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**Service Director – Legal, Governance and
Commissioning**

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Tuesday 15 September 2020

Notice of Meeting

Dear Member

Corporate Governance and Audit Committee

The **Corporate Governance and Audit Committee** will meet in the **Virtual Meeting - online** at **11.00 am** on **Wednesday 23 September 2020**.

The items which will be discussed are described in the agenda and there are reports attached which give more details.

A handwritten signature in black ink, appearing to read 'Julie Muscroft', on a light-colored background.

Julie Muscroft

Service Director – Legal, Governance and Commissioning

Kirklees Council advocates openness and transparency as part of its democratic processes. Anyone wishing to record (film or audio) the public parts of the meeting should inform the Chair/Clerk of their intentions prior to the meeting.

The Corporate Governance and Audit Committee members are:-

Member

Councillor Will Simpson (Chair)
Councillor Kath Pinnock
Councillor Steve Hall
Councillor John Taylor
Councillor Paola Antonia Davies
Councillor Susan Lee-Richards
Councillor Martyn Bolt

When a Corporate Governance and Audit Committee member cannot be at the meeting another member can attend in their place from the list below:-

Substitutes Panel

Conservative

B Armer
V Lees-Hamilton
N Patrick
M Thompson
R Smith

Green

K Allison

Independent

C Greaves
T Lyons

Labour

M Akhtar
M Sokhal
M Kaushik
H Uppal

Liberal Democrat

A Munro
A Pinnock
J Lawson
A Marchington

Ex Officio Members

Councillor Graham Turner
Councillor Elizabeth Smaje
Councillor Paul Davies

Agenda

Reports or Explanatory Notes Attached

Pages

1: Membership of the Committee

This is where Councillors who are attending as substitutes will say for whom they are attending.

2: Interests

1 - 2

The Councillors will be asked to say if there are any items on the Agenda in which they have disclosable pecuniary interests, which would prevent them from participating in any discussion of the items or participating in any vote upon the items, or any other interests.

3: Minutes of Previous Meeting

3 - 8

To approve the Minutes of the meeting of the Committee held on 22 July 2020.

4: Admission of the Public

Most debates take place in public. This only changes when there is a need to consider certain issues, for instance, commercially sensitive information or details concerning an individual. You will be told at this point whether there are any items on the Agenda which are to be discussed in private.

5: Deputations/Petitions

The Committee will receive any petitions and hear any deputations from members of the public. A deputation is where up to five people can attend the meeting and make a presentation on some particular issue of concern. A member of the public can also hand in a petition at the meeting but that petition should relate to something on which the body has powers and responsibilities.

In accordance with Council Procedure Rule 10 (2), Members of the

Public should provide at least 24 hours' notice of presenting a deputation.

6: Public Question Time

The Committee will hear any questions from the general public. Due to current Covid-19 restrictions, questions must be submitted in advance to executive.governance@kirklees.gov.uk no later than 11am on 22 September 2020.

7: Annual report on Bad Debt Write Offs - 2019-20 9 - 16

To receive a report detailing the debts written off in the financial year 2019-20.

Contact: Steve Bird, Head of Welfare & Exchequer Services,
Mark Stanley, Senior Manager, Welfare & Exchequer Services

8: Informing the Audit Risk Assessment for Kirklees Metropolitan Council 17 - 32

To receive a report updating Members on the final accounts and audit processes for 2019/20.

Contact: James Anderson, Head of Accountancy.

9: Audit Progress Report and Sector Update 33 - 54

To consider a report from External Auditors, Grant Thornton.

10: Corporate Customer Standards Annual Report 2019-20 55 - 72

To update Corporate Governance and Audit on complaint handling for the year 2019-20, a review of the Ombudsman and Third Stage Complaints received. The document also contains details of the Whistleblowing Complaints that have been received.

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KIRKLEES COUNCIL				
COUNCIL/CABINET/COMMITTEE MEETINGS ETC				
DECLARATION OF INTERESTS				
Corporate Governance and Audit Committee				
Name of Councillor				
Item in which you have an interest	Type of interest (eg a disclosable pecuniary interest or an "Other Interest")	Does the nature of the interest require you to withdraw from the meeting while the item in which you have an interest is under consideration? [Y/N]	Brief description of your interest	

Signed: Dated:

NOTES

Disclosable Pecuniary Interests

If you have any of the following pecuniary interests, they are your disclosable pecuniary interests under the new national rules. Any reference to spouse or civil partner includes any person with whom you are living as husband or wife, or as if they were your civil partner.

Any employment, office, trade, profession or vocation carried on for profit or gain, which you, or your spouse or civil partner, undertakes.

Any payment or provision of any other financial benefit (other than from your council or authority) made or provided within the relevant period in respect of any expenses incurred by you in carrying out duties as a member, or towards your election expenses.

Any contract which is made between you, or your spouse or your civil partner (or a body in which you, or your spouse or your civil partner, has a beneficial interest) and your council or authority -

- under which goods or services are to be provided or works are to be executed; and
- which has not been fully discharged.

Any beneficial interest in land which you, or your spouse or your civil partner, have and which is within the area of your council or authority.

Any licence (alone or jointly with others) which you, or your spouse or your civil partner, holds to occupy land in the area of your council or authority for a month or longer.

Any tenancy where (to your knowledge) - the landlord is your council or authority; and the tenant is a body in which you, or your spouse or your civil partner, has a beneficial interest.

Any beneficial interest which you, or your spouse or your civil partner has in securities of a body where -

- (a) that body (to your knowledge) has a place of business or land in the area of your council or authority; and
- (b) either -

the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or

if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you, or your spouse or your civil partner, has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

Contact Officer: Leigh Webb

KIRKLEES COUNCIL

CORPORATE GOVERNANCE AND AUDIT COMMITTEE

Wednesday 22nd July 2020

Present: Councillor Will Simpson (Chair)
Councillor Steve Hall
Councillor John Taylor
Councillor Paola Antonia Davies
Councillor Susan Lee-Richards

Ex-Officio Members: Councillor Elizabeth Smaje, Chair of Overview & Scrutiny
Committee
Councillor Paul Davies, Chair of Standards Committee
Councillor Graham Turner

Apologies: Councillor Martyn Bolt and Councillor Kath Pinnock

1 Membership of the Committee

Apologies were received from Councillor Martyn Bolt and Councillor Kath Pinnock

2 Interests

No interests were declared.

3 Admission of the Public

It was noted that Agenda Items 15 and 16 would be considered in private session. (Minute No.s 15 and 16 refers).

4 Deputations/Petitions

No deputations or petitions were received.

5 Public Question Time

No questions were received.

6 Treasury Management Annual Report 2019/20

The Committee gave consideration to a report, submitted in accordance with Financial Procedure Rules, which reviewed treasury management activities for the previous financial year. The Committee were advised that the Council's investments averaged £32.7m and had earned an average interest rate of 0.73%. The report explained that total external borrowing had increased for the year by £31m to £426.9m, which had been mainly due to borrowing requirements in the Capital Plan

Reference was made to the Council approval in 2017-18 to revise its Minimum Revenue Provision (MRP) policy, which relates to the amount of revenue resources set aside each year to provide for its outstanding debt repayments over the longer term. This was done by updating its approach to Supported Borrowing from 2007-08

Corporate Governance and Audit Committee – 22 July 2020

onwards, moving from a 4% reducing balance to an annuity basis in its repayment of debt.

It was reported that in updating the approach the Council effectively over-provided in previous years the re-payment of debt to the sum of £91.1m. Within the Treasury Management Strategy 2018-19 the Council set out its approach to unwind this over-provision at £9.1m each year over the next 10 years, starting from 2017-18 onwards.

Following approval within the 2018-19 Treasury Management Strategy there was a further increase in the un-winding in the General Fund MRP for 2018-19 and 2019-20. The maximum amount of un-wind in any one year cannot be more than the overall annual MRP calculation, as otherwise the Council would end up in a negative MRP position, which is not allowable under accounting rules. The calculation estimated for the Treasury Management Strategy was £13.5m. It was explained that the actual MRP calculation for 2019-20 and hence the maximum unwind allowable is £13.7m. In the 2019-20 the unwind has therefore been increased by a further £200k.

The report outlined that Treasury management costs incurred in the year include £10.8 million on net interest payments and confirmed that the Council complied with its treasury management prudential indicators in the year.

RESOLVED -

That the Annual Report on Treasury Management 2019-2020 be received and noted.

7 Update on Final Accounts

The Committee received an update on the final accounts and audit processes for 2019/20. It was explained that the preparation of the Statement of Accounts is a statutory requirement and local authorities are normally required to have them signed by the section 151 Officer by 31 May and published with an Audit Certificate by 31 July, following the end of the financial year. However, it was reported that in a sector-wide response to the consequences of the COVID-19 pandemic and consequential logistical and capacity impact on both Council and audit capacity, CIPFA amended the statutory deadline for the production of the Unaudited Statement of Accounts for 2019-20. For the Council the revised deadline is 31 August 2020. The accompanying deadline for the completion of the audit was also amended to 30 November 2020. It was reported that despite the significant challenges to the Council's finance team dealing with multiple competing demands, the team has made significant progress and the draft accounts would be completed and signed by the Council's Service Director - Finance over the coming weeks.

It was reported that the six week public inspection period for the draft accounts 2019/20 will commence and run for 6 weeks from the date that the draft accounts are live on the Council's website. The audit of the 2019/20 Statement of Accounts is expected to commence shortly afterwards. Two historic objections that were raised during the Public Inspection period for the 2016-17 accounts had been resolved by KPMG (as reported to this committee on 26th July 2019) and the formal audit certificates were issued.

RESOLVED –

1. That the Committee notes the revised statutory deadlines for the production of the Unaudited Statement of Accounts (31 August 2020) and for the Audited Statement of Accounts (30 November).
2. That the Committee further notes that the Unaudited Statement of Accounts are in progress notes that the dates of the public inspection period will commence once the draft accounts are live on the Council's website.

8. External Audit Update

The Committee received the External Audit Finding Report, for year end 31 March 2020, as submitted by Grant Thornton.

It was reported that the revised statutory target for the issue of the 2019/20 opinion is 30 November 2020. The Audit Plan and timetable has been discussed with officers. The final accounts audit commenced on 6 July with the findings to be reported in the Audit Findings (ISA260) Report. The Council's draft 2019-20 accounts are expected in mid July 2020. Grant Thornton will present their Audit Findings Report at the October/November Corporate Governance and Audit Committee meeting and issue their audit opinion by the 30 November target date.

Jon Roberts and Stephen Nixon, representing Grant Thornton, provided the Committee with an overview of the impact of the Covid-19 pandemic and explained that they had been liaising with members of the Council's finance team to discuss how they can work together effectively to deliver the audit despite the restrictions on physical interaction.

The report set out a number of key issues to be considered as part of the end of year closedown. Specific reference was made regarding the uncertainty around property and land valuation as a result of Covid-19.

RESOLVED - That the External Audit Findings Report, for Year end March 2020, be received and noted.

9. Annual Report of Internal Audit 2019/20 and Issues for 2020/21

The Committee received the 2019-2020 Annual Report of Internal Audit, which provided an overview of internal audit activity and conclusions on the control environment and assurance.

The report set out (i) information on internal audit activity in the year ending 31 March 2010 (ii) an opinion on the adequacy and effectiveness of the Council's framework of governance, risk and control (iii) information regarding compliance with the requirements of Public Sector Internal Audit Standards and Code of Ethics and (iv) an Audit Plan for 2019-2020, indicating the priorities for the year (v) a recommended revised Audit Plan for 2020/21 that reflects timing and resourcing matters reflecting the disruption and impact of the coronavirus pandemic (vi) the 2020/21 Audit Charter.

The report advised that, based upon an objective assessment of the Council's framework of governance, risk management and control, it had been concluded that overall arrangements to operate Council business effectively were sound.

RESOLVED –

- (1) That the 2020/21 Internal Audit Strategy and Charter be approved.
- (2) That the Committee notes that it is content with (i) the effectiveness of the internal audit function and its conformance with Public Sector Internal Audit Standards and Code of Ethics (ii) the effectiveness of the Council's overall system of internal control (iii) the effectiveness of the broader control environment, risk management and governance arrangements of the Council (iv) the proposed amended audit plan for 2020/21 and (vii) the proposals in relation to actions necessary due to the ongoing disruptions to internal audit work during 2020/21

10 Annual Governance Statement

The Committee received a report setting out the draft 2019/2020 Annual Governance Statement. It was noted that the Statement was a statutory requirement which accompanied the Statement of Accounts in order to provide assurance regarding governance and the internal control environment.

The report advised that the Statement had been compiled following the annual review of the effectiveness of the overall internal control and governance arrangements, and reflected upon a number of assurance documents which had been presented during the year.

It was requested that the Committee be kept informed of progress of the action plan throughout the year.

RESOLVED - That the draft Annual Governance Statement for 2019/20 be noted with a further draft submitted to this committee prior to formal approval in conjunction with the Annual Accounts later in the year.

11 Joshua Wood Charity

The Committee considered a report consulting on whether it considers that the council should have the right to nominate a trustee of the Joshua Wood Trust which is a charity that exists for the relief of poverty.

At present the council in its capacity as Corporate Trustee is one of the three trustees of the Joshua Wood Trust. It is the council's Cabinet that has the authority under the constitution to make the decisions of the council in its capacity as Corporate Trustee. The report highlighted that it had proved difficult to conduct trustee business as meetings of the trustees can only take place at the same time as when there are meetings of the council as Corporate Trustee. The report outlined that the council in its capacity as Corporate Trustee had been requested by the other two trustees that it will cease to be trustee.

RESOLVED - that Corporate Governance & Audit Committee endorse the proposed resolution of the Trustees of the Joshua Wood Trust to change the composition of the Trustees from the current composition (being the Vicar of Birstall; the Churchwarden of St James Heckmondwike; and Kirklees Council as corporate

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trustee) to the Vicar of St James Heckmondwike, the Churchwarden of St James Heckmondwike and a nominee of Kirklees Council who has an affinity with the locality of Heckmondwike.

12 **Quarterly Report of Internal Audit 2019/20 - Quarter 4**

The Committee received the Internal Audit Quarterly Report, Quarter 4, which set out an overview of internal audit activity for the period January 2020 - March 2020.

The report provided feedback on 29 formal opinion based pieces of work and various other tasks and projects. It was noted that, overall 87% of the work had a positive outcome, with a cumulative outcome of 82% which was higher than the 80% target rate. It was highlighted that work associated with Kirklees Neighbourhood Housing is now reported along with all other work. Information regarding the investigations and work undertaken were detailed within the exempt appendix.

RESOLVED - That the Internal Audit Quarterly Report 2019/2020 (Quarter 4) be received and noted.

13 **Quarterly Report of Internal Audit 2020/21 - Quarter 1**

The Committee received the Internal Audit Quarterly Report, Quarter 1, which set out an overview of internal audit activity for the period April 2020 - June 2020.

The report highlighted that as a result of the coronavirus a reduced level of routine work has been completed during the period. The work has included two investigations into alleged irregularity, two pieces of work assessing risk and recording processes linked to coronavirus and, a small amount of routine work and support to ongoing business projects, such as the councils monthly pay project

RESOLVED - That the Internal Audit Quarterly Report 2020/2021 (Quarter 1) be received and noted.

14 **Exclusion of the Public**

RESOLVED – That acting under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act, as specifically stated in the undermentioned Minute.

15 **Quarterly Report of Internal Audit 2019/20 - Quarter 4**

(Exempt information within Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information)(Variation) Order 2006, namely that the report contains information relating to the financial or business affairs of any particular person (including the authority holding that information). The public interest in maintaining the exemption, which would protect the interests of the Council and the company concerned, outweighs the public interest in disclosing the information and providing greater openness in the Council's decision making.)

Corporate Governance and Audit Committee – 22 July 2020

The Committee received the Internal Audit Quarterly Report, Quarter 4, which set out an overview of internal audit activity in the final quarter of 2019/2020.

RESOLVED - That the Internal Audit Quarterly Report 2019/2020 (Quarter 4) be received and noted.

- 16** **Quarterly Report of Internal Audit 2020/21 - Quarter 1**
(Exempt information within Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information)(Variation) Order 2006, namely that the report contains information relating to the financial or business affairs of any particular person (including the authority holding that information). The public interest in maintaining the exemption, which would protect the interests of the Council and the company concerned, outweighs the public interest in disclosing the information and providing greater openness in the Council's decision making.)

The Committee received the Internal Audit Quarterly Report, Quarter 1, which set out an overview of internal audit activity in the first quarter of 2020/2021.

RESOLVED - That the Internal Audit Quarterly Report 2020/2021 (Quarter 1) be received and noted.



Name of meeting: Corporate Governance and Audit Committee

Date: 23 September 2020

Title of report: Annual report on bad debt write-offs, 2019-20

Purpose of report

Financial Procedure Rules require the Service Director Finance, to prepare an annual consolidated report on all debts written off annually, for consideration by the Corporate Governance and Audit Committee. This report details the debts written off in the financial year 2019-20.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	No
Key Decision - Is it in the Council's Forward Plan (key decisions and private reports)?	No
The Decision - Is it eligible for "call in" by Scrutiny?	"Not applicable"
Date signed off by Strategic Director & name	
Is it also signed off by the Service Director - Finance	Eamonn Croston – 8/9/2020
Is it also signed off by the Service Director – Legal, Governance and Commissioning	Julie Muscroft -10/9/2020
Cabinet member portfolio	Cllr Graham Turner

Electoral wards affected: None

Ward councillors consulted: None

Public or private: Public

1. Summary

- 1.1 The Chief Financial Officer has to prepare an annual consolidated report of all debts written off for consideration by the Corporate Governance and Audit Committee. This report includes summary detail on the Council's approach to debt recovery and a summary schedule of debts written-off over the past 12 months, at **Appendix A**.
- 1.2 The Council has a good record of taking strong recovery action to make sure that everyone who should pay, does. The write off figures within this report show how important it is for everyone to pay their share of the charges to help fund essential Council services and wherever possible payment by direct debit is encouraged and

promoted. Last year was a challenging year financially towards the end of the financial year COVID 19 as the global impact started to bite economically at a local level impact, this had an impact on customer's ability to make payments for outstanding debts to the Council. As a result of COVID, write offs are likely to continue to rise as the economy shrinks.

- 1.3 Overall, debts written-off in 2019-20 totalled £5.74m; as a percentage of debt raised in the year, is 1.16%. The previous year 2018-19, £5.9m was written off; equivalent to 1.24% of debt raised. In percentage terms, it is pleasing to note an improving trend is continuing. The equivalent write-offs in 2017-18 were £5.5m and the percentage was 1.31% of debt raised. It should be noted whilst write off in 2019-20 were actually less compared to 2018-19, the potential true impact of income collection recoverability as a result of COVID may start to become more apparent in future years depending on how the pandemic and the impact on the economy unfolds.

2. Information required to take a decision

- 2.1 Financial Procedure Rules authorise Directors to write off all individual bad debts subject to the approval of the Chief Financial Officer. A report on the details of all debts written off under delegated authority must be prepared and formally noted by the Director in consultation with the Cabinet Member. The Service Director - Finance must prepare an annual consolidated report of all debts written off for consideration by the Corporate Governance and Audit Committee.
- 2.2 **Appendix A** contains details of debts written off in 2019-20. The first table compares amounts written off in 2019-20 to those written off in 2018-19. The second table shows a detailed analysis of the reasons for write off in 2019-20. In both tables, the amount of debt raised in the financial year is shown as a guide - the amount written off in the year is not directly related to this as it is likely to include debts outstanding from previous years.
- 2.3 The figures for write off of Adult Social Care debt, Housing Benefit Overpayments recovery, Housing Revenue Account (HRA), Council Tax and Business Rates make up the top 5 areas for write off and demonstrate how important it is for everyone to pay their share of the charges to help fund essential Council services.
- 2.4 The write-offs for Adults relates to collection and recovery of adult social care charges. A key aim of the Adult Social Care Charging Policy is to ensure that where an adult is charged for care and support (including making a contribution to a personal budget following a financial assessment), that they are not charged more than they can reasonably afford and pay. Rigorous collection and recovery action is always taken using the legal powers available; however, due to the characteristics of the client group not all charges are recoverable. During 2019-20 there has been an continued increase in the recovery focus on Adult Social Care debt with a dedicated team working on improvements in debt collection. The team are also working closer with the more vulnerable customers and advice partners ensuring all the relevant help and advice is available to help customers who are struggling financially. This has resulted in a reduction in collectable debt being written off and higher collection of these debts. Examples of write offs include, not viable to pursue, and where the client has deceased etc.

- 2.5 The write offs for Finance & Transactional Services relate mainly to Housing Benefit Overpayment recovery. The write off percentage figure is relatively high because the households concerned are by definition the least able to pay, old non collectable debts are targeted for write off and high proportion are not viable to pursue. Recovery action is always pursued using all the recovery powers available for example deductions from ongoing benefit entitlement or direct attachments on welfare benefits; however, ability to pay is also a consideration. These debts will also become more difficult to collect in the future as Housing Benefit administration is transferred to the Department of Works and Pensions (DWP) as the housing credit element of Universal Credit.
- 2.6 Kirklees Neighbourhood Housing (KNH) manages the council house tenancies on the Council's behalf, and in accordance with the Council tenancy agreement, any costs incurred by the landlord, for which the tenant is deemed directly liable, the landlord will seek to recover, with the ultimate sanction of tenancy termination (eviction) in extreme cases. On average, this affects only a very small proportion of tenants each year. The HRA write-off figure of £0.46m includes approximately former tenant liable costs, also referred to as rechargeable repairs and for which there is an existing HRA bad debt provision set aside to cover. The Council currently has over 10,179 tenancies on direct debit equivalent to 46% of total tenancies, is increasing year on year.
- 2.7 Expenditure and income relating to the provision of landlord services is ring-fenced or 'self-financed' through the Council's Housing Revenue Account (HRA). The Council is the landlord for 22,229 Council properties, and the day-to-day management of these, including income collection and debt recovery, is undertaken on the Council's behalf by Kirklees Neighbourhood Housing (KNH), an arm's length management organisation.
- 2.8 The Council aims to maximise its collection and recovery of all Council Tax and Business Rates debts. The recovery process ensures that all accounts in arrears are chased through issuing reminders, summonses, obtaining liability orders through the Magistrates Court, if needed, which allow the Council to recover debts through using the Enforcement Agents (bailiffs), attachments to earnings or benefits, instigating insolvency proceedings, putting charging orders on the properties, or issuing committal to prison proceedings.
- 2.9 In 2019-20 officers have continued to undertake exercises to review the previous years' debts outstanding for both Council Tax and Business Rates and be realistic on what is collectable and what debts are not. Where accounts have been identified, with previous recovery action (some over a number of years) and no further action is viable to pursue or cost effective, the debts have been written off as unable to collect. In 2019-20 the increase in write offs was mainly due to significant write offs as a result of companies owning student properties going insolvent, whilst the Council has made a claim for debt owed, the Council Tax has been written off. This is due to the likelihood of any dividends being paid being low.
- 2.10 This will ensure that all collectable debts outstanding will be pursued through rigorous recovery action. Resources will be deployed to recover unpaid Council Tax or Business Rates quicker and more effectively once older debts that have been through the recovery process have been removed. Tighter processes and procedures continue to be put in place to maximise recovery of collectable debts earlier in the process. Also more emphasis has been placed on supporting vulnerable customers who are struggling financially through ensuring all the appropriate support is in place

to support and advise customers better, earlier in the recovery process. The anticipated collection levels over the fullness of time are 98.5%, which the service expects to eventually recover for Council Tax and Business Rates debts. Write offs however are likely to continue to rise as the economy shrinks due to the impact of COVID.

- 2.11 Payment by direct debit is encouraged and the Council currently has 116,789 charge payers paying by direct debit on Council Tax (approx. 71% of paying charge-payers). In the last 12 months this has increased by 742 new accounts set up for direct debit payments. The more direct debit payers the Council has, the better the recovery rate, allowing staff to concentrate on more difficult recovery cases outstanding.
- 2.12 Kirklees is the seventh largest Council in the country, so for the Yorkshire and Humber Area we will always be towards the top of any monetary list. The Council has 188,738 properties liable for Council Tax (£273.1 gross debit in 2019-20) and 16,102 properties for Business Rates (£142.7m gross debit in 2019-20). Whilst the Council Tax arrears increased in 2019-20 to £19m, the percentage compared to the overall debit (in year and arrears) was still approx. 0.07% due to the increase in the annual debit raised in 2019-20. Overall collection of the arrears is rising year on year, an example is the overall arrears for Council Tax has only risen by £0.2m compared to the annual debit increasing by approximately £50m.
- 2.13 Whilst all of the debts highlighted in the report have been formally written off in the accounts for 2019-20, this does not mean that the Council will not pursue this debt if new information comes to light and the prospect for recovering outstanding debts changes. The impact of COVID19 on customers financial circumstances will also be a factor to consider over the coming years.

3. Implications for the Council

This report provides summarised information on debts written-off over the previous 12 months. The overall income due in the year (Debit) to which the report's financial performance relates, supports the delivery of the following Council objectives and Priorities within available resources:

3.1 Working with People

The write off's have an impact on the Council's budget therefore bad debt provisions are factored into the estimated income from debts/charges raised throughout the year. The debts are from various services charging for either providing a service or for raising annual charges through legislation ie Council Tax, and Business Rates. The Council work with customers to ensure that any debts outstanding are recovered in accordance with the payment terms but if the customer is having financial problems these will be taken into consideration. In certain circumstances debts are written off as either not viable to pursue or on the grounds of hardship or vulnerability where appropriate. Consideration is given to any inequalities and poverty caused by charges raised, and where appropriate debts will be considered for write off.

3.2 Working with Partners

Not applicable

3.3 Place Based Working

Not Applicable

3.4 Climate Change and Air Quality

Not Applicable

3.5 Improving outcomes for children

Not Applicable

3.6 Other (eg Legal/Financial or Human Resources)

Financial

The amount of debt written off each year is factored into the Council's overall budget and appropriate provision is made to account for uncollectable debts raised.

4. Consultees and their opinions

None

5. Next steps

Corporate Governance and Audit Committee will be asked to note the summarised information set out in this report.

6. Officer recommendations and reasons

Corporate Governance and Audit Committee are recommended to note the information in the Appendix on bad debt write offs for 2019-20.

7. Cabinet portfolio holder recommendation

To note the contents of this report

8. Contact officer

Steve Bird, Head of Welfare & Exchequer Services, 01484 221000
Mark Stanley, Senior Manager, Welfare & Exchequer Services

9. Background Papers and History of Decisions

Accounts & Audit regulations 2015, Local Audit & Accountability Act 2014

10. Service Director responsible

Eamonn Croston. Service Director - Finance
01484 221000

APPENDIX A

Debit for year 2018/19	write offs during Apr18 - Mar19		Directorate	Debit for year 2019/20	write offs during Apr19 - Mar20	
£	£	%		£	£	%
43,225,262	1,409,698	3.26%	Adults Social Care	43,314,801	273,660	0.63%
3,964,256	7,546	0.19%	Learning & Early Support	5,989,587	1,095	0.02%
116,852	0	0.00%	Child Protection & Family Support (Prev Family Support & Protection in 18-19)	118,074	0	0.00%
27,993,313	157,589	0.56%	Commercial Regulatory & Operational (no longer exists in 19-20)	0	0	0.00%
5,228,808	32,037	0.61%	Economy, Regeneration & Culture (No longer exists in 19-20)	0	0	0.00%
6,597,815	811,250	12.30%	Finance, IT & Transactional Services	745,841	291,139	39.03%
1,220,547	3,075	0.25%	Governance & Commissioning	1,251,547	0	0.00%
562,943	0	0.00%	Office of the Chief Executive (no longer exists 19-20)	0	0	0.00%
4,351,390	0	0.00%	Policy, Intelligence & Public Health (no longer exists in 19-20)	0	0	0.00%
1,056,430	0	0.00%	Integration, Access & Community Plus	1,773,628	0	0.00%
0	0	0.00%	Commissioning, Quality & Performance (new in 19-20)	0	0	0.00%
0	0	0.00%	Growth & Housing (new in 19-20)	4,177,122	13,635	0.33%
0	0	0.00%	Economy & Skills (new in 19-20)	6,349,081	189,690	2.99%
0	0	0.00%	Environment (new in 19-20)	17,535,594	93,555	0.53%
0	0	0.00%	E&I Management (new in 19-20)	0	0	0.00%
0	0	0.00%	Strategy, Innovation & Planning	4,884,608	0	0.00%
0	0	0.00%	Public Health & People	4,914,068	38,635	0.79%
0	0	0.00%	HRA	2,582,764	46,005	1.78%
94,317,617	2,421,195	2.57%	General Fund Services	93,636,717	947,414	1.01%
79,590,304	784,112	0.99%	HRA (excl those on benefits)	80,570,786	463,820	0.58%
202,996,959	1,882,304	0.93%	Council Tax	214,810,316	3,040,106	1.42%
106,828,725	910,652	0.85%	Business Rates	106,587,054	1,289,880	1.21%
483,733,605	5,998,263	1.24%	Grand Total	495,604,872	5,741,220	1.16%

Directorates	*Debit for year 2019/20	write offs Apr19 - Mar20	%	Compassionate Grounds	Deceased	Liquidation/ Bankruptcy	No Goods/ Unemployed	Not Viable to Pursue	Unable to Trace	Statute Barred	Misc
Child Protection & Family Support	118,074	-	0.0%	-	-	-	-	-	-	-	-
Learning & Early Support	5,989,587	1,095	0.0%	-	-	-	-	1,095	-	-	-
Integration, Access & Community Plus	1,773,628	-	0.0%	-	-	-	-	-	-	-	-
Adults Social Care Operation	43,314,801	273,660	0.6%	25,013	137,528	-	-	73,048	12,788	25,282	0
Commissioning, Quality & Performance	-	-	0.0%	-	-	-	-	-	-	-	-
Growth & Hosuing	4,177,122	13,635	0.3%	-	-	-	-	12,128	115	1,621	-
Economy & Skills	6,349,081	189,690	3.0%	-	151	83,694	-	34,761	1,083	70,000	-
Environment	17,535,594	93,555	0.5%	-	386	46,854	-	42,229	3,193	893	-
E&I Management	-	-	0.0%	-	-	-	-	-	-	-	-
Strategy, Innovation & Planning	4,884,608	-	0.0%	-	-	-	-	-	-	-	-
Public Health & People	4,914,068	38,635	0.8%	-	-	5,287	-	25,065	8,283	-	-
Governance & Commissioning	1,251,547	-	0.0%	-	-	-	-	-	-	-	-
Finance*	745,841	291,139	39.0%	4,333	61,017	16,039	-	68,850	32,195	108,705	-
HRA	2,582,764	46,005	1.8%	-	166	1,023	-	15,781	1,022	28,013	-
General Fund Services	93,636,717	947,414	1.0%	29,346	199,247	152,896	-	272,958	58,451	234,515	0
HRA (excl those on benefits)	80,570,786	463,820	0.6%	6,832	63,009	89	-	369,944	20,126	301	3,518
Council Tax	214,810,316	3,040,106	1.4%	6,822	3,117	899,005	-	1,050,396	1,100,645	-	-
NNDR	106,587,054	1,289,880	1.2%	-	146	597,169	-	542,863	149,703	-	-
Grand Total	495,604,872	5,741,220	1.2%	29,356	259,285	1,649,159	-	2,236,161	1,328,925	234,816	3,518

* Finance figure includes value of invoices raised for outstanding debt in relation to Benefits



Name of meeting: Corporate Governance and Audit Committee
23 September 2020

Title of report: Informing the Audit Risk Assessment for
Kirklees Metropolitan Council

Purpose of report

The report updates Members on the final accounts and audit processes for 2019/20.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Not applicable
Key Decision - Is it in the Council's Forward Plan (key decisions and private reports) ?	No
The Decision - Is it eligible for "call in" by Scrutiny?	No
Date signed off by Strategic Director & name	Not applicable
Is it also signed off by the Service Director for Finance, IT and Transactional Services?	Eamonn Croston 11/9/2020
Is it also signed off by the Service Director for Governance and Commissioning Support?	Julie Muscroft 11/9/2020
Cabinet member portfolio	Not applicable

Electoral wards affected: Not applicable
Ward councillors consulted: Not applicable

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

1. Summary

- 1.1 The Council's external auditor Grant Thornton has asked that council officers complete the attached 'Fraud, Laws and Regulation Letter to Management' (Appendix A), which consists mainly of a schedule of issues entitled:
 - "Auditor Question"(by GT)
 - "Response" (by KMC officers)

1.2 They have also requested that the Chair of Corporate Governance and Audit Committee undertake a similar exercise and complete the attached 'Fraud, Laws and Regulation Letter to Cllr Simpson' (Appendix B).

1.3 These relate to the following topics:

Financial Reporting and changes in 2019-20

Internal Control

Fraud and Ethics

Laws and Regulations

Going Concern - that the council as a "business" will continue to operate

Litigation and Claims

Related Parties with whom the council has or records transactions

Other Accounting Areas – including the use of estimated figures in the accounts and the use of financial instruments.

1.4 External Audit will use these assurance letters to support their overall opinion on the Audited Statement of Accounts and Annual Governance Statement which will be presented to this Committee for approval on 24 November 2020.

1.5 The auditors want this committee to affirm that they believe these assertions to be true (or have no reason to believe that they are untrue). The documents are attached.

2. Information required to take a decision

2.1 The Committee need to read the statements and assertions

2.2 If there are questions arising they can ask officers for an explanation.

3. Implications for the Council

3.1 **Working with People**

N/A

3.2 **Working with Partners**

N/A

3.3 **Placed based working**

N/A

3.4 **Improving Outcomes for Children**

N/A

3.5 **Reducing demand of services**

N/A

3.6 **Other (e.g. Legal/Financial or Human Resources)**

These assertions related to the annual statement of accounts enable the appointed auditors to ensure that they are satisfied that the Council funds are also properly accounted for, and the financial position presented by the accounts is reasonable, true and fair.

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APPENDIX A

Eamonn Croston
Operational Director, Finance
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HD1 2TG

Grant Thornton UK LLP
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Manchester
M3 3EB

20th July 2020

Dear Eamonn,

Kirklees Council Financial Statements for the year ended 31 March 2020

To comply with International Auditing Standards, we need to establish an understanding of the management processes in place to prevent and detect fraud and to ensure compliance with laws and regulation. We are also required to make inquiries of both Management and the Corporate Governance and Audit Committee as to their knowledge of any actual, suspected or alleged fraud. International Auditing Standards also place certain obligations on auditors to document Management's view on some key areas affecting the financial statements

To assist us in meeting these requirements, I would be grateful if you would consider and formally respond to the matters set out in the attached Appendix. In completing this task, you may wish to take into account the views of other members of staff where you think appropriate. The Appendix relates to operational issues as well as the financial statements.

In preparing your responses, it would assist me greatly if you could include a summary of evidence that you have relied on to inform your responses, and the sources of assurance that you have that the relevant management controls have operated effectively through the financial year to date and will operate up to the date the accounts are approved.

I would be grateful for a response by 31 August 2020, and please contact me if you wish to discuss anything in relation to this request.

Yours sincerely

SRNixon

Stephen Nixon
Senior Manager
For Grant Thornton UK LLP
E: Stephen.r.nixon@uk.gt.com

Chartered Accountants

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A list of members is available from our registered office.

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Appendix

Responses from Management:

Auditor question	Response
Changes in 2019/20	
What do you regard as the key events or issues that will have a significant impact on the financial statements for 2019/20?	High Needs budgetary pressures, Minimum Revenue Provision in-year 'unwind', long-term net pension liability and asset valuations. COVID pandemic impact: increased estimation uncertainty e.g. asset valuations, reflected in 'material valuation uncertainty' disclosures in the SoA notes.
Have you considered the appropriateness of the accounting policies adopted by the Council? Have there been any events or transactions that may cause you to change or adopt new accounting policies?	Accounting Policies are reviewed annually for continuing appropriateness. Updates are made as necessary to bring in to line with Code requirements. For 19-20 FS, changed to 3 yearly asset valuations from 5 years.
Are you aware of any changes to the Council's regulatory environment that may have a significant impact on the Council's financial statements?	No
Internal Control	
How would you assess the quality of the Council's internal control processes?	The Council has an internal audit function that reports to the Corporate Governance & Audit Committee (CGAC), & to management, which operates in compliance with Public Sector Internal Audit Standards(PSIAS). There is an agreed, risk based audit plan, which is reported on quarterly and is subject on an annual opinion. Although there were some qualifications, the 2019/20 IA opinion was that internal control arrangements are sound. CGAC also received information on audit work in the subsidiary organization, Kirklees Neighbourhood Housing Ltd, (KNH) in year, which is carried out as a part of the councils overall assessment of assurance and internal audit. The annual governance statement & quarterly review of the action plan are reported through CGAC.
How would you assess the process for reviewing the effectiveness of internal control?	There is the following; a fit for purpose accounting function, with senior managers challenging operational activity, an Internal Audit function, and Audit Committee CGAC, senior management (Executive Team or ET) A monitoring officer, and legal team, and, Cabinet oversight of the Council's information management, governance and control environment, and broader Council oversight on key financial information; external audit and other external advice e.g. treasury

	management, HMRC, corporate tax advisors, BACS Bureau, on the effectiveness of internal control processes. Budget control and budget monitoring, performance statistics.
How do the Council's risk management processes link to financial reporting?	Risk management processes identify and look to mitigate risk. Corporate risk matrices are created by senior managers, approved by Cabinet and council and linked into the budget making process at Annual Council. In year activity risk monitoring is undertaken by executive team and Cabinet(LMT), alongside discussion of performance and budget monitoring
Fraud and Ethics	
How would you assess the Council's arrangements for identifying and responding to the risk of fraud?	The council has a routine internal audit plan designed to provide assurance a part of which is assessment of fraud risk. IA investigate internal and supplier fraud. There is a fraud team that investigates customer fraud.
What has been the outcome of these arrangements so far this year?	Some identification of fraud/suspected fraud or inappropriate behaviours
Are you aware of allegations of fraud, errors, or other irregularities during the period?	As above
What have you determined to be the classes of accounts, transactions and disclosures most at risk to fraud?	Treasury management –borrowing; (high risk high control) Customer fraud Cash fraud Mandate fraud (payment fraud subset) Tenancy fraud Covid related grant and rebate fraud
Are you aware of any whistle blowing potential or complaints by potential whistle blowers? If so, what has been your response?	All Whistleblowing or those of the nature of WB are investigated, including those that are anonymous.
Have any reports been made under the Bribery Act?	No
As a management team, how do you communicate risk issues (including fraud) to those charged with governance?	Issues would be investigated by IA and reported to CGAC if seen as “routine”. A very significant fraud would be reported through senior management, Cabinet and Council on an urgent as appropriate basis.
As a management team, how do you communicate to staff and employees your views on business practices and ethical behaviour?	The Councils employee handbook sets out expectation on staff conduct and ethical behaviour (issued to all new staff, on council intranet). KNH have same or similar processes. There is a whistleblowing arrangements that are (reasonably well) publicised and used. There are procedures intended to detect inappropriate actions, such as money laundering , and terrorism (as required by legislation)

	Whistleblowing records available for inspection. Whistleblowing subject to triage/assessment/investigation, and reporting back
What are your policies and procedures for identifying, assessing and accounting for litigation and claims?	See Contingent Liabilities/ Provisions working papers
Please provide your assessment of how your financial statements may be materially misstated due to fraud, including the nature, extent and frequency of such assessments.	There are limited areas where accounting judgements and estimates are used. These areas are identified and reviewed in conjunction with the external auditor, to mitigate the risk
What are your processes for identifying and responding to the risks of fraud. Have you identified any specific risks of fraud and/or areas where the risks of fraud are likely to exist?	See response above
How do you communicate with those charged with governance regarding your processes for identifying and responding to the risks of fraud?	See response above
How do you communicate with your employees regarding business practices and ethical behaviour?	See response above
Other Accounting Areas	
Is there any use of financial instruments, including derivatives?	No complex financial instruments are used. See Stat Accounts disclosures
Are you aware of any significant transaction outside the normal course of business?	No
Are you aware of any changes in circumstances that would lead to impairment of non-current assets?	No
Are you aware of any guarantee contracts?	See Contingent Liabilities working papers
How do you identify transactions, events and conditions that may give rise to the need for accounting estimates to be recognised or disclosed in the financial statements?	See Accounting policies in the Statutory Accounts for details on specific areas. No changes to methodologies used in the year.
Are there changes in circumstances that may give rise to new, or the need to revise existing, accounting estimates?	No
Going Concern	
Is the going concern basis of accounting a fundamental principle in the preparation of the financial statements?	Yes
Has a preliminary assessment of the Council's ability to continue as a going concern been performed?	Yes
What is the basis for your intended use of the going concern assumption, and do conditions exist that, individually or collectively, may cast significant doubt on the Council's ability to continue as a going concern?	The presumption of going concern was reviewed as part of the accounts production process & that presumption is valid based on Reserves & Budgets/ MTFS.
Laws and Regulations	
What are your policies and procedures for identifying, assessing and accounting for litigation and claims?	The Monitoring Officer and colleagues in Legal Services and Insurance provide updates on ongoing and potential litigation and claims

Can you provide details of those solicitors utilised by the Council during the year. Please indicate where they are working on open litigation or contingencies from prior years?	The WYLAW and EMLawshare panels of local authority solicitors and a panel of insurance specialist lawyers chosen by or in agreement with our insurers
Can you provide details of other advisors consulted during the year and the issues on which they were consulted?	Treasury Management (Arling Close) and Tax advice (PWC for VAT).
Have any of the Council's service providers reported any items of fraud, non-compliance with laws and regulations or uncorrected misstatements which would affect the financial statements?	None which were material
Are you aware of any instances of non-compliance with laws or regulations or is the Council on notice of any such possible instances of non-compliance?	None which were material
Have there been any examinations, investigations or inquiries by any licensing or authorising bodies or the tax and customs authorities?	Yes, periodic VAT audit.
Are you aware of the existence of loss contingencies and/or un-asserted claims that may affect the financial statements?	No
Litigation and Claims	
Have you identified any possible litigation and claims which may give rise to a risk of material misstatement?	See Statutory Accounts disclosures/working papers
Related Parties	
Please can you confirm who are the Council's related parties, including any changes from the prior period?	See Statutory Accounts disclosures/working papers
Please can you confirm the nature of the relationships between the entity and these related parties?	See Statutory Accounts disclosures/working papers
Has the Council entered into any transactions with these related parties in the period and if so please can you confirm the type and purpose of the transactions?	See Statutory Accounts disclosures/working papers

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Councillor Will Simpson
Chair of Corporate Governance and Audit Committee
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Civic Centre
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Huddersfield
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Grant Thornton UK LLP
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Manchester
M3 3EB

20 July 2020

Dear Councillor Simpson,

**Kirklees Council Financial Statements for the year ended 31 March 2020 -
Understanding how the Corporate Governance and Audit Committee gains
assurance from management**

To comply with International Auditing Standards, we need to establish an understanding of how the Governing Body gains assurance over management processes and arrangements.

I would be grateful, therefore, if you could write to me in your role as Chair of the Corporate Governance and Audit Committee, with your responses to the following questions in respect of the financial statements.

- 1 How does the Governing Body oversee management's processes in relation to:
 - carrying out an assessment of the risk the financial statements may be materially misstated due to fraud or error
 - identifying and responding to the risk of breaches of internal control
 - identifying and responding to risks of fraud in the organisation (including any specific risks of fraud which management have identified or that have been brought to its attention, or classes of transactions, account balances, or disclosure for which a risk of fraud is likely to exist)
 - communicating to employees its views on appropriate business practice and ethical behaviour (for example by updating, communicating and monitoring against the codes of conduct)?
- 2 Do you have knowledge of any actual, suspected or alleged frauds? If so, please provide details.
- 3 How does the Governing Body gain assurance that all relevant laws and regulations have been complied with?
- 4 Are you aware of any actual or potential litigation or claims that would affect the financial statements?

I have attached a separate schedule which explores these areas in more detail, and this is included as an Appendix. Could you please complete this schedule and return it to me by 31 August 2020.

Yours sincerely

SRNixon

Stephen Nixon
Senior Manager
For Grant Thornton UK LLP
E: Stephen.r.nixon@uk.gt.com

Appendix

Response from Chair of the Audit and Standards Committee

Fraud risk assessment

Auditor Question	Response
Has the Council assessed the risk of material misstatement in the financial statements due to fraud?	Yes.
What are the results of this process?	There are limited areas where accounting judgements and estimates are used. These areas are identified and reviewed in conjunction with the external auditor to mitigate the risk.
What processes does the Council have in place to identify and respond to risks of fraud?	The council has an internal audit (IA) function with a long term strategy and short term (annual) audit plan designed to assess core risks to business operations, including fraud risk. The council also has customer fraud investigation arrangements. Specific issues would be investigated by IA (or fraud team) and reported to CGAC if seen as 'routine'. A very significant fraud would be reported through senior management, Cabinet and Council on an urgent as appropriate basis.
Have any specific fraud risks, or areas with a high risk of fraud, been identified and what has been done to mitigate these risks?	There are certain customer fraud areas that are seen as particularly vulnerable. The government grant scheme to small businesses linked to coronavirus (started in 2019/20, but payments made in 20/21) is particularly vulnerable to some forms of fraud.
Are internal controls, including segregation of duties, in place and operating effectively?	The Council has an accounting, payroll, creditors and debtors system (SAP) which is generally structured to avoid the ability of individuals to create and authorise transactions. As with all such systems, however, a small number of individuals - in the IT function - have the ability to act as "super users" with the potential to manipulate records. IA work always looks to check arrangements for internal check, internal control and separation of duties, although some business activities may depend on a single or small number of individuals.
If not, where are the risk areas and what mitigating actions have been taken?	The external auditor's recent interim audit included an action plan of recommendations around IT access controls and management actions to ensure compliance with said recommendations.
Are there any areas where there is a potential for override of controls or inappropriate influence over the financial reporting process (for example because of undue pressure to achieve financial targets)?	This risk of override of controls is deemed minimal. Senior Management are not incentivised based on financial performance. Also senior management (the Executive Team) do not have direct access to input (journal) on to the financial ledger. There is also a strong culture of honesty and integrity.

Are there any areas where there is a potential for misreporting?	There are limited areas where accounting judgements and estimates are used. These areas are identified and reviewed in conjunction with the external auditor, to mitigate the risk.
How does the Governing Body exercise oversight over management's processes for identifying and responding to risks of fraud?	As a part of routine review of accountancy and internal audit activity, and specifically, issues would be investigated by IA and reported to CGAC if seen as "routine". A very significant fraud would be reported through senior management, Cabinet and Council on an urgent as appropriate basis.
What arrangements are in place to report fraud issues and risks to the Governing Body?	See response above.
How does the Council communicate and encourage ethical behaviour of its staff and contractors?	<p>The Council's employee handbook sets out expectation on staff conduct and ethical behaviour (issued to all new staff on the council intranet). KNH have the same or similar processes.</p> <p>There is a whistleblowing arrangements that are (reasonably well) publicised and used.</p> <p>There are procedures intended to detect inappropriate actions, such as money laundering and terrorism (as required by legislation).</p> <p>Contractual documents, tenders etc, recognise the importance of fraud mitigation and control, and procurement staff have specific training regarding this matter.</p>
How do you encourage staff to report their concerns about fraud? Have any significant issues been reported?	<p>Whistleblowing Procedures. (Records are available for inspection).</p> <p>Customer complaints processes.</p> <p>Whistleblowing, subject to triage, assessment, investigation and reporting back.</p> <p>Annual reporting of whistleblowing is reported to CGAC.</p>
Are you aware of any related party relationships or transactions that could give rise to risks of fraud?	Related parties are recognised and assessments made. The nature of the related parties should not create any unusual risk of fraud as related party transactions are generally performed in accordance with normal council procedures.
Are you aware of any instances of actual, suspected or alleged, fraud, either within the Council as a whole or within specific departments since 1 April 2019?	Yes - reported as a matter of routine to CGAC (and in other government return).

Laws and Regulations

Auditor Question	Response
What arrangements does the Council have in place to prevent and detect non-compliance with laws and regulations?	The Director of Legal, Governance Risk and Commissioning and the Head of Legal services have procedures in place to monitor statutory compliance on all obligations, proposals and initiatives.
How does management gain assurance that all relevant laws and regulations have been complied with?	By reporting from the above to the Council, Cabinet and Executive Team.
How is the Governing Body provided with assurance that all relevant laws and regulations have been complied with?	As above (not directly).
Have there been any instances of non-compliance or suspected non-compliance with laws and regulations since 1 April 2019?	Yes, relating to non-compliance with FPRs; laws and regulations; and cases of fraud. These have been reported to Council/Cabinet/Executive Team/CGAC.
What arrangements does the Council have in place to identify, evaluate and account for litigation or claims?	The Monitoring Officer and colleagues in Legal Services and Insurance provide updates on ongoing and potential litigation and claims.
Is there any actual or potential litigation or claims that would affect the financial statements?	No items that would materially affect the 19-20 accounts.
Have there been any reports from other regulatory bodies, such as HM Revenues and Customs, which indicate non-compliance?	Yes. Legal services to provide details on request.

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Audit Progress Report and Sector Update

Kirklees Metropolitan Borough Council

Year ended 31 March 2020

9 September 2020



Agenda Item 9

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Introduction

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This paper provides the Corporate Governance and Audit Committee with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes:

- a summary of emerging national issues and developments that may be relevant to you as a local authority; and
- a number of challenge questions in respect of these emerging issues which the Committee may wish to consider (these are a tool to use, if helpful, rather than formal questions requiring responses for audit purposes)
- a section on the impact of Covid-19 with scenario planning for Local Authorities

Members of the Corporate Governance and Audit Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications www.grantthornton.co.uk.

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either Jon or Stephen.

The logo consists of a solid purple rectangle with the text "Grant Thornton" in white, sans-serif font centered within it.

Covid-19 update

Impact on working arrangements:

- Following the government's announcement on Monday 16th March, we closed our Grant Thornton offices for the foreseeable future and your audit team are continuing to work from home.
- We will therefore be working remotely during the accounts audit and have discussed the logistics of these arrangements with the finance team.
- Although there are some audit tasks which are best undertaken in person, the majority of the audit will be completed remotely. This is however likely to make the audit process longer. We will work closely with the finance team to make this different way of working as efficient as possible.
- We recognise there may need to be flexibilities to planned audit timings due to any further developments of Covid-19.

Impact on accounts and audit opinions:

The following sets out a number of the key financial statement areas issues which Covid-19 is likely to impact:

- Impact on reserves and financial health and whether the Council needs to provide additional disclosures
- Impact on collectability of debt and assumptions made in bad debt provisions
- Impact on the valuation of Property, Plant and Equipment
- Impact on post-balance sheets events and consideration of the consequences of the virus post 31 March 2020 with some form of disclosure needed
- Disclosure of critical judgements
- Disclosure of material estimation uncertainties
- Impact on the content of the Annual Governance Statement, particularly with regard to risks, controls and mitigation
- Considerations in respect of service continuity and disaster planning arrangements (this could impact on the VFM conclusion)
- Impact on reporting to those charged with governance and signing arrangements.

Changes to the local government accounts production and audit timetable:

- The requirement for the public inspection period to include the first 10 working days of June has been removed. Instead local authorities must commence the public inspection period on or before the first working day of September 2020. This means that draft accounts must be approved by 31 August 2020 at the latest.
- Kirklees MBC published its draft 2019-20 draft accounts on 31 July 2020, ahead of the 31 August deadline.
- The audited accounts target date has moved from 31 July to 30 November 2020. Audit fieldwork commences in mid-September.
- Given this is a developing situation, there may be further changes to the accounts process for 2019-20 and we will be in regular dialogue with the finance team over the coming weeks.

Progress as at 9 September 2020

Financial Statements Audit 2019-20

We started planning for the 2019-20 financial statements audit in early 2020 and have issued a detailed Audit Plan, setting out our proposed approach to the audit of the Council's 2019-20 financial statements to this Committee.

We commenced our interim audit in February 2020. Our interim fieldwork included:

- Updating our review of the Council's control environment
- Updating our understanding of financial systems including walk-through of key financial systems
- Early substantive testing.

The revised statutory target for the issue of the 2019-20 opinion is 30 November 2020. We have discussed our Audit Plan and timetable with officers.

The final accounts audit commenced on 6 July with our findings to be reported in our Audit Findings (ISA260) Report. We expect to receive the Council's draft 2019-20 accounts in mid July 2020.

We will present our Audit Findings Report at the October/November Corporate Governance and Audit Committee meeting and issue our audit opinion by the 30 November target date.

Value for Money 2019-20

The scope of our work is set out in the guidance issued by the National Audit Office. The Code requires auditors to satisfy themselves that; "the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources".

The overall VFM criterion is: "in all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people".

The three sub criteria for assessment to be able to give a conclusion overall are:

- Informed decision making
- Sustainable resource deployment
- Working with partners and other third parties

Details of our initial risk assessment to determine our approach are included in our Audit Plan.

Other areas

Certification of claims and returns

We certify the Council's annual Housing Benefit Subsidy claim in accordance with procedures agreed with the Department for Work and Pensions (DWP). We plan to substantially complete our work by the original 30 November 2020 deadline. Although it should be noted that, in response to the impact of the Covid-19 pandemic, the DWP has moved the reporting deadline back to 31 January 2021.

We also certify the Council's Teachers' Pensions Return and Housing Pooled Capital Receipts Return. This work is scheduled for November 2020.

We will report our findings to the Corporate Governance and Audit Committee in our Certification Letter in January 2021.

Meetings

We continue to meet (via Microsoft Teams) with senior officers including the Service Director - Finance as part of our regular liaison meetings and continue to be in discussions with finance staff regarding emerging developments.

Events

We provide a range of workshops, along with network events and publications to support the Council to help to ensure that members of your Finance Team are up to date with the latest financial reporting requirements for local authority accounts.

Audit Deliverables

2019-20 Deliverables	Planned Date	Status
<p>Audit Plan</p> <p>We are required to issue a detailed audit plan to the Corporate Governance and Audit Committee setting out our proposed approach in order to give an opinion on the Council's 2019-20 financial statements and a Conclusion on the Council's Value for Money arrangements.</p>	July 2020	Complete
<p>Interim Audit Findings</p> <p>We will report to you the findings from our interim audit and our initial value for money risk assessment within our Progress Report.</p>	January 2020 March 2020	Complete.
<p>Audit Findings (ISA260) Report</p> <p>The Audit Findings Report will be reported to the November Corporate Governance and Audit Committee.</p>	November 2020	Not yet due
<p>Auditors Report</p> <p>This is the opinion on your financial statements, annual governance statement and value for money conclusion.</p>	By 30 November 2020	Not yet due
<p>Annual Audit Letter</p> <p>This letter communicates the key issues arising from our work.</p>	December 2020	Not yet due

Sector Update

Councils continue to try to achieve greater efficiency in the delivery of public services, whilst facing the challenges to address rising demand, ongoing budget pressures and social inequality.

Our sector update provides you with an up to date summary of emerging national issues and developments to support you. We cover areas which may have an impact on your organisation, the wider local government sector and the public sector as a whole. Links are provided to the detailed report/briefing to allow you to delve further and find out more.

Our public sector team at Grant Thornton also undertake research on service and technical issues. We will bring you the latest research publications in this update. We also include areas of potential interest to start conversations within the organisation and with Corporate Governance and Audit Committee members, as well as any accounting and regulatory updates.

- [Grant Thornton Publications](#)
- [Insights from local government sector specialists](#)
- [Reports of interest](#)
- [Accounting and regulatory updates](#)

More information can be found on our dedicated public sector and local government sections on the Grant Thornton website by clicking on the logos below:

Public Sector

Local
government

In-depth insight into the impact of Covid-19 on financial reporting in the local government sector – Grant Thornton

In June Grant Thornton published a report to help officers and elected members identify points they should consider when assessing and reporting the impact of Covid-19 on their authority. Each authority will be impacted in different ways and will need to make their own assessment of the impact on their financial statements. However, the report identified some of the key challenges for the sector, along with the potential financial reporting and regulatory impact, to support preparers of local authority accounts navigate through some of these key issues. The report also included a number of useful links to other resources.

The extraordinary events we are living through follow a decade of austerity, triggered by the financial crisis of 2008/09, which had already placed considerable strain on local authorities' finances. Increased demand for many local public services, directly related to the outbreak of the virus, has placed immediate pressure on authorities' cash flows and expenditure budgets. The longer-term consequences of recession and unemployment on demand for services have yet to be experienced.

At the same time, several important sources of local authority income including Council Tax, Non-domestic (business) rates, fees and charges, rents and investment returns have, to a greater or lesser extent, been subject to reduction or suspension. This perfect storm of conditions presents a real threat to the financial sustainability of the sector. Now, more than ever, strong political and executive leadership is needed to re-establish priorities, review strategies and medium-term financial plans and ensure that public funds are being used as efficiently and effectively as possible. A balance has to be struck between responding to the needs of residents and businesses in a timely manner, protecting the most vulnerable and ensuring appropriate measures and controls around financial management are in place to mitigate against future 'financial shock'. In doing so, iterative scenario planning will help officers and elected members to take informed decisions at key stages, revisiting and revising plans along the way.

The report considered:

- Operational challenges and the related financial reporting/regulatory impact
- Government support schemes – considering the accounting implications
- Significant financial reporting issues to consider
- Other sector issues and practicalities to consider
- Impact on audit work/external scrutiny process
- Engagement with experts

In terms of key financial reporting considerations for 2019/20, consideration should be given to:

Information published with accounts

- Does the Narrative Report reflect the urgency of the situation, the changes to Council services as a result of lockdown, the partnership arrangements in place, the impact of the pandemic on income and expenditure and possible future scenarios, the impact on savings programmes, the capital programme, treasury management, medium term financial plans and the Council's communications strategy (noting this is not an exhaustive list)?
- Does the Annual Governance Statement reflect significant developments between 31 March 2020 and the finalisation of the accounts? Does the AGS describe emergency governance arrangements for decision making, the postponement of elections, the transition to virtual meetings and plans for the return to normal democratic processes?

Non-current asset valuations

- There has been a significant increase in volatility and uncertainty in markets following the outbreak of Covid-19. RICS has issued a Valuation Practice Alert following the pandemic, and we are aware a significant number of valuers are including 'material valuation uncertainty' disclosures within their reports. Has the Council assessed the impact of such comments, reflected 'material valuation uncertainty' disclosures within the financial statements and taken account of the requirement of Code paragraph 3.4.2.90 to provide appropriate disclosure in their financial statements in relation to major sources of estimation uncertainty?

Non-current asset valuations

- The Council is required to make an assessment at the end of each reporting period as to whether there is any indication that assets may be impaired. There are several types of event or change in circumstance that could indicate an impairment may have occurred, including evidence of obsolescence or physical damage or a commitment to undertake a significant reorganisation. Has the Council assessed whether the impact of the pandemic may have triggered impairments?
- Has the Council considered these matters in relation to Investment Property held? Potentially more so for 2020/21, there may be significant declines in asset carrying values, especially for investments in retail or office premises.

Impairment of receivables

- IFRS 9 *Financial Instruments* introduced an expected credit loss model for financial assets which drives earlier recognition of impairments. Has the Council assessed the impact of the pandemic on its expectation of credit losses?
- Impairment of statutory Council Tax and Non-domestic rate debtor balances is also possible. Has the Council observed a measurable decrease in estimated future cashflow, for example an increase in the number of delayed payments? Has the Council considered whether recent historical loss experience across aged debt may also need revision where current information indicates the historical experience doesn't reflect current conditions? Experience following the 2008/09 financial crisis may prove to be a useful reference point, given the ensuing recession conditions.

Events after the reporting period

- By 31 March 2020 enough was known about the pandemic for accounts preparers and market participants to reflect and, if necessary, adjust assumptions and assessments. By the end of March 2020, it would be extremely difficult to say that the pandemic was not an event that existed and therefore any accounting impact that occurred after this date is not an adjusting event.
- Has the Council distinguished between subsequent events that are adjusting (i.e. those that provide further evidence of conditions that existed at the reporting date) and non-adjusting (i.e. those that are indicative of conditions that arose after the reporting date)? Has the Council got arrangements in place to assess events up to the date the final accounts are authorised for issue?

Sources of estimation uncertainty

Has the Council identified the assumptions required about the future and estimates at the end of the current reporting period that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year? Have these been appropriately disclosed in accordance with the requirements of IAS 1 paras 25-133?

2019/20 financial statements are being prepared in an environment of heightened uncertainty as a result of the pandemic and the situation is evolving and fast moving. We have drawn out some of the key considerations for local authority financial reporting here, but further details can be found in our full report available on the Grant Thornton website:

<https://www.grantthornton.co.uk/globalassets/1.-member-firms/united-kingdom/pdf/publication/2020/impact-of-covid19-on-financial-reporting-local-government-sector.pdf>



Guide for Audit and Risk Committees on Financial Reporting and Management during COVID-19 – National Audit Office

In June the National Audit Office (NAO) published a guide that “aims to help audit and risk committee members discharge their responsibilities and to examine the impacts on their organisations of the COVID-19 outbreak. It is part of a programme of work undertaken by the NAO to support Parliament in its scrutiny of the UK government’s response to COVID-19.”

The NAO report notes “Audit and risk committees are integral to the scrutiny and challenge process. They advise boards and accounting officers on matters of financial accountability, assurance and governance, and can support organisations, providing expert challenge, helping organisations focus on what is important, and how best to manage risk.

Each organisation will have existing risk management processes in place, but risk appetite may have changed as a result of COVID-19, for the organisation to operate effectively and respond in a timely manner. This may result in a weakening of controls in some areas, increasing the likelihood of other risks occurring. Organisations will need to consider how long this change in risk appetite is sustainable for.”

The NAO comment “This guide aims to help audit and risk committee members discharge their responsibilities in several different areas, and to examine the impacts on their organisations of the COVID-19 outbreak, including on:

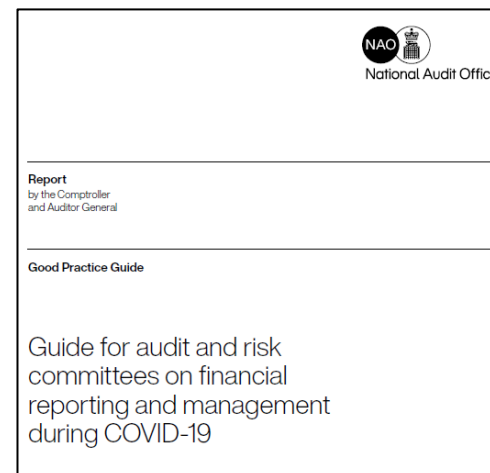
- annual reports;
- financial reporting;
- the control environment; and
- regularity of expenditure.

In each section of the guide we have set out some questions to help audit and risk committee members to understand and challenge activities. Each section can be used on its own, although we would recommend that audit and risk committee members consider the whole guide, as the questions in other sections may be interrelated. Each individual section has the questions at the end, but for ease of use all the questions are included in Appendix One.

The guide may also be used as organisations and audit and risk committees consider reporting in the 2020-21 period.”

The full report can be obtained from the NAO website:

<https://www.nao.org.uk/report/guidance-for-audit-and-risk-committees-on-financial-reporting-and-management-during-covid-19/>



Kickstarting Housing – Grant Thornton and Localis

In July Grant Thornton Head of Local Government, Paul Dossett, wrote an essay, included as part of a collection in the Localis report – “Building for renewal: kickstarting the C19 housing recovery”.

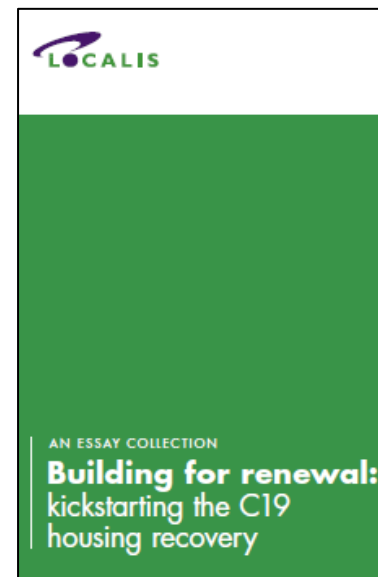
Paul asked “So how do we address “the housing crisis” in the context of an existential threat to the British economy? Just as importantly, how do we ensure our key workers, our new heroes of the Thursday night applause, are front and centre of such a response. Paul suggested that the housing response needs to move away from the piecemeal towards a comprehensive and strategic response, with five key pillars with the key worker demographic at its heart:

- **Public housebuilding.** This will involve more borrowing, but we need a bold and ambitious target to build at least one million new public sector properties at social rents by 2025. This should involve a comprehensive and deep partnership between Homes England and local authorities and underpinned by a need to minimise the carbon footprint.
- **Private sector housing needs a rocket boost** with massive Government supported investment in modern methods of construction and consideration of required workforce needed to meet capacity. This needs to go hand in hand with a major recruitment drive into all facets of the housing industries. This should include national and local training initiatives to support workers from the service sectors who are very likely to lose their jobs because of the pandemic.
- **Strategic authorities based on existing local government footprints** across the country to remove the inconsistent patchwork quilt of current arrangements so that there is consistency between local, county and national strategic priorities. They should be legally tasked and funded for development of comprehensive infrastructure plans to support housing initiatives in their areas with a strong remit for improving public transport, supporting green energy initiatives and developing public realms which create a sense of community and belonging.
- **Building on existing initiatives to improve security of tenure and quality of accommodation,** a new partnership is needed between landlord and tenants that provides a consistent national/regional footing to ensure that housing is a shared community responsibility. This should, like the response to the pandemic, be part of a shared community narrative based on state, business and local people.

- Putting key workers at the heart of the Housing strategy. The country appears to have discovered the importance of key workers. The people that keep the country running and whose contribution is never usually recognised financially or in terms of social esteem. There are several existing key worker accommodation initiatives, but they are local and piecemeal. We need a comprehensive strategy which focuses on key worker needs, including quality of accommodation, affordable mortgages/ rents, proximity to workplaces and above all , a sense of priority on the housing ladder for those who keep the country running in good times and bad and are the best of us in every sense.

Paul concluded “Housing is a basic need and if key workers feel valued in their place in housing priorities, we will have made a giant step forward.

Key workers are not the only group in need of help of course. Utilising the momentum behind keyworkers that their role in COVID-19 has brought into focus, could help kickstart housing initiatives that help all those in need.”



The full report can be obtained from the Grant Thornton website:

<https://www.grantthornton.co.uk/en/insights/homes-fit-for-heroes-affordable-housing-for-all/>

Place-Based Growth - 'Unleashing counties' role in levelling up England' – Grant Thornton

In March Grant Thornton launched a new place-based growth report 'Unleashing counties' role in levelling up England. The report, produced in collaboration with the County Councils Network, provides evidence and insight into place-based growth through the lens of county authority areas. It unpacks the role of county authorities in delivering growth over the past decade through: desk-based research, data analysis and case study consultations with 10 county authorities (Cheshire East, Cornwall, Durham, Essex, Hertfordshire, North Yorkshire, Nottinghamshire, Oxfordshire, Staffordshire, Surrey).

The report reveals:

- Growth, as measured by Gross Added Value (GVA), in county areas has lagged behind the rest of the country by 2.6% over the last five years. GVA in the 36 county areas has grown by 14.1% between 2014 and 2018, compared to 16.7% for the rest of England.
- In total, 25 of these counties have grown at a rate slower than the rest of the country. The research finds no north-south divide, as the county areas experiencing some of the smallest economic growth are Herefordshire (5.3%), Oxfordshire (5.6%) and Cumbria (8.2%), Gloucestershire (9.2%), and Wiltshire (9.7%) – showing that one size fits all policies will not work.
- Some 30 of the 36 county authority areas have workplace productivity levels below the England average. At the same time, counties have witnessed sluggish business growth, with county authorities averaging 7.9% growth over the last five years – almost half of that of the rest of the country's figure of 15.1% over the period 2014 to 2019.

To address these regional disparities in growth and local powers, the report's key recommendations include:

Rather than a focus on the 'north-side divide', government economic and investment assessments should identify those places where the economic 'gap' is greatest – Either to the national average or between different places – and focus investment decisions on closing that gap and levelling up local economies.

- The devolution white paper must consider how devolution of powers to county authorities could assist in levelling-up the country. This should include devolving significant budgets and powers down to councils, shaped around existing county authorities and local leadership but recognising the additional complexity in two-tier local authority areas and whether structural changes are required.
- Growth boards should be established in every county authority area. As part of this a statutory duty should be placed on county authorities to convene and coordinate key stakeholders (which could include neighbouring authorities). These growth boards should be governed by a national framework which would cover the agreed 'building blocks' for growth – powers, governance, funding and capacity.
- Planning responsibilities should be reviewed with responsibility for strategic planning given to county authorities. In line with the recently published final report of the Building Better, Building Beautiful Commission, the government should consider how county authorities, along with neighbouring unitary authorities within the county boundary, could take a more material role in the strategic and spatial planning process.

- The National Infrastructure Commission should ensure greater consideration of the infrastructure requirements in non-metropolitan areas. Their national infrastructure assessments could consider how better investment in infrastructure outside metropolitan areas could link to wider growth-related matters that would help to level up the economy across the country.

The full report can be obtained from the Grant Thornton website:

<https://www.grantthornton.co.uk/en/insights/unleashing-counties-role-in-levelling-up-england/>



CIPFA – Financial Scrutiny Practice Guide

Produced by the Centre for Public Scrutiny (CfPS) and CIPFA, this guide provides guidance to councils and councillors in England on how they might best integrate an awareness of council finances into the way that overview and scrutiny works.

The impact of the COVID-19 pandemic on council finances, uncertainty regarding the delayed fair funding review and future operations for social care – on top of a decade of progressively more significant financial constraints – has placed local government in a hugely challenging position.

For the foreseeable future, council budgeting will be even more about the language of priorities and difficult choices than ever before.

This guide suggests ways to move budget and finance scrutiny beyond set-piece scrutiny 'events' in December and quarterly financial performance scorecards being reported to committee. Effective financial scrutiny is one of the few ways that councils can assure themselves that their budget is robust and sustainable, and that it intelligently takes into account the needs of residents.

Scrutiny can provide an independent perspective, drawing directly on the insights of local people, and can challenge assumptions and preconceptions. It can also provide a mechanism to ensure an understanding tough choices that councils are now making.

This paper has been published as the local government sector is seeking to manage the unique set of financial circumstances arising from the COVID-19 pandemic. This has resulted, through the Coronavirus Act 2020 and other legislation, in changes to local authorities' formal duties around financial systems and procedures.

The approaches set out in this guide reflect CfPS and CIPFA's thinking on scrutiny's role on financial matters as things stand, but the preparation for the 2021/22 budget might look different. CfPS has produced a separate guide to assist scrutineers in understanding financial matters during the pandemic



The full report can be obtained from CIPFA's website:

<https://www.cipfa.org/policy-and-guidance/reports/financial-scrutiny-practice-guide>

Future Procurement and Market Supply Options Review – Public Sector Audit Appointments

Public Sector Audit Appointments (PSAA) has commissioned an independent review of the sustainability of the local government audit market. The review was undertaken by an independent consultancy, Touchstone Renard.

PSAA note that the report “draws on the views of audit firms active in the local authority market as well as others that are not. In doing so it identifies a number of distinctive challenges in the current local audit market. In particular it highlights the unprecedented scrutiny and significant regulatory pressure on the auditing profession; the challenges of a demanding timetable which expects publication of audited accounts by 31 July each year; and the impact of austerity on local public bodies and its effect on both the complexity of the issues auditors face and the capacity of local finance teams”.

Key findings in the report include:

- A lack of experienced local authority auditors as the main threat to the future sustainability of the market.
- It will be difficult to bring the non-approved firms into the market.
- Of the nine approved firms, only five have current contracts with PSAA.
- Almost all of the approved firms have reservations about remaining in the market.
- Firms perceive that their risks have increased since bids were submitted for the current contracts.
- The timing of local audits is problematic.

Key issues for the next procurement round include:

- Number of lots and lot sizes.
- Lot composition.
- Length of contracts.
- Price:quality ratio.

The report notes that “PSAA will need to balance the views of the firms with wider considerations including the needs of audited bodies and the requirement to appoint an auditor to every individual body opting in to its collective scheme”.

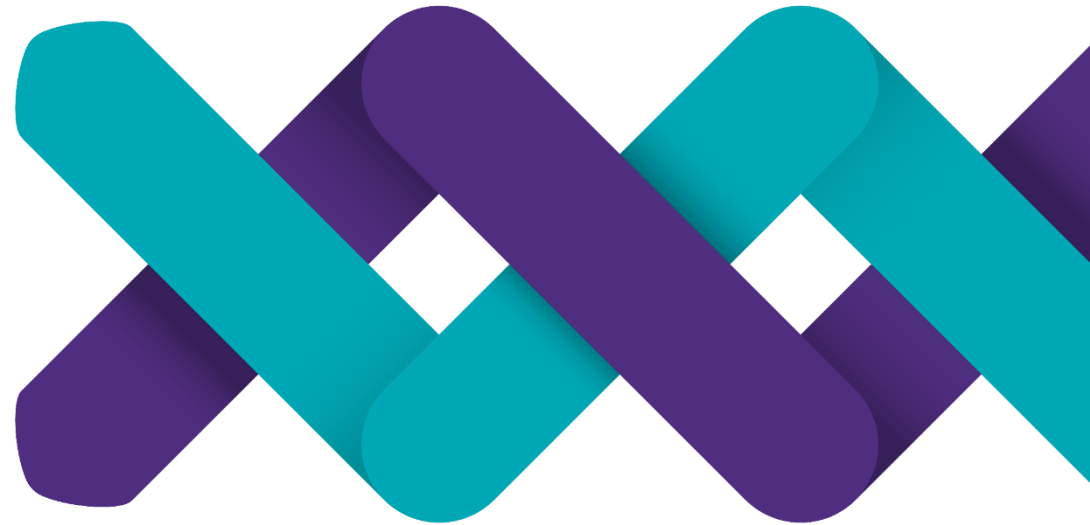


The full report can be obtained from the PSAA website:

<https://www.psa.co.uk/wp-content/uploads/2020/03/PSAA-Future-Procurement-and-Market-Supply-Options-Review.pdf>

COVID-19 and Local Government

Update for Audit Committees



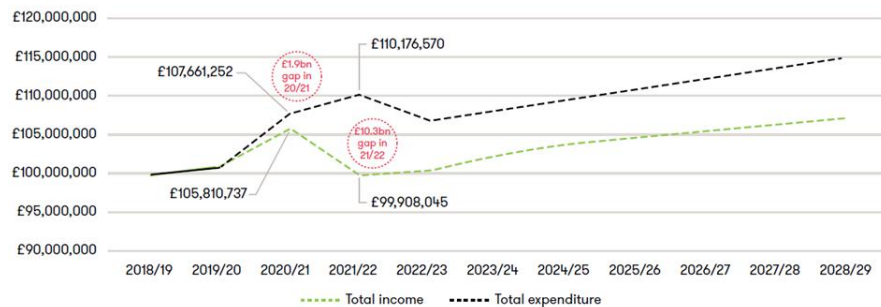
Covid-19 update

Where are we now?

Over five months into lockdown and councils have moved from the initial emergency response phase to focus on recovery planning which is running in parallel with on-going responses to the pandemic, such as supporting vulnerable people, and managing the capacity challenges of delivering business as usual alongside covid-19 response.

The Government has confirmed three tranches of funding to support the impact of increase spend and reduced income directly attributed to Covid-19, and are in the process of confirming further support via the income compensation scheme.

Local Authority Income and Expenditure (England) 2018/19 to 2028/29



Source: Grant Thornton/CIPFA Financial Foresight

Local government finances remain significantly impacted and our Financial Foresight forecast indicates that English local authorities have a funding gap of £1.9bn this financial year, rising to over £10bn in 2021/22. There is significant uncertainty as to whether the Government will provide further Covid-19 related funding, and what the medium-term funding for the sector will be following the Autumn's Comprehensive Spending Review. Our modelling currently assumes that government funding will remain broadly unchanged, with income being affected by ongoing reduction to Council Tax and Business Rates, both in terms of a reduction in these tax bases, alongside reduced payments as a consequence of the recession brought about by the pandemic.

The uncertainty also impacts on future spending pressures and sales fees and charges income. For example, leisure centres and swimming pools can now be opened, but must follow Government guidelines on issues such as social distancing. Not all leisure services have been able to reopen, and those that have are not able to generate levels of income originally forecast pre-covid. Social care faces uncertainty in relation to future demand, for example most councils responsible for children's services are forecasting an increase in case load when children return to schools in September. For adults, where in some cases demand has fallen during the pandemic, there is uncertainty over future levels of demand. There is also concern over provider failure in relation to social care and other services such as leisure and transport, with many councils providing financial support and loans to some providers, which will not be sustainable in the medium term.

As place leaders, councils are managing the conflict between revitalising footfall in high streets and keeping people safe, with some leading by example and encouraging council officers to spend some of the week in council offices. Use of public transport as a key mode of travel to get to work remains a particular challenge.

Lessons learned

All organisations, including councils, have been reflecting on the lessons learned from the pandemic, and are seeking to maintain the positive experiences as well as learn from the challenges, as part of recovery planning. There is a recognition that technology has enabled many people to successfully work remotely, and that this will have a fundamental impact on working patterns well after Covid-19 has passed. Councils are reviewing their property portfolios to understand the changes required in terms of future usage patterns, including how councils interact with their communities, whether parts of the municipal estate should be disposed, and whether alternate use of space can support income generation.

There will be demographic variations between places, meaning there is no "one size fits all" to economic recovery. For example, home to work geographies will vary, with some people who previously commuted into a council area for their work may now be considering office space closer to home, leading to a rise in demand for shared office space in some areas, that will in part counteract the fall in demand elsewhere.

Covid-19 update (cont'd)

Lessons Learned (Cont'd)

Many councils have recognised the improvement in community engagement and partnership working with the voluntary sector and other public sector organisations during the pandemic and are seeking to build on this, with a recognition that sharing responsibility for place-based recovery plans can help sustain the improvements gained. Although a shared view of place-based recovery takes an investment of time and resource that not all partner organisations are able to provide.

Wider learning relates to central vs local response to issues such as provision of PPE, housing the homeless and rough sleepers, and provision of food and equipment to the vulnerable. This is currently playing out on test and trace and how local lockdowns should be managed, with ongoing tension between national and local government.

Many councils understand the importance of data in supporting recovery planning decision making, to effectively understand where to prioritise resources and activity in the right way and at the right time to achieve the right outcomes.

The future?

Covid-19 has only increased volatility and uncertainty for local government, and when working with councils delivering Financial Foresight we have prioritized scenario planning to support strategic financial planning. Understanding best, worst and optimum case scenarios from the impact of the pandemic are critical in strategic discussion when setting next year's budget and updating the Medium-Term Financial Plan – impacts on the place and communities, as well as on the council services and the council as an organization. Some councils are more confident than others in being able to manage their financial position during 2020/21 but all are concerned about 2021/22 and beyond. And it is not just Covid-19 scenarios that need to be understood, but other global, national and local issues that will impact over the medium term, including the impact of a no deal Brexit trade deal, and new government policies such as those expected on devolution and health and social care integration.

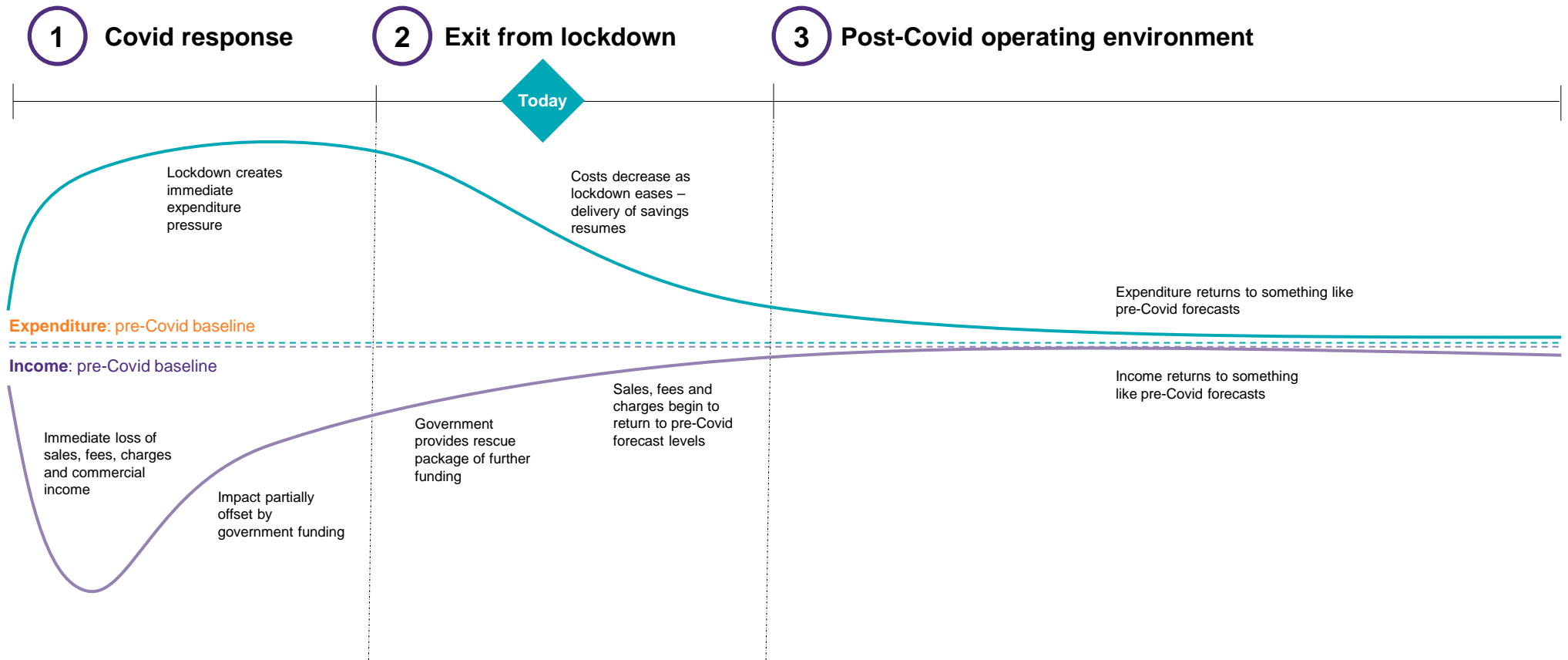
As already noted, places will vary depending on their socio-economic and demographic characteristics, but all councils are working through demand impacts arising from the ongoing pandemic and the associated recession, and ensuring their workforce continue to be supported to ensure they remain personally resilient.

Until a vaccine has been successfully produced and rolled out, the public health threat remains, and there are likely to be further local lockdowns, such as we have seen in Leicester and towns in the north west of England. There could be difficult trade offs for national and local politicians to consider to avert further waves of restrictions. For example to keep schools open after they return in September, will there be a need to increase restrictions elsewhere to ensure the cases of Covid-19 remain at a management level?

Local government has always demonstrated a remarkable resilience in managing significant challenges, including ten years of austerity, and being at the forefront of the pandemic response. And whilst much uncertainty remains, we are confident that councils will continue to demonstrate the capacity to lead places, deliver services

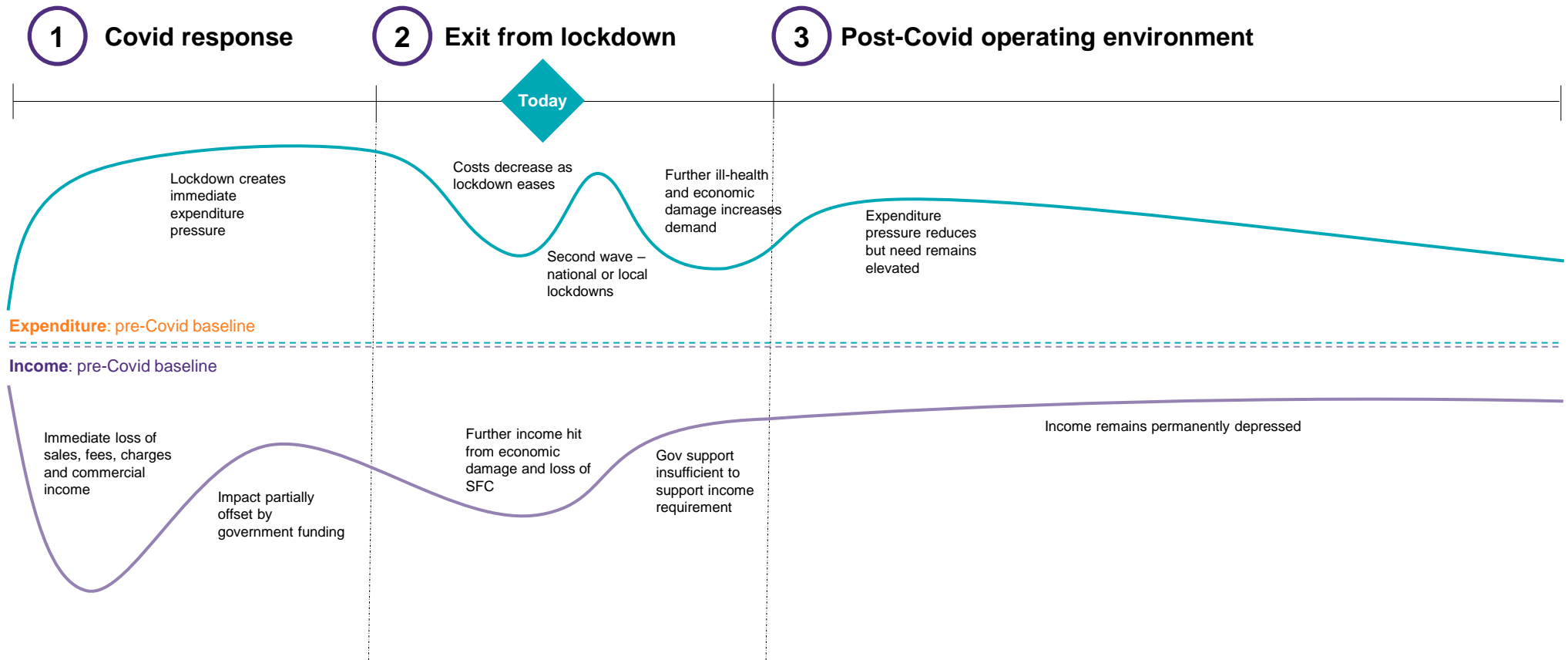
Example scenarios

Scenario 1 – swift return to normality









Example scenarios (Cont'd)

Scenario 2 – second wave and ongoing disruption



Scenarios and hypotheses

Local authority areas in 12-24 months?

Theme	Reasonable worst case	Reasonable best case
People & community	 <ul style="list-style-type: none"> • Multiple lockdowns and ongoing disruption • Community dependency and expectation of sustained response • Turbulence and activism within the VCS • Socio-economic inequality is compounded • Failure of leisure and cultural services 	<ul style="list-style-type: none"> • Smooth exit from lockdown to a “new normal” • Community mobilisation is channelled into ongoing resilience • Strengthened VCS relationships and focus • Systemic response to inequality is accelerated • Leisure and cultural services adapted to social distancing
Business & economy	 <ul style="list-style-type: none"> • 16% reduction in GVA for 2020 based on OBR reference scenario • Slow / uneven economic recovery and “long tail” on unemployment • Central gov / BEIS focus investment on areas furthest behind • Loss of tourist & student spend causes unmitigated damage • 'V' shaped recovery results in 2-3 year recovery period 	<ul style="list-style-type: none"> • 5-10% reduction in GVA • Rapid economic recovery with employment levels close behind • Central government “back winners” with investment • Adaptation allows resumption of tourist and student economy • Business base is weighted towards growth sectors
Health & wellbeing	 <ul style="list-style-type: none"> • Increased demand and escalating need due to fallout from lockdown • Newly-vulnerable cohorts place strain on the system • Unit costs increase further as markets deteriorate and providers fail • SEND transport unable to adapt to social distancing • Imposed disruption of care system 	<ul style="list-style-type: none"> • Positive lifestyle changes and attitudes to care reduce demand • Needs of newly vulnerable cohorts met through new service models • New investment in prevention and market-shaping manage costs • New ways of working leading to stronger staff retention • Locally-led reform of health and care system
Political & regulatory	 <ul style="list-style-type: none"> • Local government side-lined by a centralised national recovery effort • Unfunded burdens (e.g. enforcement and contact-tracing) • Councils in the firing line for mismanaging recovery 	<ul style="list-style-type: none"> • Local government empowered as leaders of place-based recovery • Devolution and empowerment of localities • Councils at the forefront of civic and democratic renewal
Environment	 <ul style="list-style-type: none"> • Opportunity missed to capture and sustain environmental benefits • The end of the high street / town centres • Emissions and air quality worsened by avoidance of public transport • Capital programmes stuck 	<ul style="list-style-type: none"> • Ability to invest in transport modal shift and green infrastructure • Changed working patterns rejuvenate town centres • Sustained impact on emissions due to new behaviours • New, shovel-ready infrastructure programmes
Organisational	 <ul style="list-style-type: none"> • Inadequate funding forces fiscal constraint • Working practices return to status quo – increased operating costs • Imposed structural change within the place • Austerity 2 • Commercial portfolio becomes a liability 	<ul style="list-style-type: none"> • Adequate funding enables a programme of targeted investment • Learning and adaptation to new operating environment • Energised system-wide collaboration and reform • Fiscal reform and civic renewal • Commercial portfolio reshaped for economic and social gain

What strategy is needed in response?

From response to recovery

Learn, adapt and prioritise

- Develop and test hypotheses around impact on place, services, operations, finances
- Design rapid interventions - implement, test and evaluate
- Learning from the response to lock in the good stuff – reflection on operations, services and the system
- Set priorities and principles – what is the Council's purpose in an uncertain context and where will it focus?

Mitigating the worst case

Consolidate and build resilience

- Ensure that emergency management and response structures are resilient for the long haul
- What is the minimum operating model to deliver this?
- Predict and model demand for social care and assess care market vulnerability
- Contingency plans for structural disruption
- Re-evaluate infrastructure pipeline

Steering towards the best case

Invest in renewal

- Programme of priority-based investment framed by recovery and renewal
- Focus on inequality, community resilience, targeted economic stimulus, skills and employment support and adapting public spaces
- Continued system leadership, pushing for positive reform and resilience



Name of meeting: Corporate Governance and Audit Committee

Date: 23 September 2020

Title of report: Corporate Customer Standards Annual Report 2019-20

Purpose of report:

To update Corporate Governance and Audit on complaint handling for the year 2019-20, a review of the Ombudsman and Third Stage Complaints received. The document also contains details of the Whistleblowing Complaints that have been received.

For Corporate Governance and Audit Committee to consider the content of the report, and to advise if they would like any additional areas for the next interim report.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	No
Key Decision - Is it in the Council's Forward Plan (key decisions and private reports?)	No
The Decision - Is it eligible for call in by Scrutiny?	Yes
Date signed off by <u>Strategic Director</u> & name Is it also signed off by the Service Director for Finance IT and Transactional Services? Is it also signed off by the Service Director for Legal Governance and Commissioning Support?	Yes Julie Muscroft 03.09.2019
Cabinet member portfolio	Graham Turner

Electoral wards affected: all

Ward councillors consulted: none

Public or private: Public

Corporate Customer Standards Annual Report 2019-20

1: Purpose of report

To update Corporate Governance and Audit Committee about complaint performance during the previous financial year.

The report is informed by the Local Government Ombudsman Annual Report which is published early in July, and also incorporates information about third stage complaints handling, some key examples of learning and a summary of the Whistleblowing concerns that have been received.

2: Background processes

Appendix 1 contains details of the council's complaint processes.

3: Complaint Statistics – how is Kirklees performing?

Ombudsman Formal Report

The ultimate sanction that the Local Government Ombudsman can apply is to issue a formal report against a council. These are usually issued where a matter is very serious and the council clearly has a number of process issues to consider and resolve, where there is a public interest in matters and learning can be shared with other councils, or where the council clearly has not reflected or changed its procedures after issues had been highlighted in the past.

In 2019-20, there were no formal reports issued against Kirklees Council.

Ombudsman Upheld Complaints

Overall numbers are very similar to previous years.

In 2019-20 23 cases were formally investigated (24 in the previous year. There were 12 upheld complaints by the Ombudsman (2018/19: 13 cases).

Details of the upheld complaints are provided in [Appendix 2](#) with the summary of the case provided by the Ombudsman.

The proportion of cases upheld by the Ombudsman in Kirklees (52%) is lower than average for comparable authorities (67%) and is slightly better than last year (54%). This is against a backdrop where overall numbers of cases being upheld by the Ombudsman have increased.

100% of recommended actions were completed in timescale.

The third measure published by the Ombudsman appears somewhat arbitrary; the percentage of upheld cases where the remedy offered by the council equals what the Ombudsman might also conclude. It does not take account of satisfactory

remedies that do not reach the Ombudsman. This figure for Kirklees is 8% in 2019-20 (or one case), it was 15% (or two cases) last year.

We have continued to work with services to ensure they consider what an appropriate remedy might be if they have identified an error (in line with what the Ombudsman might conclude), and more actively seek to resolve complaint matters.

Comparison with other councils: Ombudsman Investigations

We can also compare Kirklees performance against West Yorkshire as a whole. As the Kirklees population is approximately 19% of the West Yorkshire total, we can use this as a basic measure to see whether the council attracts more or fewer complaints than may be anticipated. In line with previous years, Kirklees attracts fewer such complaints than might be anticipated by population (and this trend has been more pronounced this year).

LA Area	Number of 2019-20 Omb investigations	Number of 2019-20 Omb Upholds	Percentage Upheld
Leeds	49	31	63%
Bradford	35	21	60%
Calderdale	19	14	74%
Wakefield	19	7	37%
Kirklees	23	12	52%
Kirklees Proportion	23/145 = 15.8% (19% of overall population)	12/85 = 14.1% (19% of overall population)	Ave West Yorks 58% Ombudsman peer group 67%

Standard statistical caveats apply, in that with small numbers, as few of two extra or fewer investigations can make quite a difference to the figures.

It should be highlighted that we always promote the next stage of the complaints process, so residents are aware of their right to progress their concerns to the Ombudsman. While some residents might not have confidence in the Ombudsman process, meaning figures are deflated, this would be common across all councils so the proportions should still stack up.

Complaint Volumes

Appendix 3 contains historical comparison data regarding the number of complaints received at third stage.

Unfortunately, the Ombudsman has altered the way it presents information this year which makes comparing it to previous years difficult.

The number of third stage complaints received tailed off at the end of the year (presumably through the impact of Coronavirus), so it is difficult to assume the drop in third stage complaint numbers this year is significant.

The corporate customer standards section have been involved with almost 800 cases in the year in total. This is slightly more than the year previously.

Additional work beyond third stage and Ombudsman undertaken by the department includes:

- giving advice to services about complaints handling,
- looking at resolving complaints presented to the Chief Executive, Directors and those that appear complex at an early stage,
- co-ordinating replies between services where the complaint straddles a number of areas to ensure complaint responses are collated.
- dealing with repeated enquiries/vexatious complaints

The numbers considered by the section has increased considerably over recent years, and it is likely this early intervention work has contributed to ensuring that third stage and Ombudsman complaints have not increased.

5: Changes and trends

There has been a increasing number of complaints about discrimination. It may be more recently, that the BLM (Black Lives Matter) protests have further highlighted these concerns. These concerns are important to investigate so as to give assurance to the public but they can be complex and lengthy complaints to consider. It can be difficult to assure and confirm there is no unconscious bias is in the system and much of the work administered by the council is based upon government legislation.

More general examples of such investigations, include complaints about street works being different/more frequent in wealthier “white areas”, that insurance payments for road damage is biased against poorer communities (because the legislation sets out a court process for escalation of such matters), that public protection enforcement is biased against certain types of establishment etc.

Some continuing work to consider unconscious bias has taken place this year. This has included a review of the taxi license processes, considering different breaches of environmental protection and whether the enforcement action has been equitable and proportionate, and considering council policies and process. These kinds of investigation have a wider remit than just the complaint in hand and requires considerable input and commitment from (for example), the service or our internal audit department.

We have been working with our busier services to assist with the complaints handling process at stages 1 and 2 in the process, and to ensure our evidence provided to the Ombudsman is detailed as possible.

In our Adults Service, we held regular complaints meetings to ensure senior managers were aware of and tracked ongoing complaint cases and actively tracked

and managed more of the difficult cases, and to share learning. As this has developed, we now operate meetings on a case by case basis, to ensure key staff are aware of the complaint and to coordinate the required work amongst the teams so a more timely and full response can be prepared.

Special Educational Needs have reviewed how that represent their decisions at appeals tribunals. This leads to a more co-ordinated and consistent approach where the support plans that have been devised can be more clearly justified and explained. This also assists with complaint handling. We have also sought to provide greater clarity to parents, to set out which parts of their concern may be considered during formal tribunal, and which areas can be considered through the complaints process. Early results suggest an improvement in the number and complexity of some of the complaints that are received.

We have also continued to consider how the complaints process can become more restorative in nature. The Statutory Childrens Complaints Process has a more restorative approach at its heart, as it requires the complaints investigator to discuss and agree the scope of the complaint, then to progress through each point of the agreed complaint, before preparing a formal response to the issues raised. This ensures that the complainant has been listened to, the scope of the complaint is agreed, and time is then taken to consider each point of the complaint at hand. This helps ensure that the importance of the complaint to the council is demonstrated.

Unfortunately, the corporate complaints process has less time to devote to each individual complaint than it once did. In 2008, there were approximately half the number of third stage complaints that there are now, fewer Ombudsman enquiries, and the officers were involved in about one third of the number of general advice enquiries than it currently receives. The section also is now more actively involved with handling more unreasonably persistent complainants. The Local Government Ombudsman process has also become more complex, in that they now require evidence to confirm that remedies have been undertaken, and they request more data as part of the pre-complaint consideration.

While staff numbers of the section have increased since 2008 (from 1.5 FTE to 2.5 FTE), there remains less time to devote to each individual complaint investigation and peaks and troughs of work are created.

While the development where the Customer Standards Section provides more support and advice to services at an earlier point in the process is in line with the restorative ethos to try to resolve complaint matters at the earliest point, those peaks and troughs of work mean the capacity of the section to offer support is not consistent. There is also succession planning to consider, and accordingly their needs to be an assessment of the current capacity of the team.

We anticipate a further busy period during 2020-21 as there is a pent up demand for progressing complaints. The Ombudsman was closed for 3-4 months from early April and while we anticipate overall complaints will be lower because some residents will not trouble to submit a complaint some months after the event, the Ombudsman are

currently working overtime to process cases with a consequent need for the council to make necessary responses to requests for information.

During the year, the Corporate Customer Standards Officer has attended restorative training sessions, with a view to considering how complaints handling may benefit from a more restorative approach. There would seem to be some solid customer service foundations behind the restorative approach, which includes:

Seeking to deal with complaints as quickly and as early as possible

- Giving the complainant opportunity to explain their complaint and for a common understanding of the issues to be agreed
- Providing a full explanation and considering with the complainant what the constraints are (largely legislation which describe the council's service provision), and what might be achieved within those constraints
- Building up empathy and an appreciation for the situation to build up a working relationship with the complainant

Some positive work has been achieved over recent years (particularly around seeking to provide a full response which sets out the legislation and policy against how the matter has been considered, and undertaking joint reviews with the service for more complex and sensitive matters). However, there is work to do, particularly around assuring things like having more detailed conversations and contact with residents to better understand and discuss the complaint and its resolution, and deadlines for complaint handling are missed during busy times, reducing customer satisfaction and leading to feelings that their complaint is unimportant. Offering coaching and support to a number of complaints handlers across the council would also be required if restorative practices were to be taken to its earliest point in the complaints process.

We have been discussing how we may expand the service to be able to meet these requirements, to consider succession planning, and to offer a more robust customer standards service.

7: Whistleblowing Concerns

The Head of Risk and the Corporate Customer Standards Officer co-ordinate investigations for those cases directly reported to the Whistleblowing telephone line and email address. Other investigations may take place through issues reported to the HR section or direct to the Audit section.

It is worth noting that many of the cases received fall outside of the technical definition of a Whistleblowing complaint (the legislation seeks to protect internal staff if they "whistle-blow") and many concerns arrive from members of the public.

Services are reminded that employee whistle-blowers are legally protected from persecution and that they should play their part to ensure that reviews are impartial and that concerns are reasonably considered.

Whistleblowing issues may be referred to the Corporate Governance and Audit Committee or to Scrutiny for their consideration. Those investigated by internal audit

are reported as a part of other reporting mechanisms to Corporate Governance and Audit Committee.

Whistleblowing contact details when provided remain confidential at all times.

During the year 2019-20 33 Whistleblowing referrals were received via either the Whistleblowing e-mail address (www.whistleblowing@kirklees.gov.uk) or telephone (01484 225030). This is a significant increase on previous years, although it is unclear whether the Whistleblowing route simply picked up more general HR complaints.

The whistleblowing reports received and how they were dealt with can be found in **Appendix 4**.

Appendix 1

Recap of the Council's Complaints Procedure

The council's complaint process for 2019-20 has three internal stages.

First stage – the complainant initially contacts the council to express dissatisfaction about the service they have received. Many of these complaints are resolved by front line staff immediately, as errors are spotted corrected and an apology offered, or an explanation is given to explain the situation to justify why the situation is accurate.

Second stage – this is where the complainant remains dissatisfied and the complaint is referred to a senior manager within the appropriate service to consider.

Third stage – the Corporate Customer Standards Officer will review the actions taken by the service on behalf of the Council and Chief Executive and consider whether anything further can be done to resolve the complaint. The Local Government Ombudsman requires the council to give the complaint a final review before they may become involved with it.

Some complaints do not progress through the council's complaints procedure; these are usually complaints where a formal review process applies such as complaints relating to Childrens and Adults Services and Housing Benefit assessment complaints. The Ombudsman will consider some complaints before third stage review if they are considered urgent (for example school admission appeals).

Complaint stages are sometimes merged depending on the type of complaint received so as to ensure matters are dealt with appropriately and to ensure the complainant can progress to the Ombudsman as quickly as possible if matters have been dealt with.

Appendix 2: Summary of the cases upheld by the Ombudsman 2019-20

The summary of the case provided by the Ombudsman in each case is as follows:

18000577	Planning & Development	A complaint about a number of aspects of an approved application found fault with one aspect around enforcement in controlling drainage during the construction stage and delay in responding to the complaint.
18002031	Adult Care Services	Mr Z complains on behalf of his partner Miss X about poor care provided by a home care provider that was jointly funded by the Council and the NHS and about delay in resolving his concerns. The Ombudsmen have upheld the complaint. The Council and the care provider have agreed to apologise and provide financial redress to Miss X and Mr Z. They have also agreed to make service improvements. We have therefore completed our investigation.
18014651	Environmental Services & Public Protection & Regulation	Miss Y complains the Council wrongly laid down the gravestone of her grandparents. The Ombudsman finds the Council did not act in accordance with its own procedures or government guidance when inspecting the memorial and has no records to show how and why it laid down the gravestone. The Council has agreed to apologise and arrange for the headstone to be reinstated. The Council will also contact others similarly affected by the faulty inspections.
18011052	Adult Care Services	Miss X complains the Council failed to assess her needs properly in March 2018, resulting in a significant cut in her personal budget. When the Council identified changes in her circumstances it should have done a needs assessment. The failure to do so means it is unclear whether it is providing enough help to meet her eligible care needs. The Council should do a needs assessment and take action to make sure it does them when necessary in future.
19002628	Education & Childrens Services	The Council failed to consider Mr X's complaints under the statutory children's complaints process. The Council has now agreed to consider Mr X's complaint at stage 2 of the process.
19007759	Highways & Transport	Mr B complains about the actions of enforcement agents acting on behalf of the Council in recovering a debt. The Ombudsman finds no fault in the substantive matters investigated. There was however fault in the how the complaint about this was dealt with. An apology is recommended, together with service improvements.

19007883	Education & Childrens Services	The complainant says the Council failed to properly consider her application for a school place and properly conduct the appeal against its decision. The Council says it correctly applied the admissions policy and the appeal panel properly considered the appeal. The Ombudsman finds the appeal panel acted with fault. The Ombudsman recommends and the Council agrees to arranging a fresh appeal hearing.
19008119	Planning & Development	Mr F complains the Council gave him incorrect pre-application planning advice that he did not need to apply for planning permission for change of use of his property. The Ombudsman has found fault. The Council has agreed to apologise to Mr F, which is a suitable remedy for the injustice caused.
19008980	Adult Care Services	The Council withdrew respite care for thirteen months because Mr X would not accept residential respite. It then reinstated respite but reduced the number of nights. It also set an arbitrary upper limit on the amount it was willing to pay per night.
19009200	Adult Care Services	There is fault by the Council in this complaint. It cancelled Mr Y's day service at short notice, failed to provide alternative support, and failed to respond to a crisis situation whilst Mr Y was in residential respite care. Consequently, the placement broke down. The impact on Mr Y's wife was significant.
19015585	Environmental Services & Public Protection & Regulation	The Ombudsman will not investigate Mr L's complaint about the loss of recorded music at his father's funeral. The Council has offered suitable remedial action and it is unlikely an investigation would result in a substantively different outcome.
19019083	Housing	The Ombudsman will not investigate Mrs X's complaint about the Council's aborted purchase of her former council property. This is because we are satisfied with the Council's actions to remedy the complaint.

Appendix 3: Historical comparison data regarding the number of complaints received at third stage:

This year the Ombudsman has presented its figures in a different way, making it very difficult to compare individual service data against previous years.

In total the Ombudsman received 123 contacts from members of the public about Kirklees Council (including complaints which had not been investigated by the council and returned to them, and those dismissed without formal investigation).

Numbers for Ombudsman Contacts for individual service areas in Kirklees are as follows:

Adult Care Services	25
Benefits and Tax	9
Corporate and Other	8
Education and Childrens Services	29
Environmental Services & Public Protection & Regulation	24
Highways and Transport	7
Housing	6
Planning and Development	10
Unspecified	5

It is difficult to interpret much from this information given the low number of contacts and the lack of historical comparisons.

Third Stage Complaints - investigated internally

Service	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Adults	2	3	1	4	2	4
Benefits, C Tax & NNDR	16	16	16	14	6	7
Corporate and others	21	19	15	10	6	12
Children's and Education	5	4	5	5	11	7
Environment & Public Protection	10	15	16	29	31	19
Highways and Transport	12	6	11	3	8	7
Housing (including KNH)	5	5	2	2	4	2
Planning	15	18	19	15	20	13
Total	86	86	85	82	88	71
% upheld and Part Upheld	20.9%	20.9%	21%	20.7%	22.7%	21.1%

Overall number of third stage complaints dropped, but the volume of complaints received dropped off during Feb/March as concerns about Covid 19 became more prominent.

Appendix 4: Summary of Whistleblowing Cases received

Cases with a star indicate that the whistleblower was a council employee and was thus making a Whistleblowing concern in accordance with the legislation. For administrative ease, we investigate concerns raised by members of the public in a similar way.

Concern	Outcome
An improper relationship between managers, and concerns about approach to service changes.	During the investigation, the Senior Manager left the council to take up another post. Work was undertaken with staff to better involve and explain the direction for the service, and the purpose of service changes.
A homeworker was taking unrecorded breaks from work.	The work output of the employee was not found to be abnormal, but time checks were undertaken and advice was provided to the individual.
Concerns were raised about inappropriate comments on social media, made by an employee of a local health trust.	Information was passed to the Health Trust who confirmed the matter was being considered.
* Complaint about management at a School	Advised to raise issue with Governors who manage the running and operating of the school in the first instance.
* Complaint and counter complaint between staff member and manager at a school	Advice and support provided to the Governors who manage the running and operating of the school.
Complaint about high temperatures at a nursing home	Ensured the nursing home were undertaking remedial repairs to the heating system.
Complaint about private financial conduct of a member of staff by an estranged relative.	The council ensured the employee did not hold financial responsibilities in their role, and the manager held a discussion with the staff member, although the council had no direct interest in this matter.
Unsubstantiated and anonymous allegation that staff member had breached data protection.	Not enough information to investigate and resident did not return.
* A conflict in professional judgement and an ongoing HR issue was raised as a whistleblowing matter.	The service considered the concern about process, and HR continued with its review of matters.
An allegation that a member of staff was complicit in that they were aware of a relative making a fraudulent benefit claim. It was received anonymously.	Certain aspects of the claim could be disproven. As the Whistle blower could not be contacted, the matter was closed.

Concerns that an Adult Services support direct payments for 2 members of the public were not being used or administered correctly by the person holding financial responsibility	Passed to Adult Services to investigate and consider the use of the payments in question.
* Concerns from a former employee about the atmosphere in the department, and that there was favouritism and inappropriate recruitment.	HR department investigated staff, recruitment processes and did not identify inappropriate behaviour although advice was provided to the section.
Concerns from a member of the public that a staff member had shared inappropriate information gained from public record on social media.	A data breach was identified although the level of data was not high enough to formally report to the ICO. The manager of the service was informed, and action was taken against the individual.
Concerns that a council employee who was off work sick, was continuing their second job outside the council	The issue was considered and investigated. The roles were very different, and the second job outside the council was seen to be beneficial for the individual while they recovered.
An employee of the council attended a planning committee in a professional capacity, and also in a private capacity spoke in relation to a proposed planning application. The resident felt this was a conflict of interest.	It was determined that the employee had not attempted to use their employment to gain further coverage of their opinion, but it was agreed that if the employee intended to speak in a private capacity, they should have removed themselves from supporting the meeting. As a local resident the employee held the right to address the committee and share their opinion.
A former member of staff complained about a difficult and bullying culture in their department. This is why they left. The complaint was anonymous	This could be a formal HR process, and the nature of the work was acknowledged to be difficult, and managers had already started to introduce plans to better train staff, and provide them with better support. Other staff had no felt bullied but the difficult nature of the work had been identified.
A council employee was alleged to promote favourites and family.	The HR department determined that the recruitment process had been appropriately conducted.
* A complaint about a safeguarding issue where the accused was identified in front of other colleagues.	HR conducted a full investigation with the Chair of Governors and explained the situation with the complainant.
* Allegation that a manager had used their role to obtain a council service in works time	Fully investigated and not substantiated. There were discrepancies in timings and there were barriers in place to be able to access the service in question.
* Complaint from school employees about the	It was determined on review with the Governors that the school had needed some improvement.

behaviour and conduct of a new Head	The school had a good process of employee liaison. While the employees were unhappy with the changes, there was some explanation for them which was not unreasonable.
* An employee of a school shared anecdotal information about themselves and other staff and how the Head had dealt with them.	The employee did not wish to be identified, the other employees did not wish to put themselves forward, the head was leaving the school. Initial enquiries did not identify the levels of sickness claimed, but asked the WB to get in touch if they wished matters to be progressed.
A third party safeguarding complaint about school and how they recorded excluded pupils was received.	There was no direct information from staff and they did not wish to come forward. At the point the matter was being investigated ofsted was inspecting, and this included an aspect on safeguarding . The WB did not return with more information.
A third party complaint that an employee was allegedly being bullied was received.	This was investigated and checked on by the service.
* An employee was given unpaid leave because of their personal circumstances and another employee felt this was unfair.	Confirmed through HR the circumstances where unpaid leave was appropriately given and in line with HR guidance.
An employee of a non-council maintained school made a whistleblowing complaint.	This was not an issue for the council.
An anonymous complaint received about the conduct of a team of staff raising some general concerns about leave monitoring, stock inventory and conduct of staff.	A general investigation took place to assure that reasonable checks on these issues are undertaken. Unable to obtain more information regarding the allegation to assist in the investigation, or reply to the individual.
A member of staff wearing uniform was rude to a member of the public on their way to work.	Some work undertaken to check the working conduct of the individual and to check on their wellbeing. Allegations unable to be substantiated.
An allegation was received that a member of staff had given a business a low assessment so as to decrease its value in a pending sale.	No evidence to support the allegation, and recognised that a simple reassessment would check the situation, and so the member of staff appeared to wield very little power to do as alleged.
Allegation against financial wrong doing by a member of staff.	Anonymous, non-specific, just a general comment. No evidence from general review of the worker's role, that they were in any position to gain financially from their customers.

* Staff offering support services at a school feeling victimised by their supervisor.	HR investigated claims, although the staff involved were undergoing changes to their job role through review, which may have coloured their judgement (changes were not connected to the supervisor)
Concerns that a group of staff are rushing their tasks and then finishing their work early.	Unable to investigate at present because Covid 19 altered the staff working arrangements temporarily. They currently do not operate as they did at the point of the concern.
A complaint that a member of staff is using a third party details to claim benefits fraudulently.	Anonymous, non-specific. Contacted the Department of Work and Pensions who were unable to identify issue.
* A complaint from a member of staff that they were feeling bullied	Also passed to HR, who handled the complaint through the formal HR processes.

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