winter Services to keep the network open during severe weather.

Transportation: Responsible for developing policies and strategies to improve the transport network so that it is safe, effective and reliable for all road users encouraging active travel and the use of public transport. Works closely with West Yorkshire Combined Authority and the other districts on Rail strategy, Bus Reform, Mass Transit and Integrated Transport Network.

Flood Risk Management: Responsible for delivering the Council's statutory role as Lead Local Flood Authority and Land Drainage Body. Works in partnership with the Environment Agency and other stakeholders to deliver £150m capital investment programme and Calderdale's Flood Action Plan including delivery of natural flood management, sustainable drainage systems and flood resilience. Respond to Planning consultations as a statutory consultee for surface water.

CORPORATE ASSET AND FACILITIES MANAGEMENT

The CAFM Service is responsible for ensuring the Council's property assets are fit for purpose, deliver value for money and support and enhance service delivery.

The CAFM Service comprises three main areas of activity:

Asset Management ensures that the Council's estate matches its current and future requirements through systematic review, advice and action, including, acquisitions, disposals and leading on community asset transfers. Carries out estate management functions, such as leasing, licensing and valuations and minimises the Council's liability for non-domestic rates.

Operational Facilities Management ensures that buildings are operational, clean, safe, and secure, including meeting all statutory and maintenance requirements. Ensures value for money through effective contracting, workflow management, quality assurance and performance reporting and operates the Service Desk as the front door to the Service.

Technical Facilities Management develops and delivers revenue and capital schemes, from concept to design and delivery and including major and minor refurbishments, addressing health and safety and fire safety issues, delivering energy reduction schemes and ensuring a fit for purpose estate. Leads on carbon reduction and energy monitoring and management and audits key activities

Markets: Provision of six regular indoor and outdoor retail markets and specialist ad hoc markets.

ECONOMY HOUSING AND INVESTMENT

Housing and Homelessness: working with developers and Housing Associations to increase the supply of new and affordable homes and taking action to reduce the number of empty properties. Levering in resources to improve the energy efficiency of existing properties, reducing inequalities and having a positive climate impact. Supporting people who are homeless or at risk of homelessness and providing safe places for people who are the victims of domestic abuse.

Climate action: enabling a borough-wide response to the climate emergency, supporting Calderdale's Climate Action Partnership and the development and delivery of the shared Climate Action Plan, alongside actions that reduce the Council's emissions and support our progress towards net zero by 2038.

Strong and Resilient Towns: supporting our thriving towns and places, providing governance support across our six town boards, and programme management for key towns-based regeneration programmes.

Business and Inclusive Economy Support: helping businesses to start up, grow and become more resilient, creating fair work and supporting our enterprising borough. Supporting our Inclusive Economy Board, the development and delivery of Calderdale's Inclusive Economy Strategy and delivering bespoke programmes of work in specific locations that support an economy that everyone can contribute to and benefit from.

Employment, Skills, and Adult Education: supporting people, including vulnerable people, across Calderdale to access employment and move closer to the labour market. Providing learning programmes for adults to improve their knowledge, skills, well-being and employment opportunities.

Visitor Economy, Film and Events: promoting Calderdale as a destination for local and international visitors and ensuring local businesses benefit. Facilitating Calderdale as a location for filming as a means to grow our profile and visitor economy.

Voluntary and Community Sector Support: supporting the development of Calderdale's voluntary and community sector and developing the Council's relationship with it. Commissioning voluntary and community sector support and small grants, in particular in support of the Council's priority to reduce inequalities. Delivering the Healthy Holidays programme of activity and contributing to the Council's efforts to tackle the cost-of-living crisis.

Resources and Transformation – Summary of Service

DIGITAL & ICT

This Service delivers all Information & Communication Technology (ICT) functions across the Council as well as providing a commercial ICT Support function to third parties such as Schools.

ICT Infrastructure: This function provides the necessary hardware and software that constitutes the Council's IT infrastructure. This infrastructure provides the Council's data centre as well as network connectivity between Council sites and third parties. The data centre hosts the servers and storage that are used for all the Council's on-premises applications. There are in excess of 100 applications used by the Council.

Cyber security is a priority for this team to keep the infrastructure up to date and protected.

Transformation: To advise and carry out work on transformation across the Council and provide business intelligence and performance monitoring information across the Council.

ICT Projects: This team maintains and develops the Council's in-house IT systems as well as integration between our systems and third-party systems. The main in-house systems are Council Tax, Benefits, Business Rates, Financials, Adult and Child Social Care as well as the Web site.

Digital Calderdale: The team supports the development of the Digital strategy by supporting projects around the themes of Connectivity, Data and Insights, Digital Council and Digital Inclusion.

ICT Field Support: This team supports all the IT devices used throughout the Council. Devices are PCs, laptops, tablets, thin clients, telephones and network switches. This team also delivers the commercial IT Support service that we sell to Schools and other third parties.

ICT Contracts and Compliance: This team deals with all IT Contracts and Compliance functions. This includes PSN compliance and leading on internal/external IT Audits as well as freedom of information requests.

ICT User Support: This team liaises with IT system owners regarding any new system procurements and updates and enhancement to existing systems. They provide IT administration and training on the major systems.

ICT Operations: This team deals with IT systems processing of all the in-house IT systems as well as some third-party systems. This includes any printed output and secure transfer of information to third parties.

ICT Service Desk: The Service Desk are the front line for reporting of all IT issues and requests. They deal with 2,500 staff, elected members and 80 Schools.

FINANCE SERVICES

The service provides a range of financial services both directly to the public and as a support service to the work of all other Council services. The key functions are:

- To prepare the Council's medium term financial plans, annual budgets, co-ordinate the Capital Programme and produce its statutory financial statements.
- To provide guidance and advice in relation to both revenue and capital monitoring and the completion of grant claims.
- To ensure that payments to suppliers for the provision of goods and services are made in a timely manner.
- To administer Non-Domestic Rates, income collection and general banking and Cashiers services.
- To provide a comprehensive internal audit function and a range of other functions including the provision of general financial advice, insurance, and specialist financial support staff within other directorates and schools.
- To provide advice and support to the Council in all aspects of purchasing goods and services, promoting of best practice and achieving value for money. Ensure that all procurement is in line with Council, National and European rules and regulations.

HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT

The service contributes to the management and strategic leadership of the Council and delivers an integrated and cohesive Human Resource and Organisation Development service to promote and foster a culture of innovation, value for money and performance management. The key functions are: -

- To provide advice on all matters relating to the HR policies and procedures of the Council, in compliance with Employment Law.
- To provide a comprehensive Contracts and Payroll service in line with both Employment Law and HMRC guidelines.
- To ensure that employees health and wellbeing is effectively managed in line with our Duty of Care.
- To manage all matters relating to the recruitment and retention of our staff and appropriate advice, guidance, and monitoring with regard to safe recruitment practice.
- To ensure our Statutory Health and Safety responsibilities are complied with to ensure the health, safety and welfare of our staff and services users is paramount.
- To develop and maintain a proactive and innovative approach to organisational development improving the overall performance, effectiveness, and culture of the Council.

Centrally controlled and Corporate Costs

There are a small number of budget areas, which, due to their corporate nature generally not part of day-to-day operational service delivery, are managed centrally for the whole of the Council. These have been placed into four categories – Levies, Debt Financing Costs, Inflation Contingency and Other centrally-controlled items.

Levies

Certain bodies (West Yorkshire Combined Authority (for the Transport Levy) and the Environment Agency agree their own budget requirements each year and issue a levy demand to the relevant councils within their areas of responsibility.

Debt Financing Costs

These are the costs in Treasury Management of servicing the Council's debts. The budget covers both the principal repayment element of loans borrowed (also known as the Minimum Revenue Provision) as well as interest charged to us (offset by any interest income receivable on any investment balances).

Inflation Contingency

In the MTFP, allowance is made for future price rises on the Council's payroll. This inflation is held centrally until such time the cost of inflation is known when it is released into the relevant service area for use.

Other Centrally controlled and Corporate Areas

These are wide-ranging and include the net effect of benefits payments, certain pension contributions outside of the rate attributed to direct pay, the Insurance Fund and payments to joint authorities (West Yorkshire Joint Services and Coroners).

Financial Resilience and Risk

1. The MTFP is a living document with intermediate updates for senior management and the executive as further information becomes available.
2. The Council has a robust risk management framework in place as set out in the Corporate Risk Management Strategy and Corporate Risk Register with each directorate having its own operational risk register which integrates with the relevant directorate performance management strategy, improvement plans and budgets.
3. The key issues with budget implications that have been allowed for in the MTFP are: -
 - Rising inflation (especially in social care contracts and pay awards)
 - Recognition of mis-aligned budgets based on the latest revenue monitor showing pressures right across the Council.
 - The best assessment of future funding levels
4. As with all forecasts, there is scope for them proving to be inaccurate as time moves on and assumptions are turned into fact. There are some figures which are still to be confirmed. The main ones are set out below. Where a number can feasibly be placed on these issues, they have been included within the forecast.
 - Impact of Business Rates re-set and other reforms (multipliers)
 - Continually shifting inflation assumptions and differential factors affecting prices in each sector
 - Demand pressures in social care continuing to increase as acuity of need increases.
 - Demand for Education, Health and Care Plan assessments and impact on home to school transport.
 - Sufficiency of appropriate accommodation and resilience of the care market.
 - Pay rises continuing to be higher than in previous years.
 - Government policy relating to Local Government such as SEND White Paper
 - Impact of legislation changes
 - Cost of services such as food waste collection – assumed to be cost neutral with the allocation of a new grant.
 - The impact of Bus Reform and cost of West Yorkshire Transport provision on the Transport Levy
 - The climate change and de-carbonisation agenda
 - General political considerations/shifts in policy
 - Further supply chain, staffing and inflation issues.
5. The draft budget for 2026/27 to 2028/29 is a realistic position at a point in time based on what we know now. Some sensitivity analysis on assumptions indicates the impact of any variation. Further stress testing will be undertaken on any updated forecasts.

Risk	Mitigation	Estimated Financial Impact
Uncertainty in Government Funding Allocations	Use average of funding scenarios for planning; adjust once settlement is confirmed.	Worse case -£6m in year 1 Best case +£2.6m in year 1
Inflation Volatility (Pay, Contracts, Energy)	Regularly update assumptions; build contingency into budget; monitor market trends.	±£1.13m per 1% change in pay; ±£0.4m per 1% change contracts
Overspend in Social Care and SEND	Review demand management strategies; redesign services; strengthen commissioning and market oversight.	£4m overspend reported in 2025/26 on social care (CYP and AWB) and non-DSG SEND
Council Tax and Business Rates Collection Variability	Maintain prudent collection assumptions; monitor collection rates closely; adjust forecasts accordingly.	±£1m per 1% change in council tax level ±£1.5m per 1% change in taxbase
Use of Reserves to Offset In-Year Pressures	Limit use of reserves to one-off pressures; maintain planned contributions to replenish reserves.	Potential reduction of reserves from £55m to £49m
Impact of Grant Consolidation and Technical Adjustments	Ensure technical changes are clearly understood and do not misrepresent spending power.	Cost neutral but may distort year-on-year comparisons
SEND High Needs Deficit	Continue recovery planning with DFE; await SEND White Paper; maintain statutory override compliance.	DSG deficit projected to reach £40m by end of 2026/27
Delayed or Unfavourable Policy Announcements	Scenario planning and sensitivity analysis; maintain flexibility in proposed budgets.	Variable – dependent on Autumn Budget and LG Settlement
Capital Programme Borrowing Requirements	Review timing and affordability of borrowing; assess business cases rigorously.	Reduction in investment income expected; further assessment pending
Staffing Costs and Pay Awards	Monitor national negotiations; align pay assumptions with sector benchmarks; explore workforce efficiencies.	±£1.13m per 1% change in pay awards

6. As reported at Budget Council in February, Calderdale's reserves have reduced since 2015/16. The current level of reserves compared to our budget is also below the average for a metropolitan district.
7. The Council needs to be cautious when planning to use of reserves to support the revenue budget over the next three years and take steps to try to mitigate in-year pressures without the use of them.
8. Calderdale's financial resilience as measured by the other indicators does not signal concern, based on not being an outlier when compared to near neighbours (e.g. debt to net operating expenditure ratio is relatively low). The CIPFA Resilience Index is due to be updated a reported later this month and the information provides an important focus to inform action required by the Council to improve resilience.
9. The draft budget presents a challenge in balancing the need to set a realistic and achievable budget with identifying the necessary resources to implement the transformation required to ensure a more financially sustainable position into the future. All reserves were originally set up for a specific purpose as part of the Reserves Strategy. Beyond the almost fully restricted ones (schools and DSG balances, the Insurance Fund and Public Health Grant reserve) the corporate and other service reserves may be required to fulfil certain obligations, deliver specific schemes or safeguard the Council against uncertainty and risk.

Reserves as of 1st April 2026

10. Earmarked Reserves are sums set aside for specific purposes to meet items of future expenditure and have been built up over previous years. However, they can potentially be used to support the Council's budget over the next 3 years either in a planned way to support transformation or reactive to unresolved in year cost pressures.
11. The latest revenue monitor forecast a budget overspend of £5.4m. Should management action to address this be insufficient then the Council, will have to use reserves to support its budget in 2025/26, directly affecting the opening balance in 2026/27, i.e. reducing reserves balance shown below from £55m to nearer £45m.

Reserve Categorisation	Balance B/F into 2025/26 £000s	Forecast Use in 2025/26 £000s	Reserves @31/03/26 £000s
Unallocated General Balances	7,254	0	7,254
Corporate Reserves, including Risk Management	15,627	-338	15,289
Service Controlled, supporting specific spend	15,609	-1,623	13,986
Council Reserves	38,490	-1,961	36,529
Less Current Overspend	0	-5,400	-5,400
Total Forecast Council Reserves	38,490	-9,322	29,168
Schools and DSG	16,202	-622	15,580
Total Forecast Reserves	54,692	-9,944	44,748

12. The above table shows that we are estimated to have around £45m of reserves moving into the first year of this new MTFP if the budget pressures reported at Q2 monitoring 2025/26 can't be contained. The figures also include reserves not readily available for general use to help support the Council budget. There are amounts set aside by schools for their own use, ringfenced grants (e.g. Public Health) and Insurance Funds.

Unusable Earmarked Reserves

13. The Council has a number of unusable reserves mainly relating to capital which are part of the accounting system of Local Government. Like other councils though, Calderdale has also built up a **Dedicated Schools Grant (DSG) negative balance** over the last 3 years of **£19m**. This is expected to increase in year by around £20m to around **£40m by the end of 2026/27**.
14. This balance is different to general accounting ones as it is made up of overspends between the income the Council receives in High Needs DSG from Government compared to its costs of education support and provision for children and young people with Education, Health and Care Plans (EHCP). The main reason for this accumulated overspend is a continued growth in the number of EHCPs leading to increasing spend on High Needs provision in the form of payments made to schools. Currently there is a statutory override mechanism in place whereby councils are allowed to account for the overspend on their Balance Sheet with a recovery plan agreed with the Department for Education (DFE) to eliminate it over a period of three years.
15. This statutory override has been extended to 2028. The Government are due to publish a SEND White Paper in early 2026, which will consider the wider system for Education, Health and Care Plans and the implication for funding. It is important that the Budget Plan for High Needs DSG and SEND is clearly set out as part of the budget process, albeit it funded from a negative unusable reserve. The Chancellor's Autumn Budget on 26 November 2025 stated that "the government would not expect local authorities to need to fund future special educational needs costs from general funds, once the Statutory Override ends at the end of 2027-28". Further details on the support for local authorities (both for "historic and accruing deficits") will be set out in the provisional settlement next month.

16. Following the approval of the budget for High Needs Deficit by Schools Forum early in the new year, the budget will be included in the final budget report in February 2025.

General Fund Balances

17. These provide the ultimate safety net. Balances, at £7.3m are above the minimum requirement of £5m, which has historically been a generally accepted practice within the Council. The draft budget makes provision to contribute £5m over the three years to General Balances to strengthen financial resilience. This brings the balances closer to a more prudent minimum balance for General Reserves of 5% of net revenue expenditure at £12.3m.

CIPFA FINANCIAL MANAGEMENT AND RESILIENCE REVIEW 2025 – REPORT AND IMPROVEMENT PROGRAMME

1 Introduction and Background

- 1.1 CIPFA were commissioned to undertake an independent assessment of the Council's financial management, using the CIPFA Financial Management Model (FM Model) their Financial Resilience methodology.

A specific output of the review was to identify those areas where improvement is required to enable financial sustainability and strengthen financial resilience.

- 1.2 The review focussed on providing an assessment and commentary on the financial management and financial governance arrangements in place and assessing whether these were appropriate. The review also considered whether the Council is taking the appropriate action to address the future financial challenges it faces.
- 1.3 The CIPFA report (accompanying this paper) provides an assessment and overview of the Council's Financial Management arrangements with a set of recommended actions for improvement.
- 1.4 Following the review the Council are in the process of developing and delivering an improvement programme.

2. The Review summary conclusion

- 2.1 CIPFA were positively satisfied with detail around policy, detail in published documents and the high standard of capability within the Corporate Leadership team (CLT). The adeptness of CLT is recognised across the Council, and the way in which they have worked with the Cabinet and Members is strong. There is a high level of knowledge spread across the organisation, including within the Directorates, Executive, and on an operational level. The Council has seen many years of stability historically and the shift in financial pressures, and higher demand on services has affected councils nationally including Calderdale Council. CIPFA believe that the Council is in a good position to be able to take the opportunity to undertake some improvements to align itself with, and respond to, challenges that lie ahead and deliver Transformation.
- 2.2 The key challenge ahead for Calderdale, is to harness its strong financial leadership and further enhance and embed Finance Business Partnering and Budget Holder accountability and awareness into the organisation, to ensure it presents and delivers a sufficient level of evidence-based savings plans across the life of the MTFP that the Cabinet can support.

- 2.3 In the current political and economic climate, having a sufficient cushion of reserves is more important than ever. It is within the Council's interest and plans to replenish and build up reserves to provide a safety net against shocks. However, with the current economic climate there are still future risks that could test the reserves position that Calderdale is forecasting to build up. To protect Calderdale's financial resilience, CIPFA encourage the production of robust savings plans in conjunction with the impact on levels and quality of service provision.
- 2.4 In the case with Calderdale, it should be able to use its strengths to advance into a more modern organisation, using its existing technological capabilities, and integrate this with business partnering expertise. This will help establish making any easy savings that are politically acceptable as soon as possible, and facilitate sufficient appropriate sustainable savings plans to enable the Council to deliver a balanced MTFP position over the long term.

3. The Review recommendations

- 3.1 The CIPFA review produced twenty (20) recommendations that would support an improvement in financial management and financial governance.
- 3.2 The Council is taking the approach of responding to the CIPFA review and recommendations as the basis for a corporate finance improvement programme. The tables below show the CIPFA recommendations alongside actions underway to respond. The recommendations have been separated into priority 1 and 2. CIPFA provided indicative timelines, also shown, though these need to be considered in line with the current priority of setting the 2026/27 budget.

Priority 1

	Action	Recommendation	Priority	Timescale	Current position
1	Redirect and release funds.	The Council should continue to review its earmarked reserves regularly and assess the opportunity to redirect or release funds.	1	0	Reserves are reviewed on an annual basis and as part of the budget setting process. An exercise will be undertaken in Q 4 of the current financial year to evaluate and rationalise where appropriate.
2	Implement robust succession processes.	The Council should consider the need for more formal succession planning in some key posts. Review arrangements and practices around succession planning to ensure seamless transition periods as well as strong business continuity.	1	0	This will be incorporated into the finance improvement programme. The people aspect of the programme is fundamental to its successful implementation and future.
3	Improve Financial Processes.	Develop the current Financial System offering through the use of Power BI creating a Dashboard product alongside it for analysis for stakeholders and enable self-serve.	1	2	Work has commenced in considering the options of working with Power BI to enhance standard reports and the additional activity and performance information that can be included.
4	Review and develop soft skills.	Review areas of development through the CIPFA competency model to assess individual strengths and opportunities for growth within finance and broaden skillsets. Implement a Financial Competency framework and a Financial Management training strategy. Enhance the treasury team skills and knowledge.	1	2	The first stage is to adopt a competency framework and an assessment of skills and capacity against this. A model and approach for the framework has been obtained. The assessment and consequent actions will form part of the improvement programme. A review against the framework will be undertaken on an annual basis.
5	Undertake co-designed Budget Manager and Business Partner processes.	Develop a clear consistent role across finance, alongside refreshing the budget holder and FBP relationship through co-designed Budget Manager and Business Partner processes.	1	2	The direction of travel is budget holder self-serve underpinned by business partnering. Work has commenced in discussing this approach with Directors. The improvement programme will re-define the relationship between core finance and directorates and put in place a robust approach. The current MTFS being developed and refined as part of the 2026/27 budget process works on a 3-year basis. This will be refined and developed over the next four months to ensure it is transparent, evidence based and reflects the anticipated three-year Government settlement.
6	Adopt controls around 2-Term Financial Plan.	Introduce robust controls around the delivery of the 2-Term Financial Plan, as well as stress testing.	1	2	
7	Efficiencies to be identified through commercial analysis across Directorates.	The Council needs to ensure it can take key decisions on efficiencies alongside savings to avoid the unsustainable use of reserves to balance the budget. Evaluate Directorates through analysis, assessing trends and recommend improvements.	1	3	The 2026/27 budget process has started the introduction of a more robust challenge around its development. The principle adopted is not to use reserves and that budgets are effectively cash limited. Growth and savings proposals now use a standard template which allows greater review. Business partnering will enhance this process further.
8	Undertake a finance modernisation programme.	Refresh and closely monitor the capacity and capability of the finance team to assist the range of activities it supports. Review and revise the structure and arrangements where appropriate for the delivery of business partnering across the organisation.	1	3	A finance improvement plan is in the development stage with initial communications already having taken place. The programme will include workstreams on people, process and systems, governance and reporting. The plan will be finalised in early January with a formal progress reporting process to Cabinet.
9	Improve Financial Procedures.	Strengthen control and decision making by implementing monthly reporting, month end processes and timetables.	1	3	Monthly reporting to budget holders and Directors will commence in January. Prototype reports have been developed and a draft timetable produced.
10	Improve timeliness of publication of Final Accounts.	Resolve issues relating to the completion and sign-off of final accounts.	1	6	Initial conversations have already taken place with the external auditor, so we get an early indication of the work programme and timetable. On the Council's side a closedown timetable is being developed.

Priority 2

	Action	Recommendation	Priority	Timescale	Current position
11	Realise asset disposal plan.	The Council needs to ensure it can appropriately realise its planned asset disposals in line with its disposal plan.	2	0	In reality the planned capital receipts from asset disposals are not significant and are closely monitored. The finance programme will include assets and an assessment of opportunity.
12	Refresh modes of operation through collaboration.	Embed more collaboration and cross functional working across the organisation in both operational terms and political.	2	0	Cross directorate is facilitated through CLT, and this will continue to be a priority from both an operational and a financial perspective maximising opportunity for financial efficiency.
13	Review Joint Venture arrangements.	The Council should undertake a review of its Joint Venture arrangements against the CIPFA Guide on Local Authority Companies.	2	2	The CIPAF guide will be reviewed and the Council assessed against this. The review recognises the limited exposure to commercial risk.
14	Elevate forecasting techniques.	Develop the use of comparative data, benchmarking and demand management techniques in regular reporting and in year monitoring.	2	2	The use of comparative data will be expanded as far as budget preparation and monitoring. The use of data and will also be included in monitoring and forecasting to improve insight and knowledge.
15	Elevate budgeting techniques.	Develop the skills and capabilities within services around varying budgetary techniques such as outcomes and base budget reviews and consider zero-based budgeting as well as profiling. Incorporate benchmarking and statistical data comparison to support the development of budgets.	2	2	Initial conversations with Directors have already taken place around developing budget holder financial literacy and understanding. A series of training dates will be included in a programme for 2026/27.
16	Explore operational efficiencies.	The Council should model and determine what it believes is a minimum operating model to achieve a sustainable financial position.	2	3	This will be incorporated as part of the finance programme and used to assist in the development of resource prioritisation.
17	Create more emphasis around Section 106 processes.	Intensify the improvement plan around S106 agreements, to ensure best value and improve monitoring.	2	3	This will be included within budget monitoring and also include risk evaluation around assumptions and collection.
18	Produce comprehensive reporting.	The Council should look at the reporting of its overall investment, company and partnership activity and consider overall portfolio reporting to give a fully comprehensive position.	2	3	As indicated the commercial portfolio is limited but there will be a focus on the financial and legal arrangements in place. Reporting around companies and partnerships will form an element of the finance programme.
19	Improve project management plans.	Establish benefits realisation frameworks and enhance appraisal methods on major projects.	2	3	The finance programme will include the development of a standardised approach to the preparation and evaluation of business cases.
20	Incorporate end-to-end process reviews.	Consider a programme of end-to-end process reviews in key business areas.	2	3	Process reviews from a service and finance perspective have already been highlighted as part of the budget development process for 2026/27. These will be developed on a risk and scale basis to prioritise activity

N.B. Timescales are indicative of completion. These will now be incorporated within the improvement plan.

4. The Finance Improvement programme

- 4.1 The development and delivery of the finance improvement programme is in its early stages. The sections below outline the overall programme and the approach being adopted.
- 4.2 Calderdale along with all local authorities are operating in a time of severe financial and service demand pressures. Gaining a clear understanding of financial risks and opportunities is fundamental. Central to this is financial management and financial governance.

The Council recently commissioned CIPFA (Chartered Institute of Public Finance and Accountancy) to undertake a Financial Resilience review and

an assessment against financial management best practice using CIPFA's Financial Management Model.

The report along with a series of recommendations indicates opportunities to strengthen both financial management and financial governance which will help underpin the Council's plans for financial sustainability and the challenges faced in delivering a balanced budget.

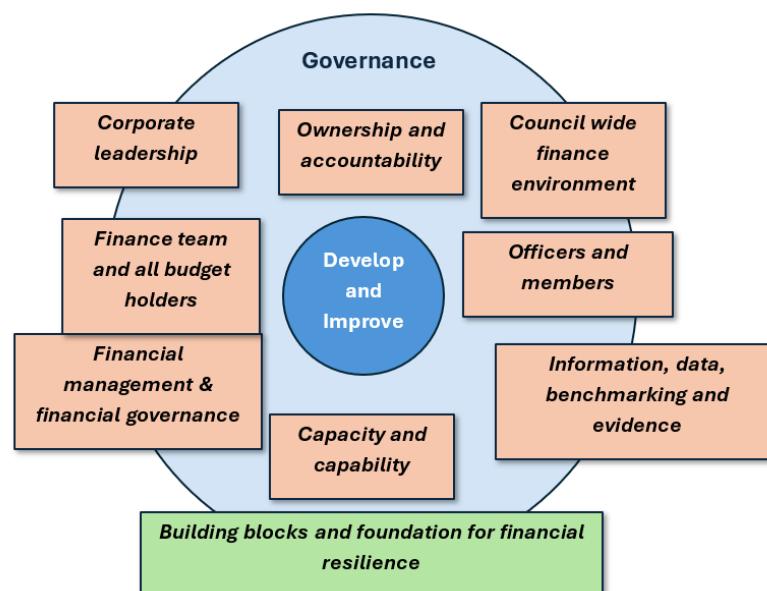
The report also recognises the steps and actions already in place to improve financial sustainability and the current operational financial management environment and culture.

The next stage following the review is to put in place a finance development programme which will build on the review recommendations and take them forward along with recognised financial management and financial governance challenges.

4.3 The programme will involve establishing and developing the following:

- A vision based on self-serve underpinned by business partnering and a responsive and proactive finance environment that will deliver financial sustainability.
- To develop the direction and approach using the – 'As is' and the 'To be' approach.
- Establishing clear objectives
- A clear and transparent project set up and project management steps
- A governance structure.
- Robust project management arrangements.
- An organisation wide engagement plan.
- The project will be delivered through a series of workstreams.
- Establish a reporting through both Member and officer routes.
- Creation and monitoring of success measures that are both financial and non-financial.

4.4 The programme will be based on a series of connected design principles indicated in the diagram below:



- 4.5 The following section outline in more detail each of the areas in 6.3 above as key programme elements:

Governance

A robust governance structure and approach will be an essential part of the overall project success.

Governance of the project will ensure:

- The project direction and its outcomes are aligned to the corporate strategy, policies and plans.
- That there is leadership and a drive corporately.
- There is accountability for delivery of the project and outcomes.
- That there is sufficient resource allocated.

The governance structure and processes will be determined during the project set up. This will need to consider and include member and officer involvement. As a structure the following may be included:

- A project team with delivery leads
- Corporate leadership team lead
- Members
- Finance scrutiny and / or audit committee
- Finance portfolio holder and cabinet

Project management

There will be programme lead and a corporate leadership team sponsor, aligned to the agreed governance structure.

The project will be managed through a formal process that identifies and manages:

- Project objectives
- Workstreams and ownership
- Workstream deliverables with monitoring
- The timeline for delivery
- Resources and planning of activity
- Reporting on progress

Engagement

Success in any change and transformation is based on collaboration and engagement. The programme planned is no different.

The approach to engagement will take different forms at different stages of the programme.

An engagement plan will be created as part of the project management set up and will include the following:

- Regular briefing sessions across the organisation through a variety of media and teams
- Staff and member programme activity including development workshops
- Workstream members and their engagement with individuals and teams
- Reporting on progress through the governance structure
- Cabinet and leadership team updates

Workstreams

Workstreams are an approach to managing delivery of a project. Each workstream will have a specific range of objectives and deliverables that are linked. A workstream will have a lead and a small team, traditionally part time an importantly subject matter experts.

Workstreams and their nature will vary with each project. This project will initially have the following:

- People
- Process and systems
- Governance
- Reporting

The project plan once developed will contain the detail around each workstream and its deliverables. In addition, the plan will also recognise cross workstream interdependencies and cross Council 'business as usual' dependencies and impact.

Reporting

Reporting and monitoring of progress is fundamental to achieving the project objectives. Reporting ensures that any changes in direction or ambition are managed in a timely manner and through a robust process.

Reporting will need to respond to what, who and when questions. The approach will mirror the governance arrangements established. The fundamental principles of reporting will be to; advise, request a decision, monitor and manage progress. There will also be an agreed escalation route and process to drive delivery.

A suggested approach may follow the format below, the content to be agreed as part of project planning:

- Project team – weekly
- Leadership team – initially two weekly
- Portfolio holder – two weekly
- Cabinet – monthly

Timeline

A change and transformation project of this nature needs a detailed planning and delivery timeline and a finite end date.

The project will necessarily have short-, medium- and long-term milestones set. Each of the workstreams will also have timelines associated with deliverables to manage their completion.

The project will run alongside the 2026/27 budget setting process which will help in both identification of areas for improvement and also introducing changes immediately.

Success measures

It is important to consider how we measure the success of any change programme.

The project will have a combination of financial and non-financial measures which are closely aligned to the vision, objectives and deliverables.

The measures and how they will be both monitored and reported will be developed as part of reporting and planning the project. For example, the following thematic areas could be considered a starting point:

Financial Impact	Cultural Impact	Capacity & Skills	Decision Making
<ul style="list-style-type: none"> • Deliver budget • Deliver savings • Balanced MTFP • Sustainability 	<ul style="list-style-type: none"> • Ownership • Accountability • FBP approach • Self-serve 	<ul style="list-style-type: none"> • Competency model in place • Success plan • Training plan • Skills balanced 	<ul style="list-style-type: none"> • Governance • Transparency • Data and information • Timing

6.6 As of early December the following activity has taken place:

- Planning is underway.
- Engagement has commenced with Directors and teams.
- Initial activity to develop monthly reporting.
- Planning conversations with external auditors.
- Awareness building within teams and with individuals.

7. Conclusions

7.1 The CIPFA FM and Resilience Report will be reported to Audit Committee in February to provide assurance in response to the Annual Governance Statement action.

7.2 Cabinet will receive regular updates on the delivery of the 'Finance Improvement Programme' which responds to the CIPFA recommendations and incorporates a range of development areas identified by the Council to strengthen financial management, financial governance and financial sustainability.



Calderdale Council

A Financial Management and Resilience Review

September 2025

A Report by:

The Chartered Institute of Public Finance and Accountancy

CIPFA, the Chartered Institute of Public Finance and Accountancy, is the professional body for people in public finance. CIPFA shows the way in public finance globally, standing up for sound public financial management and good governance around the world as the leading commentator on managing and accounting for public money.

Further information about CIPFA can be obtained at www.cipfa.org

Any questions arising from this submission should be directed to:

John O'Halloran

CIPFA
77 Mansell Street
London
E1 8AN

Tel: +44 (0)20 7543 5600
Email: john.o'halloran@cipfa.org

1 Executive Summary

Introduction

We were asked to provide an assessment of the Council's financial resilience, financial management, governance arrangements, capital programme, debt position, and some of the pressures on service delivery, with a view to providing recommendations for improvement.

To provide this assessment, we were asked to look at five key themes:

- Financial management and sustainability
- Capital programme and companies
- Commercial investments, assets and debt
- Governance
- An improvement plan

Methodology

In our approach, we were mindful of the five broad areas for review as set out above and comprised the following elements:

Desktop analysis - We reviewed the material together with other records that have been shared by the Council and also examined relevant comparator material.

Specialised inputs - Some comparative data analyses were conducted on issues such as revenue spend, and indebtedness.

Interviews - The bulk of the fieldwork comprised of interviews. These provided the invaluable 'triangulation' of our analysis. Council Officers, Members, Auditors, and other experts were invited to give views and respond to queries provoked by documentary evidence.

Report drafting, feedback and fact-checking - The above inputs were then analysed and subjected to our professional and expert judgement. The result is summarised in this report.

This report was fact checked as far as possible and is based on the fieldwork completed within the time frame for the review from July through to August 2025. It is not a comprehensive audit of the Council's finances or its governance arrangements. Consequently, the conclusions do not constitute an opinion on the status of the Council's financial accounts. Our review of the Council's Minimum Revenue Provision (MRP) considers the reasonableness of the Council's MRP policy and does not constitute an audit of the full application of the policy.

CIPFA would like to take this opportunity to thank the Council for being so amenable and open to meeting with the review team and for the considerable effort that has been

expended in collating and sharing key documents with CIPFA. We also thank everyone involved for the openness, tact, and honesty in what is a sensitive issue for the Council.

Conclusions

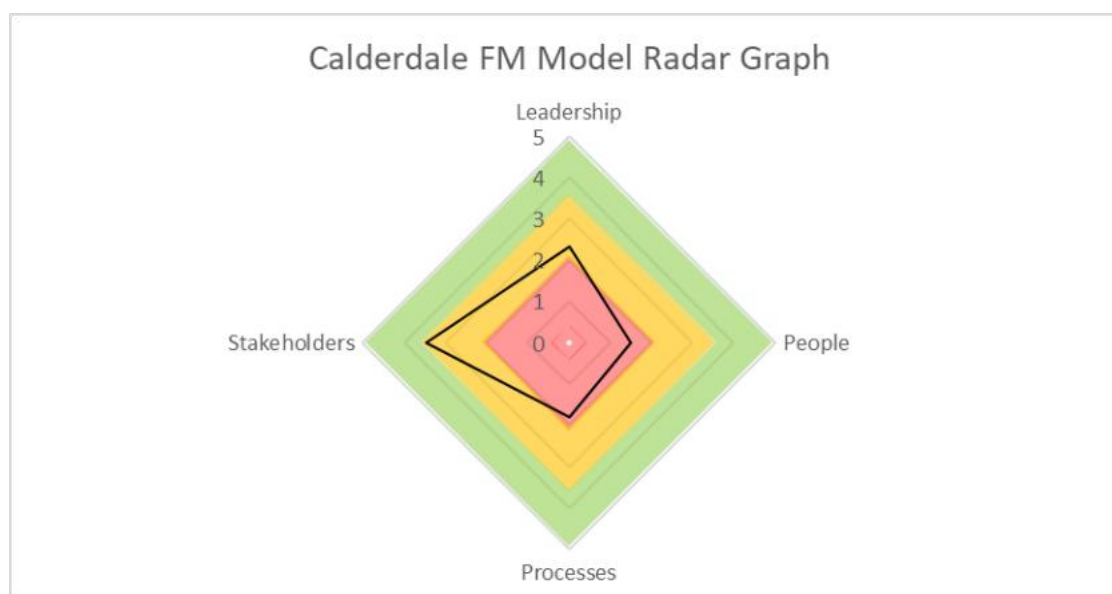
The roll out of the CIPFA FM Model provided opportunity to assess the opinions, experiences and feedback from a wide range of stakeholders across the organisation including areas on internal and external audit, year-end financial reporting, the financial system and those within Service led departments, and to assess further into areas covered by the electronic survey. We completed 28 interviews with Council staff and welcomed their openness and transparency.

The electronic survey completion rate for this roll out of the CIPFA FM Model was 45% with 90 out of 198 participants submitting data/evidence.

Best practice matrix

The matrix aggregates assessments for individual statements of best practice in the FM Model and summarises CIPFA's assessment of the Council's financial management arrangements. Using the matrix, the key findings of the review can be summarised across the three financial management styles and four management dimensions.

FM Model key findings chart for Calderdale Council on 13 October 2025



The Council attained an overall moderated score of 2.75, resulting in an average score of competent. No matter how well an organisation performs, there is always room for improvement. The rest of this report, in particular, the areas highlighted for development, need to be read in this context.

Strengths

There is a consensus in the confidence of the leadership team and their ability to carry out their duties and responsibilities effectively, which emphasises the importance of financial

management to strategic decision making and will lend well to championing the change programme referenced in the recommendations of this report.

As demonstrated through the triangulation of evidence, the council has undertaken vital work around stakeholder engagement, aiding in informed and robust decisions and inviting a broader range of perspectives to better inform policies and services. It is positive to note that there has been a wide spectrum of consultation and engagement activity since the publication of the Consultation budget. There is widespread agreement and evidence on transparency in public documents around performance, governance mechanisms, strategy and policy.

The Council also has a good record of taking advantage of its ability to raise income and bringing in external funding as well as being closely aligned to savings targets (89% of its £3.1m savings achieved in year for 2024/25) but has been using reserves to balance the budget. The Council has un-earmarked reserves of around £30m as at 2024/25, which could be considered low for a council with the budget the size of Calderdale.

The Councils debt position compared to income and reserves is relatively healthy when compared to other metropolitan and unitary Councils and overall current debt position is being managed sensibly through smoothing out the maturity profiling. Refinancing of debt is relatively well spread and the mix between short and long-term debt is sustainable. The Council has a limited commercial investment portfolio with prudent income and debt exposure and overall is seen to be risk averse. A potential opportunity would be to appropriately explore more risk seeking activities.

Relationships between the Corporate Leadership Team, the Cabinet and Members are strong with a positive view from Members on the quality of information, as well as accessibility both informally and formally to financial management advice and briefings

Development areas

In line with shared national challenges for local authorities, Calderdale faces growing financial pressures and demand particularly within Children's and Adults Services. It is recommended that any Change & Transformation Programme incorporates fully integrated co-designed Budget Holder and Finance Business Partner processes to reset the culture that has carried forward from the historical stability that the Council has benefitted from.

The ability to self-serve and address accountability across the wider organisation needs to become a consistent approach, in conjunction with enhancing collaboration and communication. Calderdale should be able to use its current platforms (Power BI) to work alongside the finance system and integrate this with business partnering expertise, more complex budgeting, forecasting, costing techniques and sensitivity analysis to drive commercial insight and regular analysis. This will help establish making any easy savings that are politically acceptable as soon as possible, and facilitate sufficient appropriate sustainable savings plans to enable the Council to deliver a balanced and stress tested MTFP position over the long term.

There are development areas on major projects with appraisal methods requiring enhancement and it has been recognised that there is a lack of the use of benefits realisation frameworks. A combination of these two when implemented will aid in realising

Value for Money, but also start to drive more focus, accountability, continuous improvement and therefore guide cultural change.

The Council has a good record on retaining staff, and from this and a combination in some circumstances, silo working, there are extensive amounts of tacit knowledge across the organisation opening it to operational risk through the lack of strong succession planning. It is advised that this is improved upon to enable seamless business continuity, and to ascertain as much as possible that departments can operate with minimal to no disruption.

Direction of travel

Calderdale has good foundation for financial management with huge potential to build upon. To maintain and strengthen this position and make improvements, it will need to continue to innovate and develop, especially in the areas of providing regular commercial insight, analysis and modelling. Use of Power BI will be a factor to enable this with the rollout of Performance Dashboards across the Directorates on a consistent monthly basis alongside a Change Programme to ensure the Council is financially astute on a cultural level. This is important particularly in the pockets across the Council that has highlighted the need for more in-depth insight and support - being Childrens and Adults Services.

The Officers we met were very competent, and Cabinet members appear engaged and keen to act in the best interests of constituents. However, there are areas of improvement, as set out in the Action Plan below, that would put the Council in an even stronger position to combat potential financial shocks. It will be important to ensure that the organisation is not complacent and does not place undue reliance on reserves.

Summary conclusion

We have been positively satisfied with detail around policy, detail in published documents and the high standard of capability within the Corporate Leadership team (CLT). The adeptness of CLT is recognised across the Council, and the way in which they have worked with the Cabinet and Members is strong. There is a high level of knowledge spread across the organisation, including within the Directorates, Executive, and on an operational level. The Council has seen many years of stability historically and the shift in financial pressures, and higher demand on services has affected councils nationally including Calderdale Council. We believe that the Council is in a good position to be able to take the opportunity to undertake some improvements to align itself with, and respond to, challenges that lie ahead and deliver Transformation.

The key challenge ahead for Calderdale, is to harness its strong financial leadership and further enhance and embed Finance Business Partnering and Budget Holder accountability and awareness into the organisation, to ensure it presents and delivers a sufficient level of evidence-based savings plans across the life of the MTFP that the Cabinet can support.

In the current political and economic climate, having a sufficient cushion of reserves is more important than ever. It is within the Council's interest and plans to replenish and build up reserves to provide a safety net against shocks. However, with the current economic climate there are still future risks that could test the reserves position that Calderdale is forecasting

to build up. To protect Calderdale's financial resilience, we encourage the production of robust savings plans in conjunction with the impact on levels and quality of service provision.

In the case with Calderdale, it should be able to use its strengths to advance into a more modern organisation, using its existing technological capabilities, and integrate this with business partnering expertise. This will help establish making any easy savings that are politically acceptable as soon as possible, and facilitate sufficient appropriate sustainable savings plans to enable the Council to deliver a balanced MTFP position over the long term.

Local authorities are operating in an uncertain financial environment, and there are development opportunities available within the Council to withstand future shocks.

Recommendations

A table of recommendations have been provided in the content of the main report and has been included below.

Key Recommendations/Improvement Plan

This table provides the improvement plan and roadmap that we recommend the Council follows with priority actions indicated and the recommended timeline included with the recommendations.

Action	Recommendation description	Priority	Timescale
Efficiencies to be identified through commercial analysis across Directorates.	The Council needs to ensure it can take key decisions on efficiencies alongside savings to avoid the unsustainable use of reserves to balance the budget. Evaluate Directorates through analysis, assessing trends and recommend improvements.	High	3 months
Redirect and release funds.	The Council should continue to review its earmarked reserves regularly and assess the opportunity to redirect or release funds.	High	Immediate
Explore operational efficiencies.	The Council should model and determine what it believes is a minimum operating model to achieve a sustainable financial position.	Medium	3 months
Create more emphasis around Section 106 processes.	Intensify the improvement plan around S106 agreements, to ensure best value and improve monitoring.	Medium	3 months

Realise asset disposal plan.	The Council needs to ensure it can appropriately realise its planned asset disposals in line with its disposal plan.	Medium	Immediate
Review Joint Venture arrangements.	The Council should undertake a review of its Joint Venture arrangements against the CIPFA Guide on Local Authority Companies.	Medium	2 months
Implement robust succession processes.	The Council should consider the need for more formal succession planning in some key posts. Review arrangements and practices around succession planning to ensure seamless transition periods as well as strong business continuity.	High	Immediate
Refresh modes of operation through collaboration.	Embed more collaboration and cross functional working across the organisation in both operational terms and political.	Medium	Immediate
Undertake a finance modernisation programme.	Refresh and closely monitor the capacity and capability of the finance team to assist the range of activities it supports. Review and revise the structure and arrangements where appropriate for the delivery of business partnering across the organisation.	High	3 months
Improve Financial Processes.	Develop the current Financial System offering through the use of Power BI creating a Dashboard product alongside it for analysis for stakeholders and enable self-serve.	High	2 months
Review and develop soft skills.	Review areas of development through the CIPFA competency model to assess individual strengths and opportunities for growth within finance and broaden skillsets. Implement a	High	2 months

	Financial Competency framework and a Financial Management training strategy. Enhance the treasury team skills and knowledge.		
Undertake co-designed Budget Manager and Business Partner processes.	Develop a clear consistent role across finance, alongside refreshing the budget holder and FBP relationship through co-designed Budget Manager and Business Partner processes.	High	2 months
Produce comprehensive reporting.	The Council should look at the reporting of its overall investment, company and partnership activity and consider overall portfolio reporting to give a fully comprehensive position.	Medium	3 months
Improve project management plans.	Establish benefits realisation frameworks and enhance appraisal methods on major projects.	Medium	3 months
Elevate forecasting techniques.	Develop the use of comparative data, benchmarking and demand management techniques in regular reporting and in year monitoring.	Medium	2 months
Elevate budgeting techniques.	Develop the skills and capabilities within services around varying budgetary techniques such as outcomes and base budget reviews and consider zero-based budgeting as well as profiling. Incorporate benchmarking and statistical data comparison to support the development of budgets.	Medium	Within next budget setting process
Improve Financial Procedures.	Strengthen control and decision making by implementing monthly reporting, month end processes and timetables.	High	3 months

Incorporate end-to-end process reviews.	Consider a programme of end-to-end process reviews in key business areas.	Medium	3 months
Adopt controls around Medium-Term Financial Plan.	Introduce robust controls around the delivery of the Medium-Term Financial Plan, as well as stress testing.	High	2 months
Improve timeliness of publication of Final Accounts.	Resolve issues relating to the completion and sign-off of final accounts.	High	6 months



77 Mansell Street, London E1 8AN
+44 (0)20 7543 5600
CIPFA.org