

Public Document Pack



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

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Wednesday 3 March 2021

Notice of Meeting

Dear Member

Corporate Scrutiny Panel

The **Corporate Scrutiny Panel** will hold a **Virtual Meeting - online** at **10.00 am** on **Thursday 11 March 2021**.

This meeting will be live webcast. To access the webcast please go to the Council's website at the time of the meeting and follow the instructions on the page.

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 Scrutiny Panel members are:-

Member

Councillor Andrew Cooper (Chair)

Councillor Mahmood Akhtar

Councillor James Homewood

Councillor John Lawson

Councillor Will Simpson

Councillor John Taylor

Philip Chaloner (Co-Optee)

Agenda

Reports or Explanatory Notes Attached

Pages

1: Minutes of the Previous Meeting

1 - 4

To approve the minutes of the meeting of the Panel held on 1st December 2020.

2: Interests

5 - 6

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: Interests

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.

4: 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.

5: Questions by members of the public (Written Questions)

Due to current Covid-19 restrictions, Elected Members and members of the public may submit written questions to members of Corporate Scrutiny Panel. Any questions should be emailed to: jenny.bryce-chan@kirklees.gov.uk no later than 5pm on Tuesday 9th March 2021.

In accordance with Council Procedure Rule 51(10) each person may submit a maximum of 4 written questions. In accordance with Council Procedure Rule 11(5), the period allowed for the asking and answering of public questions will not exceed 15 minutes.

Members of the Panel will provide an oral response to any questions received, or if they are not able to do so, a written response will be provided.

6: Technology Strategy

The Panel will receive a presentation at the meeting that will provide an update on the Council's Technology Strategy.

Contact: Terence Hudson, Head of Technology tel: 01484 221000

7: Council Financial Management Update

7 - 34

The Panel will receive a high level Council financial management update incorporating current financial position 2020/21, including COVID impact, the Council's Medium-Term Financial Plan for 2021/22 and future years, and emerging national intelligence.

Contact: Eamonn Croston, Service Director Finance & Accountancy Tel: 01484 221000

Contact Officer: Jenny Bryce-Chan

KIRKLEES COUNCIL

CORPORATE SCRUTINY PANEL

Tuesday 1st December 2020

- Present: Councillor Andrew Cooper (Chair)
Councillor Mahmood Akhtar
Councillor James Homewood
Councillor John Lawson
Councillor Will Simpson
Councillor John Taylor
- Co-optees Philip Chaloner
- In attendance: Cllr Graham Turner, Cabinet Member
Jonathan Nunn, Strategy Policy Officer
James Anderson, Head of Accountancy
Naz Parkar, Service Director for Growth and Housing
Eamonn Croston, Service Director, Finance and Accountan
- Observers: Councillor Elizabeth Smaje, Chair of Overview and Scrutiny Management Committee

- 1 Minutes of the Previous Meeting**
That the minutes of the meeting held on the 10 September 2020 be approved as a correct record.
- 2 Interests**
No interests were declared.
- 3 Admission of the Public**
All agenda items were considered in public session.
- 4 Deputations/Petitions**
No deputations or petitions were received.
- 5 Questions by members of the public (Written Questions)**
No written questions were received.
- 6 Leaving the EU Transition Period Preparations Update**
Jonathan Nunn, Strategy Policy Officer and Naz Parkar, Service Director for Growth and Housing provided the Panel with an update on leaving the EU transition period preparations. The Panel was advised that the key issues in terms of national context are:

Corporate Scrutiny Panel - 1 December 2020

- the ongoing situation in terms of negotiating a free trade agreement between the EU and the UK
- the internal market bill, which is shortly to return to the House of Commons
- the Minister of State for Regional Growth and Local Government highlighted the importance of winter preparations with the possibility of a 'perfect storm': the coincidence of a second peak in Covid-19, seasonal flu, impacts of adverse winter weather and, ending the transition period with a 'non-negotiated outcome.

The Panel was informed that it is widely recognised that ending the transition period with a 'non-negotiated outcome would be detrimental to the UK economy and to the EU27 to a lesser extent on top of the economic impacts of Covid-19.

Regional preparations are progressing well with regular meetings of Heads of Economic Development across the Leeds City Region (LCR) to discuss and monitor the situation around leaving the EU for the purposes of sharing issues and approaches. There are regional links into MHCLG, reporting by exception to the office of Tom Riordan, Leeds City Council Chief Executive. Specific events are being organised at an LCR level, the most recent being the LEP Growth Service, which offers businesses information, support, and advice on preparing for 31 December 2020.

In Kirklees, the Brexit Tactical Group has increased its meetings to fortnightly and has updated its action plan. A separate risk register has been created permitting improved oversight of issues requiring ongoing review. Executive Team and Leading Members Team are receiving regular updates.

Key work streams at the moment are around:

- Business Support Communications
- Business survey, which has just recently closed and was following up on the survey that closed in June, to try and gauge business and their preparations for leaving the EU
- Looking at the reliance in Kirklees on the European Structural and Investment Fund (ESIF) and planning for what comes after that. The government has talked about a shared prosperity fund, details on that are awaited
- Work is ongoing on EUSS support

Issues identified at the Panel meeting on the 10 September 2020, included trade in services, EUSS for looked after children, business guidance and stress testing of medication supplies for those in care homes.

The Panel was informed that with regard to EUSS for looked after children (LAC), four of the five LAC identified as requiring EUSS have been granted settled or pre-settled status. Issues relating to the fifth child's documentation currently prevents an application being made, however the Council is in the process of resolving this issue in order to progress the application.

Work is ongoing with the CCGs to understand the situation regarding stress testing of medication for those in care homes.

Corporate Scrutiny Panel - 1 December 2020

A question and answer session followed that covered a number of issues including:

- EU nationals application for settled status - Kirklees is expected to exceed the estimated 13,000, based on the situation in neighbouring authorities. Is there any indication of what the actual numbers might be and could further detail be provided on this?
- What is the potential number of looked after children misidentified as British on Council systems?
- Are there any problems beginning to emerge for business regarding the potential lack of a deal, for example filling orders or getting goods and what is the situation on business preparedness?
- Has work been undertaken to ensure the resilience of key individuals? People have been working very hard putting in additional hours, evening and weekends and this is unsustainable. Has this been factored into the continuity and resilience planning?

RESOLVED

The Panel noted the content of the update report and thanked the officers for providing the update.

7 Council Financial Management Update

The Panel received an update on the Council's Financial Management. The Panel was informed that the report presents a high-level financial management update incorporating the current financial position for 2021, including Covid impact and the councils MTFS for 21/22.

In summary, the Panel was advised that in terms of the quarterly reporting, Quarter 2 financial monitoring was reported to Cabinet on 18 November 2020 and key headlines included the following:

- Forecast general fund overspend of £5.5m against a net revenue budget of £306m; represents an improvement of £2.2m from the Quarter 1 forecast £7.7m overspend
- Includes £3.7m unfunded COVID related pressures and £1.8m net pressures elsewhere
- Overall in-year COVID related additional spend forecast at £24.6m, service income losses at £13m and Government COVID funding offsets at £33.9m; the latter split between un-ringfenced grant at £27.1m and service income compensation loss scheme at £6.8m
- Forecast in-year DSG overspend (High Needs pressure) at £7.6m; forecast overall DSG deficit (including prior year rolled forward) anticipated to be £20m by current year end which will be included on the Council's balance sheet as a 'negative' reserve in line with Government and CIPFA accounting guidance Collection Fund ; in-year financial performance reflects COVID impact on the economy ; forecast in-year £6.4m pressure on Council Tax (3.4% against £190m target income) and £4.0m in-year on Business Rates; (7.8% against £51.5m local share income target)

Corporate Scrutiny Panel - 1 December 2020

The Panel commented that it a very difficult time to get the details on a continually moving picture however asked for an initial reaction and key headlines from the spending review.

In response was advised that from the governments perspective they have estimated based on their calculations that the overall core spending power increase in 21/22 is an increase of 4.5% average increase compared to 5.5% for the current year and 2.1% in 19/20. In broad terms it feels like a reasonable uplift in funding when compared to the current year.

Effectively £3 billion has been given to the sector in 21/22 for Covid financial support, which is a significant amount of money. Just over half of that will be general Covid funding for councils, and to date there has been four tranches which comes to approximately £34 million. The £3 billion is effectively a new tranche five which will cover the linger effects of Covid on council finances through the early part of 21/22. The breakdown of this money has not yet been revealed however it could mean another £12-£13 million for Kirklees. The detail of this provisional financial settlement is awaited.

There will also be additional help to councils because of the economic impact of Covid on employment rates in the area. Effectively, there will be more households who are going to be eligible for council tax reduction support. The current trends are there has been an increase of about 3000. There is an expectation that there will be an increasing number of claimants in receipt of council tax reduction support.

The government has confirmed that a range of existing grants have been allocated this year, ie the £1 billion additional funding for adult social care. The troubled families grant will continue into 21/22. The national living wage uplift, the government has confirmed that that will be 2.2%. There has also been an announcement of a partial public sector pay freeze.

RESOLVED

That the officers be thanked for providing the Council Financial Management update.

8 Work Programme 2020/21

The Panel noted the work programme and decided that it would be useful to revisit the risk register towards the end of the municipal year in light of the Covid developments and the end of the EU transition period.

KIRKLEES COUNCIL					
COUNCIL/CABINET/COMMITTEE MEETINGS ETC					
DECLARATION OF INTERESTS					
Corporate Scrutiny Panel					
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.



Name of meeting: Corporate Scrutiny Panel Date: 11 March 2021

Title of report: Council Financial Management Update

Purpose of report

High level Council financial management update incorporating current financial position 2020/21, including COVID impact, the Council's Medium-Term Financial Plan for 2021/22 and future years, and emerging national intelligence.

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 <u>Council's Forward Plan (key decisions and private reports)?</u>	No
The Decision - Is it eligible for call in by Scrutiny?	No
Date signed off by <u>Strategic Director</u> & name	Rachel Spencer-Henshall : 26 February 2021
Is it also signed off by the Service Director for Finance IT	Eamonn Croston : 02 March 2021
Is it also signed off by the Service Director for Legal Governance and Commissioning	N/A
Cabinet member <u>portfolio</u>	Cllr Graham Turner

Electoral wards affected: All

Ward Councillors consulted: N/A

Public or private: Public

Has GDPR been considered? Yes

1. Summary

- 1.1 This report provides an overview financial management update for Corporate Scrutiny Panel consideration. It incorporates highlight information on in-year financial performance as at Quarter 3 (month 9) including COVID impact, and prospects for a balanced budget position by current year end.
- 1.2 It also considers current and emerging national intelligence and potential impact on the Council's overall financial position; both current year and next financial year, following

recent Budget Council approval of budget plans for 2021/22 and following years.

- 1.3 An update on the Council's medium term financial resilience is also included in this financial management update report.

2. Information required to take a decision

2.1 Quarter 3 financial monitoring 2020/21

- 2.1.1 Quarter 3 financial monitoring will be reported to Cabinet on 16 March 2021, and by the time of this meeting, the agenda papers for the 16 March Cabinet will have been published. Key headlines will include the following :

- i) Forecast general fund overspend of £1.9m against a net revenue budget of £306.2m; represents an improvement of £3.6m from the Quarter 2 forecast £5.5m overspend;
- ii) Overall in-year COVID related additional spend forecast at £20.4m, service income losses at £15.2m and Government COVID funding offsets at £35.6m ; the latter split between un-ringfenced grant at £27.1m and service income compensation loss scheme at £8.5m.
- iii) Other net spend pressures identified at £1.9m;

Appendix 1 attached includes a breakdown of in-year COVID additional spend and service income loss forecasts for reference.

- iv) Forecast in-year DSG overspend (High Needs pressure) at £7.6m; forecast overall DSG deficit (including prior year rolled forward) anticipated to be £19.8m by current year end which will be included on the Council's balance sheet as a 'negative' reserve in line with Government and CIPFA accounting guidance.
- v) Collection Fund; in-year financial performance reflects COVID impact on the economy; forecast in-year £2.6m pressure on Council Tax (1.4% against £190m target income) and £3.9m in-year on Business Rates; (7.6% against £51.5m local share income target).
- vi) Housing Revenue Account forecast deficit of £1.8m against annual turnover of £91.5m (equivalent to 2.0%)
- vii) Capital Plan forecast outturn of £114m against a revised budget of £126m. The revised budget as at Q3 reflects further in-year re-profiling of the existing approved plan across years of £8.7m subsequent to Budget Council on 10 February 2021. For comparison, the capital plan approved for 2020/21 when the budget was set in February 2020 was £183m.

- 2.1.2 Quarter 3 financial monitoring forecasts and underlying assumptions are subject to some degree of volatility. National and local measures to manage the spread of COVID infection in parallel to the national and local recovery plan are under constant review, and emerging intelligence will be factored into subsequent monitoring projections to year end.

- 2.1.3 In conjunction with continuing Government support, the Council's Executive Team will continue to review appropriate management actions to support the local recovery effort within the parameters of public health protection and guidance, and aim to deliver a break even position as far as possible by year end.
- 2.1.4 Quarter 3 financial monitoring also notes a number of other discrete COVID related funding allocations in-year, which are summarized at Appendix A. These are forecast to be fully allocated by current year end, with a forecast overall spend of about £18m. In some instances, the funding allocations can be rolled forward into 2021/22 where the grant conditions allow for this, and where appropriate, will be considered as part of the overall 2020/21 financial outturn review.

Business Financial Support

- 2.1.5 To date, the Council has allocated in excess of £102m COVID business grants (includes £5.2m discretionary grants) across the borough to about 9,500 businesses. The Council is also administering on Government's behalf, a further 8 specific Local Restrictions Grant (LRG) Support Grants to businesses. The Grant application process for these schemes went live on 17 November 2020. In total, in just 3 months, a further 12,032 payments have been made to over 2,000 eligible businesses, totalling a further £28m.

2.2 Medium Term Financial Plan (MTFP) - 2021/22 & future years

- 2.2.1 The Council's Annual Budget report for 2021/22 and future years was approved at Budget Council on 10 February 2020. Approved budget plans reflected the following :
- i) re-affirmation of the Administration's commitment through the rolled forward of existing multi-year plans, in relation to outstanding children's services, investing in our places and tackling the climate emergency, as well as a strong and sustainable corporate centre; and re-profiling resources into tackling inequalities highlighted by the pandemic;
 - ii) updated medium term funding and spend assumptions in particular in light of COVID-19 impact, whilst acknowledging the underlying volatility and uncertainties underpinning service income, council and business rates tax income and demand impacts of Covid on essential services; not just over the next 12 months, but also in later years;
 - iii) inclusion of specific "one-off" further Covid funding support from Government for 2021/22; includes extension of the irrecoverable service income loss compensation scheme to the end of June 2021, un-ringfenced COVID funding grant (un-ringfenced) of just over £12m, Local Council Tax Support Grant at £5.3m, and
 - iv) using existing 'technical' accounting flexibilities to support Council resilience over the short to medium term; the most significant being the re-profiling of remaining Minimum Revenue Provision Revenue flexibilities over the 2020-24 period;
 - v) roll forward existing financial resilience reserves at £37.1m, general fund balances at £10m, and demand risk reserves at £15.7m, into 2021/22;

Business Rates Pool Update for 2020/21 and 2021/22

- 2.2.2 There is a separate report to Cabinet on 16 March affirming the Council's membership of a Leeds City Region Business Rates Pool for 2021/22, comprising the 5 West Yorkshire Councils plus York and Harrogate. The forecast levy income to be retained by the Pool in 20-21/22 is likely to be modest at below £5m, but in spite of the current economic uncertainty, is still considered relatively low risk for Council members to continue to be part of a Pool in 2021/22.
- 2.2.3 The forecast retained levy for the current year joint North & West Yorkshire Pool is just under £10m for 2020/21. Consideration of options for utilizing retained levies; both current years and next year, will be considered by the respective Pool Joint Committees in due course.

Government roadmap for easing the latest national lockdown restrictions - 22 February announcement

- 2.2.4 On 22 February 2021, Government published a four step roadmap to ease restrictions across England and provide a route back to a more normal way of life. Each step will be assessed against 4 tests before restrictions ease, starting with the return of schools on 8 March. The decision on each stage will move cautiously to keep infection rates under control. The roadmap is set out in more detail in the link below :

[Government roadmap summary.](#)

- 2.2.5 The roadmap will also provide context for the Chancellor's forthcoming budget statement on 3 March 2021. Due to timing issues with the 3 March date also being the publication date for this report , officers will give a verbal update at this meeting on potential impact of the chancellor's announcement over the next 12 months.

Other

- 2.2.6 Government has confirmed that its final report of the fundamental review of business rates will be published in Autumn 2021. An interim report, including a summary of the responses to the Government's call for evidence in Summer 2020, will be published on 23 March 2021.
- 2.2.7 Government has confirmed its intention to work with Councils through 2021/22 with continued monthly reporting on the impact of COVID on Council spend and income, that will help inform emerging national intelligence and policy on compensating Councils where appropriate.

3. Implications for the Council

- 3.1 As previously reported to Corporate Scrutiny Panel on 12 December 2020, the unprecedented global and national situation remains fast moving and volatile. Beyond the immediacy of the current COVID-19 crisis, the longer term prognosis for the economy, future tax revenues, Government fiscal policy and public services funding remain uncertain and subject to regular review at an international, national, regional and local level.
- 3.2 The medium and longer-term economic and societal impact and implications for the Council's Medium-Term Financial Plans will continue to be reviewed over the coming

months, acknowledging the fluid and volatile environmental context within which said plans will be reviewed, and as future arrangements continue to be rolled out by Government as part of the national recovery plan.

Financial Resilience

Statutory responsibilities of the Council's Chief Financial Officer (CFO)

3.3 There are a range of safeguards in place that mitigate against local authorities over-committing themselves financially. One of the safeguards currently under scrutiny nationally are CFO s114 statutory powers. This refers specifically to s114 of the Local Government Finance Act 1988 which requires any CFO in England and Wales to report to all the authority's Councillors if there is or is likely to be unlawful expenditure or an unbalanced budget.

3.4 This would include situations where reserves have become seriously depleted and it is forecast that the authority will not have the resources to meet its expenditure in a particular financial year. The issue of a s114 notice cannot be taken lightly and has serious operational consequences. The authority's full Council must meet within 21 days to consider the s114 notice and during that period the authority is prohibited from entering into new agreements involving the incurring of expenditure.

3.5 In practice, s114 notices have been relatively few and far between. In light of the specific COVID impact on Council finances sector wide, CIPFA and Government set out the following further joint advice, namely :

"... any authorities alive to the possibility of an unbalanced budget position due to COVID-19, to alert MHCLG (Ministry for Housing, Communities & Local Government) at the same time as the Council executive.

Any prohibitions on spending should not be imposed until MHCLG have responded with what support and advice they are able to offer. At this difficult time, section 114 notices should continue to be used only as a last resort." (CIPFA Bulletin 2020)

3.6 Government reported that as at 10 February 2021, 4 Councils nationally have had specific discussions with MHCLG which had culminated in an exceptional capitalisation directive to enable them to use borrowing to support their revenue budget positions; through a combination of unique circumstances or residual issues that have resulted in unmanageable pressures. Any Council can make a local decision to approach the government to request support. The Councils in question are Bexley, Luton, Eastbourne and Peterborough, and the overall amount of capitalisation requested is just under £51m. The relevant link to the Government website is included below for reference :

[Exceptional financial support for local authorities: capitalisation directions - GOV.UK](#)

3.7 All Council finances have been significantly impacted on by the COVID pandemic. The Council's approved budget plans for 2021/22 and following years reflect the relatively strong current financial position of the Council, in terms of careful budget management, measured investment, and prudent build-up of reserves and use of technical flexibilities. This therefore means that the Council had scope to re-profile some its remaining Minimum Revenue Provision flexibility to help the Council over the short to medium term, while the current landscape remains especially volatile.

Council Reserves

- 3.8 As a proportion of net revenue budget, the forecast reserves for the Council are currently 35%, and as per the above modelled forecast would reduce over a 5 year timeframe to 12% by April 2026. This in part reflects planned drawdown of earmarked reserves over the period to support key Council strategic developments.
- 3.9 Council reserves also include a 'negative' reserve, namely the Dedicated Schools Grant deficit. The Council has reported extensively on High Needs pressures in relation to supporting young people in education, and the accumulated disparity between High needs spend and Government funding. The forecast DSG deficit accumulation reflects a do nothing scenario, illustratively here, if current trends and funding continue as is. This is one key area for future Council investment (revenue and capital) to deliver increased district sufficiency, deliver better outcomes for young people and reduce future cost.

CIPFA financial resilience index – 2021 update

- 3.10 CIPFA financial resilience index has recently been updated to include 2019/20 Council revenue outturn data. The index is in the public domain and is available through the following link :

[Financial Resilience Index 2021 | CIPFA](#)

- 3.11 The 2021 update has been delayed due to extended timelines for submission of 2019/20 revenue outturn data by Councils due to competing demands of COVID impact. While the updated index is pre-Covid, it is intended to give a comprehensive pre-Covid baseline comparison across similar authorities of a range of indicators which collectively are designed to better support and inform discussion around Council financial risk and resilience.

RISK ASSESSMENT

- 3.12 The Council's reserves requirement continues to reflect a range of local and national intelligence, and risk assessments underpinning current and future funding and spend assumptions; acknowledging that the extent of these are all potential risk factors to the delivery of balanced budget plans over the medium term. The most upto date Corporate Risk register is included at Appendix C for reference.

4. Consultees and their opinions

Not applicable

5. Next steps and timelines

Future financial management updates will be presented as appropriate to Cabinet, Budget Council and Corporate scrutiny Panel in line with the annual planning cycle through the remainder of the current financial year.

6. Officer recommendations and reasons

For Corporate Scrutiny panel to note and discuss the contents of this report.

7. Cabinet Portfolio holder's recommendations

As above

8. Contact Officers

James Anderson, Head of Service, Accountancy

james.anderson@kirklees.gov.uk Tel: 01484 221000

Sarah Hill, Finance Manager, Accountancy

Sarahm.hill@kirklees.gov.uk Tel: 01484 221000

9. Background Papers and History of Decisions

Annual Budget Report 2021/22 and future years to Budget Council, 10 February 2021

Web link :

[Agenda for Council on Wednesday 21st October 2020, 5.30 pm | Kirklees Council](#)
(Item 6)

Quarter 3 financial monitoring report to Cabinet 16 March 2021

10. Service Director responsible

Eamonn Croston, Service Director for Finance

Eamonn.croston@kirklees.gov.uk

01484 221000

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COVID FUNDING STREAMS

Funding Stream	National Total	Kirklees Allocation	Description (as per the relevant Gov.uk website)
COVID-19 Support Grant (Tranche 1 & 2)	£3,194m	£24.325m	Un-ringfenced grant to help offset Government directed additional Council spend
COVID-19 Support Grant (Tranche 3)	£500m	£3.894m	Supplementary un-ringfenced grant to help offset Government directed additional Council spend
COVID-19 Support Grant (Tranche 4)	£900m	£7.638m	Further allocation in October 2020 to ensure Councils have the resources required to respond to the pandemic.
Hardship Fund	£500m	£4.956m	The Government has provided billing authorities in England with a £500 million hardship fund to enable them to support economically vulnerable people and households in their local area by providing them with a further reduction in their council tax.
Hardship Fund supplementary funding	£63m	£550k	Councils have responded quickly and effectively to the complex challenges faced by local communities and this funding will help them continue to provide much needed crisis support to households who are struggling to afford food, fuel and other essentials."
Re-open High Streets Safely fund	£49.964m	£389k	<p>To prepare for the reopening of non-essential retail when the scientific advice allows, to help councils in England introduce a range of safety measures in a move to kick-start local economies, get people back to work and customers back to the shops.</p> <p>It will also support a range of practical safety measures including new signs, street markings and temporary barriers. This will help get businesses get ready for when they can begin trading safely, not only in high streets and town and city centres, but also in other public spaces like beachfronts and promenades.</p>
Adult Social Care Infection Control Fund	£600m	£4.553m	The Adult Social Care Infection Control Fund was announced in May and is worth £600 million. The primary purpose of this fund is to support adult social care

Funding Stream	National Total	Kirklees Allocation	Description (as per the relevant Gov.uk website)
			providers, including those with whom the local authority does not have a contract, to reduce the rate of COVID-19 transmission in and between care homes and support wider workforce resilience.
Adult Social Care Infection Control Fund (round 2)	£546m	£3.805m	The Adult Social Care Infection Control Fund has been extended until March 2021, with an extra £546 million of funding. This is a new grant, with revised conditions from the original Infection Control Fund. It brings the total ringfenced funding for infection prevention and control to £1.146 billion. The grant should be fully spent by 31 st March 2021 on infection control measures.
Small Business Grant Fund & Retail, Hospitality & Leisure Grant Fund	£12,333m	£113.65m	The Small Business Grant Fund (SBGF) supports small and rural businesses in England with their business costs during coronavirus. The Retail, Hospitality and Leisure Grant Fund (RHLGF) supports businesses in the retail, hospitality and leisure sectors with their business costs during coronavirus.
Local Authority Discretionary Fund	£616.65m	£5.244m	Aimed at small or micro businesses who were not eligible for the small business grant fund or the retail, leisure and hospitality fund
Test and Trace Service	£300m	£2.381m	Local authorities will be central to supporting the new test and trace service across England. Recognising this, the Government announced that £300 million will be provided to all local authorities in England to develop and action their plans to reduce the spread of the virus in their area
Rough Sleeping contingency fund	£3.196m	£12k	Rough sleepers, or those at risk of rough sleeping have been supported by £3.2 million of initial emergency funding if they need to self-isolate to prevent the spread of COVID-19. This funding was announced in March and has been made available to all local authorities in England and reimburses them for the cost of providing accommodation and services to those sleeping on the streets to help them successfully self-isolate. Funding covers period to 30 June 2020
Next Steps	£266m	£162k	There are two different aspects to this fund.

Funding Stream	National Total	Kirklees Allocation	Description (as per the relevant Gov.uk website)
Accommodation Programme			One aspect is for long-term accommodation and support for rough sleepers and the remainder is for interim accommodation and support for the 15,000 vulnerable people accommodated during the pandemic.
COVID funding for schools	Not specified	Max funding allowance per school	Schools can claim for specified COVID-19 related costs upto a maximum of the following funding allowances: £25k per school with 250 or less pupils; £30k if 251-500 pupils; £50k if 501 to 1000 pupils; £75k if over 1000 pupils; special schools and alternative provision – all schools £50k. Funding allowance available covers the period March to July 2020.
Business Improvement Districts	£6.1m	£10.7k	The money will go to Business Improvement Districts (BIDs), local business partnerships that bring local authorities, developers and communities together to provide local leadership, drive regeneration and deliver projects and additional local services. These monies will be distributed via a grant to local authorities to be passed on to BIDs and will cover funding for 3 months and contribute to their operational costs over a 3 month period.
Compliance and Enforcement	£30m	£239.4k	There is flexibility over how the funding is used, provided it is for the purposes of compliance and enforcement of measures to control the spread of COVID-19.
Self Isolation Support	Not Specified	£500 for those on lower incomes who cannot work from home and have lost income as a result	this new Test and Trace Support payment of £500 will ensure that those on low incomes are able to self-isolate without worry about their finances. Just under 4 million people who are in receipt of benefits in England will be eligible for this payment, which will be available to those who are required to self-isolate from 28 September.
Leisure Centre Support	£100m	Unknown at this stage	Understood to be a bidding process with funds prioritised to those outsourced leisure services deemed most in need. Further details on the scheme will be set out in due course by the Department for Digital, Culture, Media and Sport.
Contain Outbreak Management Fund	Up to £465m	£3.5m	Financial support for Local Authorities tailored to Local COVID-19 alert levels. Funding to support specific activities dependent on alert level. Further to the

Funding Stream	National Total	Kirklees Allocation	Description (as per the relevant Gov.uk website)
			announcement of the second national lockdown, all authorities will receive the maximum £8/head.
Contain Outbreak Management Fund - extended scheme	Not specified	Max of £4/head every 28 days from 2 nd Dec to the end of the financial year	As set out in the COVID-19 Winter Plan published on 23 November, the Contain Outbreak Management Fund will be increased so that it can provide regular payments to Local Authorities facing higher restrictions until the end of the financial year. This further funding recognises the ongoing public health and outbreak management costs of tackling COVID-19.
Local Restrictions Support Grant (Closed)	£1.005bn	£7.166m	Funding for the period 5 Nov to 2 Dec paid across by Councils to local businesses. Allocations based on categories of businesses relevant to the closures imposed by Government.
Local Restrictions support Grant (Open)	£0.128bn	£3.970m	Offered as part of the wider set of measures to support the nation's economy and its businesses in response to Coronavirus (Covid-19) and specifically for businesses that were still open but have been severely impacted by Local Covid Alert Levels 'High' (LCAL 2) and 'Very High' (LCAL 3) restrictions since 1 August to 4 November 2020.
Additional Restrictions Grant (ARG)	£1.130bn	£8.796m	This grant is ringfenced for business support only, but Local Authorities can determine how much funding to provide to businesses from the ARG funding provided, and exactly which businesses to target.
Further Restrictions Grants to Businesses	Not specified	£36.149m	Extension of the grants above covering the period 5 th Jan 2021 onwards.
Funding for Clinically Extremely Vulnerable	£32m	£268k	Enable Councils to provide support to clinically extremely vulnerable people who need it.
Winter Grant	£170m	£1.488m	To enable LAs to provide support to families with children, other vulnerable households and individuals from early December 2020. Covers the period until the end of March 2021.
Rapid Testing Fund	£149m	£1.123m	Funding to support additional rapid testing of staff in care homes, and to support

Funding Stream	National Total	Kirklees Allocation	Description (as per the relevant Gov.uk website)
			visiting professionals and enable indoors, close contact visiting where possible.
Workforce Capacity Fund	£120m	£930k	Funding to provide additional care staff where shortages arise, support administrative tasks so experienced and skilled staff can focus on providing care, and help existing staff to take on additional hours if they wish with overtime payments or by covering childcare costs.
Community Testing Funding Grant	Unknown	£4.9m to date	Funding allocated to support LA testing programme
Community Champions Local Authority Fund	Up to £25m	£495k	To support work with residents impacted by the pandemic.

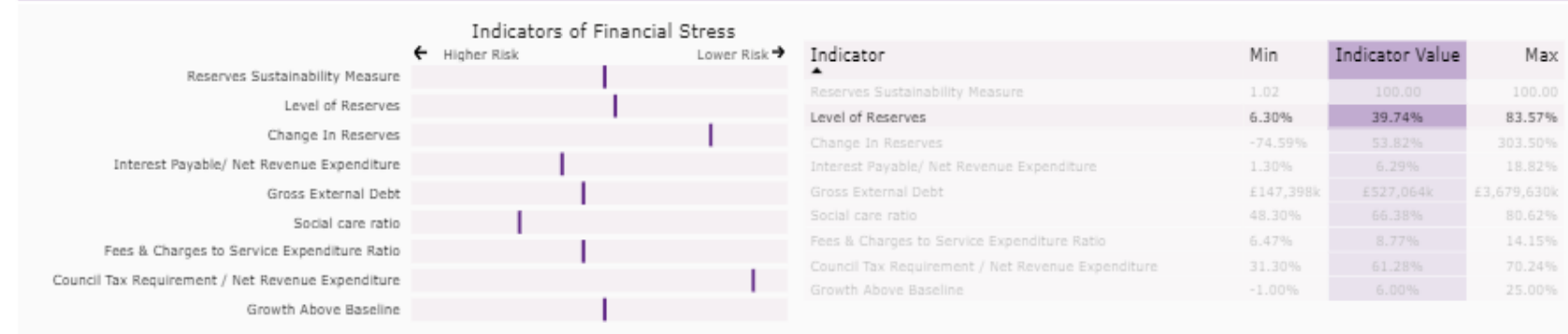
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Resilience Index 2021

CIPFA Financial Resilience Index

Tier: **Upper** Authority: **Kirklees** Comparator Group: **Metropolitan Districts** Year: **2019-20**

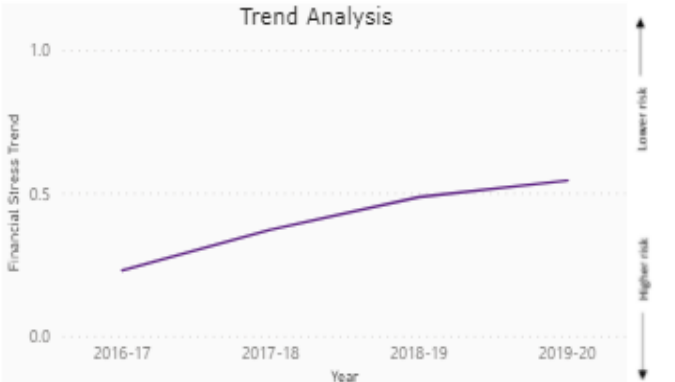
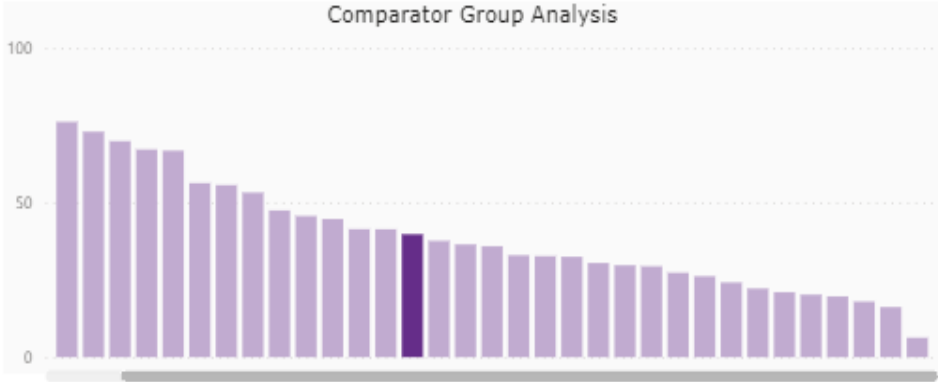
Results Breakdown



Auditors VM Assessment: **Qualified Except For**



Children's Social Care Judgement: **Outstanding**




Individual Analysis **Level of Reserves**




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Risk No	Risk – Description of the risk	Management actions already in place to mitigate the risk	Control Opptnty	Trend
	Emergency & Immediate Risk			
0	The current national emergency as result of the Covid 19 coronavirus has huge implications on the Kirklees community, and the Council.	There are additional risks and impacts on the council (and community) in the short and medium term, which relate to community, operational and financial matters This is an ever-changing position, which requires regular reconsideration until the current crisis is declared under control/has passed, with a substantial number of areas of uncertainty.	L	↑
	Community Impacts & Risks	The current national emergency has a serious and significant risk to the community citizens and services users, with particular concerns about the impact on specific user groups.		
1	The council does not adequately safeguard children and vulnerable adults, as a result of increased complexity, referral volumes and a lack of service capacity to respond to the assessed need. This risk may have worsened as a result of the full and partial coronavirus lockdown, with reduced referrals, an unwillingness of third parties to make referrals and a reduced ability to investigate. the basic controls described above remain valid	<ul style="list-style-type: none"> • Disclosure & Barring Service (DBS) checking, staff training, supervision, protection policies kept up to date and communicated. • Effective management of social work (and related services); rapid response to any issues identified and from any Safeguarding Practice Reviews (Children), Safeguarding adults reviews and Domestic Homicide Reviews • Active management of cases with media interest • Review of current practices following the child sexual exploitation in other authorities and the emerging requirements. • Ensure that workloads are balanced to resources. • Staff and skill development to minimise dependence on key individuals. • Use of agency staff and or contractors when necessary • Ideal manager training • Development of market sufficiency strategy; consider approaches to support the development of the available service offer both locally and regionally. • Ensure competence of the Safeguarding Boards and that they are adequately resourced to challenge and improve outcomes • Ensure routine internal quality assessment 	H	↑ (Covid related- otherwise probably neutral)

		<ul style="list-style-type: none"> Take effective action after Safeguarding Practice Reviews (Children), Safeguarding adults reviews and Domestic Homicide Reviews Effective listening to messages about threats from other parts of the council and partner agencies Proactive recognition of Members role as “corporate parent” Childrens Improvement Board to assist governance and quality improvement Ensure effective record keeping <p><i>Responsible for this risk – R Parry and M Meggs</i></p>		4x5=20
2	Legacy issues of historical childcare management practices, and particularly, the heightened national attention to Child Sexual Exploitation and historical abuse cases leads to reputational issues, and resource demands to address consequential matters.	<ul style="list-style-type: none"> Additional resources and expertise allocated to new and historical Child Sex Exploitation (CSE) and other legacy work, as required. Risk matrix and risk management approach implemented with the police and partners. Understand relationship with the Prevent strategy, and issues linked to counter terrorism Take steps per risk 7 to seek to avoid ongoing issues Ensure effective record keeping <p><i>Responsible for this risk –M Meggs</i></p>	LM	 4x4=16
3	Failure to address matters of violent extremism and related safer stronger community factors, including criminal exploitation, create significant community tension, (and with the potential of safeguarding consequences for vulnerable individuals).	<ul style="list-style-type: none"> Prevent Partnership Action Plan. Community cohesion work programme Local intelligence sharing and networks. Status as a Prevent Priority Area provides funding for a Prevent Coordinator Post and enables the development of bids for additional funding. Counter terrorism local profile. Awareness that campaigns such as black lives matter may give cause to action and reaction. Global events can create ongoing potential issues and tensions, (national risk status raised recently) which the council needs awareness and mitigations strategies West Yorkshire Violence Reduction Unit will assist Anti-Lockdown protest risks or may create social tensions <p><i>Responsible for this risk – R Parry and M Meggs (& J Greenfield)</i></p>	M	 4x5=20

4	Significant environmental events such as severe weather impact on the Council's ability to continue to deliver services.	<ul style="list-style-type: none"> • Effective business continuity and emergency planning (including mutual aid) investment in flood management, gritting deployment plans. • Winter maintenance budgets are supported by a bad weather contingency. • Operational plans and response plans designed to minimise impacts (e.g. gully cleansing for those areas which are prone to flooding.) • Emergency Planning risks for current year reflect risks of (e.g.) staff sickness for both services such as gritting and meeting home care commitments-. This is always difficult, but more fragility than normal due to covid. <p><i>Responsible for this risk – C Parr</i></p>	M	 4x5=20
5	Risk of infection with a high consequence infectious disease (HCIDs airborne) with the consequent impacts of pressure on services through demand, and a reduced ability to deliver services resultant from staff absences and similar. International transmission of HCIDs issues can also affect supply chains with the consequence of availability of products	<ul style="list-style-type: none"> • National mitigation actions controlled through UK Government and devolved administrations. • Advice/instruction to/from, Chief Medical Officer, PHE, Health and Social care system. and schools (from DfE). • More local mitigations controlled through Public Health, Health protection. • Local lockdown processes in line with statutory positions • Business continuity planning and arrangements invoked. • Preparations for risk of recurrence • Understanding supply change and alternatives, and mitigations to retain essential existing suppliers where appropriate • Appropriate advice and Information cascaded to Kirklees citizens and staff <p><i>Responsible for this risk –Rachel Spencer Henshall & all of ET</i></p>	L	 5x5=25
The UKs relationship with the EU				
6	The process of establishing new relationships between the UK and the EU lead to the following consequences and impacts: <ul style="list-style-type: none"> • Supply chain issues (probably only a short term risk) 	These risks are largely addressed elsewhere in the Matrix. Local businesses may consider that coronavirus related risk is a more severe threat now and impacts from the revised trading arrangement are likely to emerge over time; <ul style="list-style-type: none"> • Monitor government proposals and actions, and their impact on council, partner services and local businesses • Working with the WY Combined Authority, and other WY local authorities and partners 	LM	

	<ul style="list-style-type: none"> • The economic outlook (with a lack of clarity) impacting on levels of trade and investment. • Impacting on business rates and housing growth, • Imports attract tariffs, which leads to increased costs -and inflation • Uncertainty about migration impacting on labour markets, particularly in key sectors like health and social care • The general uncertainty affecting the financial markets could lead exacerbate recessionary tendencies. • The potential for increased cuts in core government funding (as a result of economic pressures) in the context of ongoing increases in demand for council services. 	<ul style="list-style-type: none"> • Continue to lobby, through appropriate mechanisms, for additional resources and flexibilities in the use of existing funding streams to e.g. Local Government Association (LGA) • Be aware of underlying issues through effective communication with partners, service providers and suppliers and other businesses about likely impact on prices and resources. • Ensure that budgets anticipate likely cost impacts • Local intelligence sharing and networks. • Continue to work with local employer representative bodies e.g. FSB, MYCCI to make best use of existing resources and lobby for additional resources to support businesses in the post EU period • Service and financial strategies kept under review to keep track of developments related to the UKs changed trading relationship with the EU. • Utilise supplementary resources to cushion impact of any cuts and invest to save. • Ensure (to the extent possible) adequacy of financial revenue reserves to protect the council financial exposure and that they are managed effectively not to impact on the council essential services • Working Group continues to monitor implications. <p><i>Responsible for this risk –all ET</i></p>		4x4=16
	The finances of the Council	The current national emergency has a serious and significant risk to the councils financial position-		
7	A failure to achieve the Councils savings plan impacts more generally on the councils finances with the necessity for unintended savings	<ul style="list-style-type: none"> • Significant impacts on incomes (as a result of coronavirus impacts and similar), and cost pressures on certain service areas • Established governance arrangements are in place to achieve planned outcomes at Cabinet and officer level • Escalation processes are in place and working effectively. 	M	↑




	(from elsewhere) to ensure financial stability	<ul style="list-style-type: none"> Alignment of service, transformation and financial monitoring. Tracker developed which allows all change plans to be in view and monitored on a monthly basis Programme management office established and resourced Monthly (and quarterly) financial reporting <p style="text-align: right;"><i>Responsible for this risk - E Croston & ET</i></p>		4x5=20
8	<p>Coronavirus has added significant income risks and imposed additional costs (some of which have been met by government funding) which have a current year and likely medium-term continuing impact. The whole horizon risks also remain in relation to a failure to control expenditure and income within the overall annual council approved budget leads to the necessity for unintended savings (from elsewhere)). The most significant of these risks are related to volumes (in excess of budget) of;</p> <ul style="list-style-type: none"> Complex Adult Care services Childrens Care Services Educational high needs <p>& Rent Collection impact of Universal Credit rollout (H R A) And in the longer term, the costs of waste disposal.</p>	<ul style="list-style-type: none"> Monitor short term loss of income Monitor additional costs (& be sure they are all captured) Recognise in budget plans Scenario plan for reduced level of demand, post current crisis Scenario plan for recurrences of coronavirus or similar Scenario plan for default by debtors- council tax and rents (individual citizens), business rates and commercial rents (businesses), sundry debtors (both) Consider impacts from rent deferrals Recognise risk that loss of income may sustain for longer than pandemic period, as customer tastes and priorities change Seek to recover additional costs where budgets held by other parties or partners Significant service pressures recognised as part of resource allocation Responsibility for budgetary control aligned to Strategic and Service Directors. Examine alternative strategies or amend policies where possible to mitigate growth in demand or reduce costs Utilise supplementary resources to cushion impact of cuts and invest to save. Continue to lobby, through appropriate mechanisms, for additional resources Proactive monitoring as Universal Credit is introduced <p style="text-align: right;"><i>Responsible for this risk - E Croston & ET</i></p>	M	
9	Above inflation cost increases, particularly in the care sector,	<ul style="list-style-type: none"> Monitor quality and performance of contracts. 	M	5x5=25



	impact on the ability of providers to deliver activities of the specified quality, and or impacting on the prices charged and impacting on the budgets of the Council.	<ul style="list-style-type: none"> Be aware of underlying issues through effective communication with service providers and suppliers about likely impact on prices Renegotiate or retender contracts as appropriate. Ensure that budgets anticipate likely cost impacts Seek additional funding as a consequence of government-imposed costs <p><i>Responsible for this risk - E Croston & R Parry</i></p>		 4x4=16
10	Making inappropriate choices in relation to lending or and borrowing decisions, leads to financial losses.	<ul style="list-style-type: none"> Effective due diligence prior to granting loans and careful monitoring of investment decisions. Effective challenge to treasury management proposals by both officers and members (Corporate Governance & Audit Committee) taking account of external advice <p><i>Responsible for this risk - E Croston</i></p>	MH	 2x5=10
11	Exposure to uninsured losses or significant unforeseen costs, leads to the necessity for unintended savings to balance the councils finances. Insurance market unwilling to cover certain risks.	<ul style="list-style-type: none"> Ensure adequacy of financial revenue reserves to protect the council financial exposure and managed effectively not to impact on the council essential services. Consider risks and most cost-effective appropriate approach to responding to these (internal or external insurance provision). Awareness of risk activity that is not insured or uninsurable. <p><i>Responsible for this risk - E Croston & J Muscroft</i></p>	H	 4x4=16
12	<p>The financial regime set by government causes a further loss of resources or increased and under-funded obligations (e.g. in relation to social care), with impact on the strategic plans.</p> <p>This relates to the essential dependence on initial and medium-term financial support from government as a consequence of impact on the council's finances from coronavirus.</p>	<p>The current crisis has resulted in some changes to national finance proposals- but major and fundamental changes to national government funding of crisis costs and implications (e.g. loss of tax and trading revenues) impact more heavily. The government has promised continuing resource to meet coronavirus consequence, but it is unclear if this will be adequate, if the government will seek to risk share, and the financial consequence in the medium term. In the longer- term risks remain.</p> <ul style="list-style-type: none"> Monitor government proposals and legislation, and their impact on council and partner services. Continue to lobby, through appropriate mechanisms, for additional resources e.g. Local Government Association (LGA) Be aware of underlying issues through effective communication with citizens, partners, service providers and suppliers about likely impact on resources 	L	 5x5=25

	Future national budget position and allocation of funding to local authorities.	<ul style="list-style-type: none"> • Ensure that budgets anticipate likely impacts • Ensure adequacy of financial revenue reserves to protect the council financial exposure and managed effectively not to impact on the council essential services. <p style="text-align: center;"><i>Responsible for this risk - E Croston & ET</i></p>		
	Other Resource & Partnership Risks	The current national emergency has a serious and significant risk to the councils position with regard to commercial and community suppliers, information management /technology/cyber, health and safety- addressed in more detail in the special report		
13	<p>Council supplier and market relationships, including contractor failure leads to;</p> <ul style="list-style-type: none"> • loss of service, • poor quality service • an inability to attract new suppliers (affecting competition, and to replace any incumbent contractors who have failed) • complexities and difficulties in making arrangements in respect of significant and long running major outsource contracts, and their extension and renewal. 	<ul style="list-style-type: none"> • Avoid, where possible, over dependence on single suppliers • More thorough financial assessment when a potential supplier failure could have a wide impact on the council's operations but take a more open approach where risks are few or have only limited impact. • Recognise that supplier failure is always a potential risk; those firms that derive large proportions of their business from the public sector are a particular risk. • Need to balance between only using suppliers who are financially sound but may be expensive and enabling lower cost or new entrants to the supplier market. • Consideration of social value, local markets and funds recirculating within the borough • Understanding supply chains and how this might impact on the availability of goods and services • Be realistic about expectation about what the market can deliver, taking into account matter such as national living wage, recruitment and retention issues etc. • Develop and publish in place market position statement and undertake regular dialogue with market. • Effective consultation with suppliers about proposals to deal with significant major external changes • Early consultation with existing suppliers about arrangements to be followed at the end of existing contractual arrangements • Realign budgets to reflect real costs 	MH	↑

5x4=20

		<ul style="list-style-type: none"> • Commission effectively • Ensuring adequate cash flow for smaller contractors <p><i>Responsible for this risk – J Muscroft</i></p>		
14	<p>Management of information from loss or inappropriate destruction or retention and the risk of failure to comply with the Council's obligations in relation to Data Protection, Freedom of Information legislation and the General Data Protection Regulations (GDPR) leading to reputational damage, rectification costs and fines. Cyber related threats affecting data integrity and system functionality. (Volume of working from home may increase risks or change their perspective)</p>	<ul style="list-style-type: none"> • Thorough, understandable information security policies and practices that are clearly communicated to workforce and councillors • Effective management of data, retention and recording. • Raised awareness and staff and councillor training • Compliance with IT security policy. • Compliance with retention schedules. • Compliance with information governance policy. • Business continuity procedures. • Recognition of increased risk from homeworking (e.g. destruction of paper records), and whether there is a need for additional security, training or other matters • Comply with new legislation around staff access to sensitive data. • Council has a Senior Information Risk Owner ("SIRO") officer and a Data Protection Officer (DPO) who are supported by an Information Governance Board • Development of action plan to respond to GDPR requirements and resourcing requirements as appropriate • Increased awareness of officers and members as to their obligations • Proactive management of cyber issues, including additional web controls <p><i>Responsible for this risk – J Muscroft</i></p>	<p>H (INFO) M (CYBER)</p>	<p>↑</p> <p>4x5=20</p>
15	<p>Health and safety measures are inadequate leading to harm to employees or customers and possible litigious action from them personally and/or the Health and Safety Executive.(and the potential of prosecution and corporate</p>	<ul style="list-style-type: none"> • Ensuring appropriate H&S responses re Coronavirus (appropriately balancing statutory obligations, desirable positions and commerciality/business risk) • New Fire Safety Policy approved and being implemented with improved monitoring of fire risk • Prioritised programme of remedial works to buildings to tackle fire safety and other issues • Review work practices to address H&S risks 	<p>H</p>	<p>↑</p>




	/personal liability)(and in particular issues of fire safety,)	<ul style="list-style-type: none"> • Monitor safety equipment • Improved employee training as to their responsibilities, as employees and (where appropriate) as supervisors. Improved employee work practices • Approval of additional resources to improve corporate monitoring regime. <p><i>Responsible for this risk – R Spencer Henshall</i></p>		3x5=15
16	Exposure to increased liabilities arising from property ownership and management, including dangerous structures and asbestos, with reputational and financial implications.	<ul style="list-style-type: none"> • Active site management • Routine servicing and cleansing regimes (including coronavirus compliance in both operational and managed tenanted commercial property) • Work practices to address risks from noxious substances • Property disposal strategy linked to service and budget strategy • Review of fire risks Develop management actions, categorised over the short to medium term and resource accordingly. • Prioritisation of funding to support reduction of backlog maintenance • Clarity on roles and responsibilities particularly where property management is outsourced <p><i>Responsible for this risk – C Parr</i></p>	H	 4x4=16
17	A funding shortfall in partner agencies) leads to increased pressure on community services with unforeseen costs.	<ul style="list-style-type: none"> • Engagement in resilience discussions with NHS partners • Secure funding as appropriate • Consider extension of pooled funds • Understanding potential impacts on demand for council services • Accept that this may lead to an increase in waiting times • Strengthen partnership arrangements to ascertain whether other funding or cost reduction solutions can be introduced. • Assess dependency on voluntary organising, and impacts that coronavirus has on their sustainability, and consider actions. <p><i>Responsible for this risk – R Parry & all ET</i></p>	L	 4x4=16
18	The risk of retaining a sustainable, diverse, workforce, including <ul style="list-style-type: none"> • aging and age profile • encouraging people to enter hard to recruit roles (which 	<ul style="list-style-type: none"> • Effective Workforce Planning (including recruitment and retention issues) • Modernise Human Resources policies and processes • Increased accessibility to online training managers/ employees. • Selective use of interim managers and others to ensure continuity of progress regarding complex issues 	H	

	<p>often have low pay, or challenging hours or tasks)</p> <ul style="list-style-type: none"> encouraging entrants to professional roles where pay is often below market levels. and ensuring that the workforce is broadly content, without whom the council is unable to deliver its service obligations. 	<ul style="list-style-type: none"> Ensure robust change processes including Equality Impact Assessments (EIA's) and consultation. Understand market pay challenges Promote the advantages of LG employment Emphasise the satisfaction factors from service employment Engage and encourage younger people through targeted apprenticeships, training, and career development (and recognising that young peoples skills, knowledge, and expectations may be impacted by coronavirus) Ensuring awareness to ensure employees safety and health (including stress) Consider issues about a workforce reflective of the community, inclusion, diversity and coronavirus issues <p><i>Responsible for this risk – R Spencer Henshall</i></p>		4x4=16
19	<p>National legislative or policy changes have unforeseen consequences with the consequence of affecting resource utilisation or budgets.</p>	<ul style="list-style-type: none"> Reprioritise activities Deploy additional resources Use of agency staff or contractors where necessary Development of horizon scanning service <p><i>Responsible for this risk – all ET</i></p>	L	 5x4=20
20	<p>Compliance with the councils own climate change commitments, and or statutory climate change obligations fails to achieve objectives and ambitions, and or causes unanticipated costs or operational consequences</p>	<ul style="list-style-type: none"> Reconsideration of priorities and potential achievability within timescales Monitoring of achievements Effective project planning and costing Awareness of local consequences Awareness of local consequences of national commitments and obligations Lobbying for financial and other government support in relation to the costs of meeting obligations WYCA related projects will require assessment of carbon impacts <p><i>Responsible for this risk – C Parr</i></p>	M	 4x4=16

All risks shown on this corporate matrix are considered to have a potentially high probability, or impact, which may be in the short or medium horizon

20210111

TREND ARROWS

Worsening	
Broadly unchanged	
Improving	

CONTROL OPPORTUNITIES

H	This risk is substantially in the control of the council
M	This risk has features that are controllable, although there are external influences
L	This risk is largely uncontrollable by the council

Risk Factor Probability Likelihood, where 5 is very likely and 1 is very unlikely Impact The consequence in financial or reputational Risk Probability x Impact

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