

Public Document Pack



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Friday 6 January 2023

Notice of Meeting

Dear Member

Corporate Scrutiny Panel

The **Corporate Scrutiny Panel** will meet in the **Council Chamber - Town Hall, Huddersfield** at **11.00 am** on **Monday 16 January 2023**.

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".

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 John Taylor (Chair)

Councillor Steve Hall

Councillor Tyler Hawkins

Councillor Harry McCarthy

Councillor John Lawson

Councillor Aleks Lukic

Garry Kitchin (Co-Optee)

Kristina Parkes (Co-Optee)

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: **Minutes of the Previous Meeting**

1 - 10

To approve the minutes of the meeting of the Panel held on 28th November 2022.

3: **Interests**

11 - 12

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.

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 meeting will hear any questions from the general public.

7: Council Financial Update

13 - 20

To update Corporate Scrutiny Panel on current financial issues impacting on the Council.

Contact: Eamonn Croston, Service Director, Finance
James Anderson, Head of Service, Accountancy
Sarah Hill, Finance Manager

8: Risk Management Update

21 - 42

The purpose of the report is to provide information on the Council's risk management arrangements and to update the Panel on the Council's risk profile, including changes since last quarter.

Contact: Martin Dearnley, Head of Risk, Financial, IT and Transactional Services
Alice Carruthers, Senior Finance Officer.

9: Future Priorities and Work Programme

43 - 52

The Panel is asked to note:

- 1) The Forward Plan of Key Decisions (Corporate Services)
- 2) The Panel Work Programme

Contact: Jenny Bryce-Chan, Principal Governance Officer

10: Exclusion of the public

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

11: Risk Management Update

53 - 60

A private appendix in relation to agenda item 8.

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Contact Officer: Jenny Bryce-Chan

KIRKLEES COUNCIL

CORPORATE SCRUTINY PANEL

Monday 28th November 2022

Present: Councillor John Taylor (Chair)
Councillor Steve Hall
Councillor Tyler Hawkins
Councillor Harry McCarthy
Councillor John Lawson
Councillor Aleks Lukic

Co-optees Garry Kitchen
Kristina Parkes

In attendance: Rachel Spencer-Henshall, Strategic Director, Corporate Strategy, Commissioning & Public Health
Cllr Paul Davies, Cabinet Member for Corporate Services
Eamonn Croston, Service Director, Finance
Giles Chappell, Asset Strategy Management
Joanne Bartholomew, Service Director, Development
Dave Thompson, Head of Asset Strategy and Delivery
Jill Greenfield, Service Director, Customer and Communities
Mags Rogerson, Local Integrated Partnerships, Communities and Access

1 Membership of the Committee

James Ryan, resigned as a Voluntary Co-optee on the Corporate Scrutiny Panel.

2 Minutes of the Previous Meeting

That the minutes of the meeting held on the 3rd October 2022 be approved as a correct record.

3 Interests

No interests were declared.

4 Admission of the Public

All agenda items were considered in public session.

5 Deputations/Petitions

No deputations or petitions were received.

6 Public Question Time

No public questions were asked.

7 Council Finance Update

Eamonn Croston, Service Director for Finance, updated the Panel on the council's finances, advising that the timing of this update is pertinent in light of the recent autumn statement made by the Chancellor. The update follows on from the discussion at the previous panel meeting, which set out the significant challenges outlined in quarter one (Q1) monitoring, and the medium term financial strategy report, which is one of a regular number of updates on finance brought to the Panel.

The Panel was reminded that the information previously presented, outlined the overriding context which includes global, national, and local factors which is impacting on financial markets, the economy, and a whole range of cost of living issues, which is having a significant impact on residents, communities, businesses at local, regional, national, and international level. This is subsequently causing continual unprecedented challenges, not only on the council's bottom line, but also across public sector organisations and across all sectors of the economy and society. This is on the back of coming out of the pandemic, where it was hoped there would be a post pandemic recovery.

The Panel was informed that since the last update report, there has been a quarter two (Q2) monitoring report, and the hope was that the concerns highlighted at Q1, in terms of the challenges of cost of living would have settled down, however, the environment continues to be volatile. The Q2 monitoring report has been split between headline cost of living pressures and other pressures. A number of the other pressures are also impacted on by cost of living issues, for example, inflationary pressures in IT, impacted on by problems in the global supply chain, getting hardware and software from key suppliers.

The issues highlighted at Q2, are slightly worse than mentioned at Q1 because the national pay award has now been confirmed. For local government, the award is a flat rate £1925 per member of staff, full time equivalent, across directly employ staff which runs at 7.7%. At Q1 monitoring, the assumption was a 5% pay award uplift, having only budgeted for 2%, as probably most councils in the country had at the time. The budget was signed off before the events in Europe significantly exacerbated the situation around the cost of living pressures.

There are also a number of other pressures that are still coming to the fore, and those are reflected at Q2. These pressures includes an overall £3.2m on school transport both demand and inflationary pressures on contracted provision. Elsewhere there is some demand volatility across adults activity with an overall forecast pressure of £1.8m and in-year pressures against SEND base budget activity at £1.9m.

Discussions and negotiations are continually taking place, to ensure continuity of service. While it is hoped that the situation regarding inflation will settle at some point, the context on operational services trying to deliver day-to-day services remains volatile.

The Panel was informed that overall, the situation has worsened in terms of the general fund between Q1 and Q2 of approximately £10m. Some of it is around more general cost of living pressures that impacts everywhere such as staff and some of it is more about the micro impacts across services. Service income impacts is still being felt, and rates of recovery from Covid in terms of post pandemic recovery is still quite stilted. Local economic factors have an impact on some of the commercial income assumptions, in addition to other discretionary fees and charges assumptions. It is recognised that the cost of living impact on households and communities is also impacting on people's ability to pay for discretionary services. These are all factors that are being looked at.

Work is also being undertaken to re-evaluate what further management actions can be taken at this time as a Council, and the appended report outlines a number of actions that are being communicated, in addition to the actions that managers are taking in response to Q1 monitoring. The extent of unbudgeted pressures reported at Q2, have necessitated further actions to current year end. These include a temporary freeze on recruitment, reduction in agency staff, rationalising use of council buildings, increased scrutiny on all new expenditure and reductions in nonessential expenditure across services. It is important to recognise that some of these measures may actually translate into subsequent budget proposals going forward.

The Panel was informed that energy costs continues to have a big impact in terms of gas and electricity prices, and energy usage across Council services is impacting across a number of areas. School budgets are also affected and there are whole system impacts around that. Consideration is being given to whether there are measures that can be done temporarily to mitigate some of the impact on buildings and what might the implications be. This is all while continuing to look through what types of new spend work are being committed to in other areas of council activity, and whether these can be paused, re-phased and reviewed at this point in time, to try and create some wriggle room to bring the overspend down.

Referring to the appended report, Eamonn Croston, informed the Panel that the information outlines a concentration in time of the reserves position, as this is critical in terms of the Council's overall mitigation strategy. The reserve position has been used over a number of years to give the council resilience in terms of sustainability, and also enabling not just setting aside resources for what is more than a rainy day in the current context, but also developmental resources targeting some initiatives that might be around 'invest to save', future cost avoidance or savings for example for some transformation reserves. Reserves in themselves should not be used to cover recurrent council costs.

Given the scale of the in-year forecast overspend, that would have a significant impact in terms of using the reserves, they are one-off funds and are difficult to build up again. Caution has to be given to how quickly the council is using its reserves because it is important to retain as much as possible to roll forward into next year and the year after that. It is important that the council does not use its reserves, to try and mitigate some of the spend pressures whilst maintaining and targeting operational services delivered to citizens and communities.

The housing revenue account which deliver services for tenants and leaseholders, is separately accounted for, and mainly funded through rental income streams and is holding up for Q2. There is some extra draw down on reserves, and some targeted investment around compliance. There are, however, inflationary pressures also impacting on the housing revenue account.

With regard to the Capital Plan, there is a significant corporate capital review that is ongoing around capital, and there are still capital commitments in-year, however, it is recognised that there is likely to be some slippage in terms of some of the capital schemes.

The Panel was informed that in the recent Autumn Statement, the government outlined the significant deficit in public finance that has to be addressed. The Panel was informed of the following:

Autumn Statement – Policy context

- £55bn fiscal deficit in the public finances
- unprecedented global headwinds ; pandemic and Ukraine war
- Priorities are stability, growth & public services – balanced plan for stability
- OBR forecasts that sits alongside the government's Autumn statement
- 9.1% CPI this year, 7.4% 2023 ; 0.6% 2024
- 4.2% GDP growth 2022, -1.4% 2023, +1.3% 2024, +2.6% 2025, 2.7% 2026
- Unemployment 3.6% 2022, 4.9% 2023, 4.1% 2024

2 new fiscal rules :

- underlying debt must fall as a percentage of GDP by the fifth year of a rolling five-year period
- public sector borrowing, over the same period, must be below 3% of GDP
- Council Tax (CT) referendum limit increase from 2% to 3% from 2023/24 ; Adult Social Care precept increase from 1% to 2% from 2023/24 ; Overall CT increase from 2.99% to 4.99% from 23/24
- Social Housing annual rent uplift 7% in 23/24
- National Living Wage increase of 9.7% from £9.50 to £10.42 in 23/24
- 'Additional' social care funding ; £2.8bn in 23/24 increasing to £4.7bn in 24/25
- £3.3bn additional funding for NHS in 23/24 and 24/25
- Additional £2.3bn schools funding for 23/24 and 24/25
- State pension and benefits uplifts 23/24 at 10.1%
- Additional £1bn Household Support Fund for 23/24 ; Household support for energy bills – universal support in 23/24 but at higher indicative cap £3,000 (up from £2,500) ; plus, targeted £900 to households on means tested benefits, £300 to pensioner households, £150 on disability benefit ; £200 support to households on alternative fuels
- Plans to be brought forward for a new targeted approach to support businesses from April 2023 – Public Sector Organisations excluded
- Business rates reliefs - extension of retail, hospitality & leisure, plus a "Supporting Small Business Scheme"
- Business rates multiplier – frozen again for 23/24

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- Business rates revaluation 2023 but with a more generous transitional scheme , with additional Gov't support
- Gov't to proceed with Round 2 levelling up fund , at least matching the £1.7bn of Round 1
- Gov't to proceed with Round 2 levelling up fund , at least matching the £1.7bn of Round 1
- The Autumn Statement recommits to the government's transformative growth plans for our railways. These include East West Rail, core Northern Powerhouse Rail, and High Speed 2 to Manchester. These will provide fast, more reliable services and connect people to new job opportunities

Cllr Taylor, Lead Member, thanked Eamonn Croston and his team for the continual work they are conducting in a volatile ever changing financial environment.

In response to the information presented, the Panel asked questions and made comments as follows:

- In terms of discussions with partners and other local authorities, how does Kirklees compare, locally in the region, with other councils who have taken early drastic steps particularly for example, restricting the use of town halls. If the council does not take drastic actions this year, is there any idea what actions might be needed in future years?
- This year's pay award was unexpected as it was close to 8% rather than the 2% that was budgeted for. How does that affect budgeting for future years and how much potential to allow for that, because there may be other similar circumstances, with inflation forecasts, domestic energy guarantee, typical usage being £2500 this year, but also £400 universal support payments which won't be there next year. That is an extra £900 on typical usage and next year for domestic energy. All this suggests a similar potential of unbudgeted pressures which should be avoided if at all possible
- In terms of the management actions that will be taken, how is non-essential expenditure defined?
- What does rationalising buildings mean in real terms?
- One of the things that staff did very well, was the way in which they switched roles during the pandemic, to undertake tasks that were not in their job description. Looking forward there are pressures in areas and there is a recruitment freeze in place, and also things that might not be done on a temporary basis. Is the council also looking to talk to staff about that type of flexibility again, and perhaps asking people to do different things in areas where there are recruitment difficulties?

RESOLVED

That Eamonn Croston be thanked for providing an update on council finance.

8

Community Asset Transfers and support for Community Buildings

Joanne Bartholomew, Service Director, Development and Giles Chappell, Asset Strategy Manager, provided an update on Community Asset Transfers and Support for Community Buildings. In summary, the Panel was informed that community asset transfers is not just about buildings, it is also the transfer of civic halls,

community halls, library buildings and open spaces. There are a variety of assets that are transferred under the Community Assets Transfer Programme.

The Panel was informed of the following in terms of context:

Community Asset Transfer (CAT)

- the transfer of ownership and management of public land and buildings from the Council to a community organisation
- assets are transferred at less than market value for local social, economic, or environmental benefit.

The primary purpose of CATs in Kirklees

- invest in communities
- help communities achieve their aspirations
- ensure assets and services remain available for the community

The Panel was informed that the council introduced the Asset Advancement Policy in 2013, in response to the Quirk Review and subsequent Localism agenda. The policy was superseded in 2017, by the Kirklees Community Asset Transfer Policy. This was reviewed again in 2020, in order to recognise the learning and thinking from the previous seven years, and to reflect council priorities and best practice. A total of 23 CATs have been completed to date, which includes a variety of assets.

The update of the policy, reflected the council's corporate vision, shared outcomes, and current best practice. The purpose of reviewing the policy and the process behind the policy, was to set out a clear and transparent framework of that process for groups.

Policy sets out:

- Why we transfer assets
- What assets will be considered for transfer
- Eligibility criteria
- Conditions of the transfer
- How transfers will be processed

Some fundamental changes were incorporated into the CAT policy in 2020. Prior to 2020, the majority of council assets transfers were by freehold, and Kirklees was seen as a forward thinking authority in transferring freeholds, giving communities true ownership of assets. Reflecting on transfers undertaken, this has now moved to a default presumption that all transfers will be by way of 125 yearlong lease. Land was previously transferred by way of long lease and buildings by freehold transfers. Freehold transfers are still considered, however only in exceptional circumstances, for example, transfers to parish and town councils.

It is important to state that long leaseholds do not impact on applicant groups, it still gives them the security that is needed in order to satisfy grant funders. It provides the council with remedies to intervene where circumstances should change, be that specific circumstances with the group itself or the facility. Long leaseholds also

gives the council the right to use all or part of an asset where it is required to deliver a statutory function, for example, library or polling station.

The 2020 policy, bolstered the existing financial support that the council provides to applicant groups. All groups previously qualified for a £5,000 development grant that would pay for professional fees, or perhaps assist with engagement. The engagement process as part of the application process, recognises that not all assets are the same, as some are more complex in nature than others. The development grant ceiling was increased to £10,000, recognising where groups may need that additional financial support.

The policy introduced that applicants could apply through the CAT application process for a capital grant to fund urgent condition works. This was to ensure that groups did not start out with a deficit position. There was concern that some of the assets being transferred required urgent priority works, and rather than expecting groups to secure a loan, there was some recognition that the council should be looking to fund those urgent priority works.

The offer of a grant funding loan still exists, previously the grant funding the loan opportunity was only available to groups during the asset transfer process, however this can now be applied retrospectively. This provides flexibility to groups that may want to apply for a loan post transfer. With regard to revenue funding, there was an increase in funding that the council provides to groups in the first and second years post transfer. This additional support is to ensure that transfers are viable.

Additional support available to groups:

- Internal support through the Third Sector and Community Plus teams
- External support commissioned through Locality, a national charity network with broad experience of asset transfers. They guide groups through the asset transfer process, supporting them with engagement and with development of business plans
- Locality provides
 - impartiality, a critical friend, and advice on current best practice
 - quarterly CAT Network meetings
 - workshops/bespoke training sessions for groups to develop knowledge and skills
 - support with the review of business models, capital project development, funding bids and procurement
- The overall aim is to support the delivery of successful and sustainable Community Asset Transfers within Kirklees

The Panel was informed that with regard to thoughts and learning, the council has come a long way since 2013. In terms of good objectives around Community asset transfers, there is an acceptance and acknowledgement of the important role that these assets play in supporting communities. The approach is shifting to being more community led rather than it being asset led, and working a lot closer now with the communities, identifying where assets can support communities and it has been a more community led approach.

Since 2013, it has been recognised that capacity within different parts of the district with particular groups can vary enormously, and there is a need to be adaptable to that in terms of the level of support that is provided to them. This is to make sure that this is sustainable and viable in the long term. That is placing emphasis on pre and post transfer support to groups, and it has been important to get community colleagues involved at an early stage and to build the ongoing relationships with groups.

There is an intention to streamline the processes that sit behind the policy, trying to make it easier for groups to apply. There appears to be some duplication in the process at the moment in terms of the application and the business plan that groups are expected to submit, and work is being undertaken to streamlining the processes to make it easier. The Council recognises the important role that asset transfers play in these communities and endeavours when necessary to go the extra mile in supporting community groups.

In response to the information presented, a number of questions and comments were made as follows:

- Many community buildings will be facing difficult times over this winter just as much as the Council will. What support is in place for the community asset transferred and community buildings to talk to groups to ascertain if there are any problems early on to help with information and discussions regarding getting through the winter?
- Not all groups will be a part of the network meetings because the cost of membership of the organisation, increased considerably and therefore not everybody may be a part of that.
- Is the policy to transfer as many of these viable assets to community groups as possible?
- For every completed asset transfer, how many expressions of interests for whatever reasons do not make it all the way to completion, and what are the factors that might typically be involved in those being abandoned and are there any approximate numbers?

RESOLVED

That :

Officers ensure that with regard to networking for community asset transfers, that attempts are made to reach out to all the assets that have been transferred to make sure those groups are aware and are encouraged to attend network meetings funded by the council as there are no costs involved

The Communities Team ensures that the council is using its networks to reach out to all community buildings to at least invite them to enter into conversations and at least be signposted and given advice regarding the cost of living challenges they might have

That officers provide the numbers of successful and unsuccessful transfers that have been undertaken

Joanne Bartholomew and Giles Chappell be thanked for providing an update on community asset transfers and support for community buildings.

9

Access to Services and Customer Services and Libraries

Jill Greenfield, Service Director Customer and Communities, Mags Rogerson, Head of Local Integrated Partnerships and Dave Thompson, Head of Access Strategy and Delivery, provided an update on some of the strategic objectives for libraries and access services.

The Panel was informed that it is recognised that there are financial pressures and a cost of living crisis and there are demands being placed on services as a consequence. The update to the Panel, will focus on progress on access to services since the last update on telephony, the customer service centres, place-based working and how this is being progressed through libraries and customer service centres and through the work being undertaken trying to promote digital inclusion.

Dave Thompson, reminded the Panel that an update was provided in August 2022, in relation to the Access Strategy. Since then, workshops and focus groups with staff and citizens who are users of the service have come together to develop three key areas of focus: waste enquiries, the blue badge application process and housing new tenancy applications.

The access strategy on place-based working is not just about geography, it is about providing holistic support, and there are a couple of things that have been worked on and there are some encouraging signs. For example, the cost of living crisis, a lot of people are getting support through the customer service centres, the libraries and even more so by people who make contact by telephone. Some of that information is being gathered through the new telephone system, as instead of just identifying when there is an initial contact, there are a number of different things that people are being supported on, as often it is more than one issue that people need support with when they make contact.

The Panel was further reminded that at the update in August 2022, information was presented on the work that was being undertaken to implement the new telephony system. The panel was also provided with information which outlined the struggles and challenges regarding retaining staff and employing new staff. The Panel was informed that there are now some encouraging signs, and staff are working fantastically well, not only in providing that holistic support, but also in the number of calls they are getting through, in comparison to what it was previously. For example, in August the call answer rate was reported at around 73-75% on approximately 12,000 calls per week, whereas now the answer rate is averaging over 85% and this is consistently being achieved since the new system was introduced and it is getting better.

Mags Rogerson informed the Panel that there are 24 place-based libraries supporting access to services that reflect and are relevant to local communities by both the buildings and the outreach on offer. They sit in the heart of those communities and are a valued and trusted local resource, providing a safe and

welcoming space and this is a key hinge point in terms of the council's commitment to delivering a warm spaces offer.

Libraries support digital inclusion, and are key in ensuring the access strategy is effective, both by providing free access to IT and Wi-Fi in all libraries. This is in addition to providing working spaces, Powerpoints and a key partner in the Kirklees Digital Device loaning scheme. This connects those who are digitally excluded by enabling them to be more informed, more independent, and able to manage their lives more independently and effectively.

There are plans for libraries to improve their locations with accessibility as a key focus, and the libraries at Birkby, Fartown, and Almondbury demonstrate how these accessible principles have been put into practice. The Panel was invited to visit these libraries to see how they have been developed with both dementia friendly design and a friendly environment to best support local communities.

In response to the information presented, a number of questions and comments were made as follows:

- Often with consultation it is the same people who are consulted again and again, how was the co-production team formed?
- It is good news that the call answer rate is now going in the right direction. It is now going into winter, and there is a potential for severe weather which can cause issues on the phones particularly when people may need some help from the Council. Is the service set up as well this year, as it has been in previous years to deal with the severe weather and request for services?

RESOLVED

That Jill Greenfield, Dave Thompson and Mags Rogerson be thanked for providing an update on access to services, customer services and libraries

**10 Future Priorities and Work Programme
RESOLVED:**

That the future priorities and work programme be noted.

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: 16 January 2023

Title of report: Council financial update

Purpose of the report

To update Corporate Scrutiny Panel on current financial issues impacting on the Council

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?	Yes
Key decision - is it in the <u>Council's Forward Plan (key decisions and private reports)</u>	Key decision - Yes
The Decision - Is it eligible for “call in” by <u>Scrutiny</u>?	No
Date signed off by Strategic Director & name	Rachel Spencer-Henshall, 6 January 2023
Is it also signed off by the Service Director for Finance	Eamonn Croston, 6 January 2023
Is it also signed off by the Service Director – Legal, Governance & Commissioning ?	Julie Muscroft, 6 January 2023
Cabinet member <u>portfolio - Corporate</u>	Cllr Paul Davies

Electoral wards affected: All

Ward Councillors consulted: All

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 financial update report presented to Corporate Scrutiny Panel (CSP) on 28 November 2022 set out the following;
 - i) a further in-year update on the very significant cost of living crisis impacted in-year financial position as at Quarter 2 financial monitoring (Q2 monitoring report presented to Cabinet on 16 November 2022) ;

- ii) current Medium Term Financial Strategy (MTFS) development in preparation for 2023/24, (update report presented to Budget Council on 7 September 2022), and
- iii) a high level 'heads up' on the Government's Autumn Budget Statement announcement on 17 November, and what the implications of this might be for local government funding for 2023/24.

1.2 This report presents a further high-level update on the further development of key funding and spend assumptions to inform the forthcoming annual budget report for 2023/24, including the implications of the local government provisional financial settlement for 2023/24; detailed information released by Government on 19 December 2022. Alongside this is a further update on progress against the in-year 2022/23 financial position.

Council Medium Term Financial Strategy (MTFS) Re-fresh 2023/24

- 1.3 The 2023/24 MTFS update report presented to Council on 7 September 2022 was heavily informed by the roll forward of significant 2022/23 Cost of Living pressures into 2023/24, alongside a starting point general fund revenue budget gap already of £16.4m for 2023/24. The impact of Cost of Living pressures largely accounted for an overall increase in the general fund revenue budget gap to £41.3m for 2023/24. These included a pay award assumption at 5% for 2023/24 (current plan had assumed 2%), and continuing inflationary pressures on energy, fuel, food.
- 1.4 The financial update presented to CSP on 28 November 2022 indicated at that time that the baseline £41.3m budget gap forecast for 2023/24 could increase significantly, in light of the following ;
- i) wash through impact of worsening in-year 2022/23 cost of living and other in-year pressures by £10m (increase from £24m to £34m net general fund revenue spend pressure) as set out in the Council's Quarter 2 forecast financial monitoring position, and
 - ii) continuing volatility in global and national economic conditions including energy price volatility forecasts for 2023/24.

Autumn Budget Statement – 17 November 2022

- 1.5 Alongside the above, the Service Director – Finance gave a summary high level presentation to CSP on 28 November on the impact of the Government's 17 November Autumn Budget statement announcement, and what that might mean for local government finance.
- 1.6 The Government context for its headline Autumn Statement announcement was a £55 billion fiscal deficit in public finances, driven largely by unprecedented headwinds; pandemic and Ukraine war, and to deal with these headwinds, Government's intention was to set out a balanced plan for 'stability'.
- 1.7 The announcement also included an accompanying Office of Budget Responsibility (OBR) medium term forecast, including expectation of peak average inflation in 2022 year at 9.1%, reducing to 7.4% in 2023 and 0.6% in 2024.

- 1.8 National economic growth (Gross Domestic Product or GDP) was expected to average at 4.2% in 2022, contract by 1.4% in 2023 and increase by 1.3% in 2024; further annual growth of about 2.6% the following 2 years. Effectively, the latter part of 2022 was anticipated to be the start of a global recessionary period which would last through 2023.
- 1.9 Notwithstanding the Government's stated fiscal debt position, as part of its stability agenda, Government included a number of headline proposals including a significant increase in social care funding of £2.8bn in 2023/24, increasing by a further £1.9bn to £4.7bn in 2024/25. These headline figures include an assumption by Government that Councils would take up the additional adult social care precept flexibility also included in the autumn statement.
- 1.10 The announcement therefore included further Government flexibility for Councils with social care responsibilities to increase the adult social care precept from 1% to 2% in 2023/24 and likewise a further increase from 1% to 2% in 2024/25.
- 1.11 The announcement also confirmed the National Living Wage uplift for 2023/24 at 9.7% ; from £9.50 per hour (23 years and over), to £10.42 from April 2023 onwards.
- 1.12 While the overall increase in social care funding was acknowledged, the working assumption pending the detail behind the headlines, as discussed at CSP on 28 November, was that the additional funding, overall, ensured that the Council's existing social care cost and demand growth assumptions in existing budget plans for 2023/24 and 2024/25, could continue to be fully funded , as already assumed. Alongside this, the additional costs to care providers from the scale of the NLW uplift, could also be met by the Council, through the additional Government funding.
- 1.13 In summary, the headline additional social care funding was assumed to 'de-risk' our existing funding assumptions across the 2023-25 period, and manage the impact of the NLW uplift for 2023-24 as appropriate, which was significantly higher than our budgetary assumptions.
- 1.14 Elsewhere, there was an additional £2.3 billion for schools in both 2023/24 and 2024/25, and £3.3 billion additional funding for the NHS in both 2023/24 and 2024/25.
- 1.15 Other headline announcements included confirmation of the social housing rent uplift to be capped at 7% for 2023/24 only (and not September 2022 CPI+1% as per current Government policy).
- 1.16 The ,annual increase in state pension and benefits uplifts for 2023/24 was set at 10.1% (in line with September 2022 CPI), and a range of continued cost of living household support measures in 2023/24 were also announced; including £1bn Household Support Fund , household support with energy bills at a higher £3,000 indicative cap (up from £2,500), plus targeted £900 support to households on means tested benefits, £300 to pensioner households, £150 for households in receipt of disability benefit, and £200 for households on alternative fuels.
- 1.17 The announcement also confirmed an overall Council Tax (CT) referendum limit increase from 2% to 3% in 2023/24 and 2024/25, alongside the Adult Social Care precept increase from 1% to 2% from 2023/24; Overall CT increase flexibility from 3% to 5% in 2023/24 and 2024/25.

Provisional Local Government (LG) financial settlement for 2023/24

- 1.18 Subsequent to the Autumn Budget Statement on 17 November, the Local Government Financial Settlement was announced by Government on 19 December 2022 and will be subject to the usual 4 week consultation process which runs to 16 January 2023.
- 1.19 The provisional Settlement sets out the detail of the headline Autumn Statement announcements at an individual Council level for 2023/24, along with other relevant information, and this is summarised in the following sections below.

National Headlines

- 1.20 The headline Government announcement was that an additional £5bn funding would be made available to Councils in 2023/24, representing an average overall 9.2% cash increase with a minimum individual Council increase being guaranteed at 3%. The key detail in the provisional settlement pretty much mirrored the Autumn Statement headline announcement.
- 1.21 Kirklees equivalent cash increase was 9.6%, and this was broadly consistent across the region with Bradford also at 9.6%, Leeds at 9.3%, Calderdale at 9.8% and Wakefield at 9.5%.
- 1.22 The key highlights for Kirklees are summarised below :

Funding source	2022/23	2023/24	Increase/ decrease (-)
	£ millions	£ millions	£ millions
Settlement Funding Assessment	96.2	101.3	5.1
Compensation for over-indexing of Business Rates multiplier	8.5	14.6	6.1
Council Tax requirement	206.9	219.2	12.3
Improved better care funding	17.8	17.8	-
Social care grant	18.5	29.8	11.3
Adult Social Care (ASC) Mkt Sustainability & Improvement fund	1.3	4.4	3.1
Discharge fund	-	2.5	2.5
New Homes Bonus	1.9	0.3	-1.6
Services Grant	5.7	3.2	-2.5
Lower Tier Services grant	0.6	-	-0.6
Adjustment for rolled in grants	1.4	-	-1.4
Total	358.7	393.0	34.3

- 1.23 The net increase in overall funding from 2022/23 to 2023/24 against the Government funding sources set out in the Table above equates to £34.3m; equivalent to the 9.6% headline cash increase quoted in paragraph 1.21 above.

- 1.24 The Council tax requirement uplift at £12.3m above reflects the Government assumption that Councils will maximise the overall 5% Council Tax uplift flexibility allowed by Government for 2023/24 without triggering the referendum threshold; split 3% general Council Tax and 2% Adult Social Care precept.
- 1.25 Elsewhere, there are a number of other funding changes, noting the highlighted ones relating specifically to grant funding allocated against social care activity with an uplift of £16.9m between 2022/23 and 2023/24. The Discharge Fund will be allocated through the pooled Better Care Fund via the West Yorkshire Integrated Care Board. The ASC Market Sustainability & Improvement Fund was previously set aside through the 2021 Spending review to help fund Social Care funding reforms that have now been put back until after the next general election, The funding set aside for this has now been released instead to support existing social care demand and cost pressures.
- 1.26 The Council's 2023-24 MTFS report to Council on 7 September 2022 had assumed an expected overall Government funding uplift in 2023/24 of about £23.7m. While there is a difference of about £10.6m relative to the figures included in the above Table, about £2.4m of this reflects the additional 1% CT flexibility for 2023/24. The difference of £8.2m (net) will effectively offset unbudgeted cost of living inflationary pressures across a range of adults and children's care provider costs; including the impact of the 9.7% National Living Wage uplift in 2023/24.
- 1.27 This also followed concerted lobbying from Councils with social care responsibilities prior to the Autumn Statement announcement about the risk of significant destabilisation of the social care system due to cost of living impacted escalating care provider costs, not just the impact on directly provided Council activity.
- 1.28 The above will be factored accordingly into updated fund and spend assumptions as part of the forthcoming 2023/24 annual budget report.

Council Tax Base

- 1.29 The annual Council Tax Base (CTB) for 2023/24 will be presented to Cabinet on 17 January 2023. The CTB set out in this report will then be used to inform the demand on the Collection Fund amount to be considered at Budget Council on 8th March 2023.

Schools Funding

- 1.30 Also on the same Cabinet agenda for 17 January 2023, the schools funding allocation for 2023/24 will be set out against the 3 funding blocks that make up the Dedicated Schools Grant. The report reflects the headline figures included in the Autumn Statement announcement on 17 November.

Housing Revenue Account

- 1.31 Government confirmed as part of the Autumn Statement announcement, the 7% HRA rent uplift for 2023/24 only, and 7% was incorporated into the Councils annual HRA rent setting report for 2023/24, endorsed at Cabinet on 21 December 2022. This uplift will be incorporated into the finalised budget proposals to be presented as part of the forthcoming 2023/24 annual budget report.

Extract from the Local Government finance policy statement 2023-24 to 2024-25 issued 12 December 2022

- 1.32 This policy statement, which preceded the provisional 2023/24 financial settlement on 19 December, included a government comment that it noted the significant increase in some local authority reserves over the 2 years of the pandemic.
- 1.33 Government further stated that it encouraged local authorities to consider how they can use their reserves to maintain services in the face of immediate inflationary pressures, taking account, of course, of the need to maintain appropriate levels of reserves to support councils' financial sustainability and future investment.
- 1.34 And that in order to support council members and local electorates to understand the reserves that their authorities are holding and what they are used for, Government will also explore releasing a user-friendly publication of the reserves data currently collected in the Local Authority Revenue Expenditure and Financing Outturn statistics. We will consult with trusted partners, including the Local Government Association, about doing this.
- 1.35 Government is therefore expecting Councils to use their own reserves to manage immediate inflationary pressures; the latter which are expected to wash through into future years, whereas reserves are "one-off" resources and clearly Government expectations has significant implications for Councils financial resilience and sustainability in a period of heightened volatility and unprecedented cost of living impacted pressures.

Capital Plan

- 1.36 As previously reported to CSP, the Council's existing multi-year capital plan is currently subject to a more fundamental corporate review and affordability assessment.
- 1.37 The review covers prioritisation, phasing flexibility including impact and risk assessment, funding alternatives to prudential borrowing, stretching the plan over a longer time frame, and subsequent proposals brought forward through the remainder of the current budget round for member consideration.
- 1.38 The overall affordability of the plan will be assessed against two key aspects. The first is annual revenue service debt requirements built into the baseline spend forecasts. The second aspect is current significant inflationary pressures on capital costs, which impact across the totality of the plan. Again, the outcome of this review will be incorporated into the forthcoming 2023/24 annual budget report

In-year financial position - 2022/23

- 1.39 The Quarter 2 financial monitoring report to Cabinet on 16 November 2022 indicated that officers would consider a range of further management actions to mitigate in-year pressures as far as possible, and current progress against these will be reported verbally to CSP on 16 January 2023.

2. Information required to take a decision

- 2.1 The issues highlighted in section 1 of this report will be considered at CSP.

3 Implications for the Council

3.1 The Council's budget plans support the overall delivery of the following Council objectives and Priorities within available resources:

- i) Working with People
- ii) Place Based Working
- iii) Climate Change and Air Quality
- iv) Improving Outcomes for Children
- v) Cost of living impact on residents

Other (e.g Financial, Legal or Human Resources)

- 3.2 A robust Medium Term Financial Plan and budget strategy is a key element of financial and service planning. The cost of living crisis as set out in this report presents a number of emerging and potentially significant pressures in 2022/23 and will require further and significant in-year management actions to address.
- 3.3 Alongside this, following the 2023-24 MTFS update report to Council on 7 September, and ongoing review of global, national, regional and local factors that continue to impact on the extent of the Council's financial challenge for 2023/24 which will be significant, budget proposals will be considered over the remainder of the current budget round ; ultimately for consideration at Budget Council on 8 March 2023.

RISK ASSESSMENT

- 3.4 The financial update presented in this report is based on a range of local, national and international 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.

4. Consultees and their opinions

- 4.1 This report is based on consultation with the Council's Executive Team and Cabinet members in assessing the current issues, risks and factors to be addressed.

5. Next Steps

- 5.1 The Council's Chief Finance Officer (& Service Director, Finance) will co-ordinate the consideration of emerging budget proposals to inform the 2023/24 annual budget report to be presented to Cabinet on 21 February and subsequently at Budget Council on 8 March 2023, informed by updated funding and spend assumption considered in this update report to CSP, post the 2023/24 provisional financial settlement announcement on 19 December 2022.

6. Cabinet portfolio-holders recommendations

That the contents of this report be noted and discussed.

7. Officer recommendations and reasons

To note and consider the content of this report.

8. Contact Officer

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Sarah Hill, Finance Manager, Finance
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9. Background papers and History of Decisions

Annual budget report 2022/23 & future years - Budget Council, 16 February 2022
Financial Update report 2022/23 - Corporate Scrutiny Panel, 5 July 2022 ;
Quarter 1 financial monitoring report 2022/23 – Cabinet, 9 August 2022
Quarter 2 financial monitoring report 2022/23 – Cabinet 16 November 2022
2023/24 Medium Term Financial Strategy update report – Cabinet 5 September /
Council 7 September 2022
Government Autumn Statement announcement 17 November 2022
Government 2023/24 provisional local government financial settlement
announcement 19 December 2022
HRA rent setting report 2023/24 – Cabinet 21 December 2022
Schools funding allocation 2023/24 – Cabinet 17 January 2023
Council tax base report 2023/24 – Cabinet 17 January 2023

10. Service Director responsible

Eamonn Croston, Service Director, Finance
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Name of meeting: CORPORATE SCRUTINY
Date: 16th JANUARY 2023
Title of report: RISK MANAGEMENT UPDATE

Purpose of report

1. To provide information on the Councils Risk Management arrangements
2. To update on the Councils risk profile, including changes since last quarter

Corporate Process

Corporate Risk Management follows a quarterly cycle of review and update, providing opportunities for Service / Directorate level risks to be escalated and shared through Risk Panel, and a cumulative assessment of council wide risk to be made. This report was considered by the Risk Panel on 18th October 2022 and presented to Executive Team on the 8th November 2022. It should therefore be noted that progress has been made against the risks / mitigants detailed in this report since the time of writing.

It is expected that Strategic Directorates have in place their own risk governance processes to ensure there is appropriate oversight and challenge of risks and mitigants across their area of responsibility. Work continues to improve directorate engagement, seeking to build on existing processes where risk management is embedded and working effectively, but providing more structured support and guidance where appropriate oversight is not yet in place.

Within the last quarter we have reviewed and relaunched the risk assessment matrix (5x5 grid) as a tool to drive greater consistency in the assessment and prioritisation of risks across the council. Work is also underway to ensure risk identifiers such as internal audit findings, complaints data, insurance claims and output from customer insight and research activity is considered, as well as external indicators, to obtain a comprehensive and balanced risk outlook.

Current focus is on the timely reporting and escalation of new and emerging risks, acknowledging that full understanding of the risk causes and consequences may not yet be available, and also that it is unlikely that mitigants will have been identified and / or implemented.

Appendix 1: Corporate Risk Register Heat Map

This is a new summary document that provides a visual and high level summary of the more detailed Corporate Risk Register. Page 1 displays the 10 Key Corporate Risks (KCRs) on the relevant position on the risk assessment matrix and supports discussion on the relative position of KCRs. Going forward any movements from the

prior quarter will also be visible on this document. Page 2 includes the high level rationale for the scoring and changes to prior quarter (where relevant).

Appendix 2: Corporate Risk Matrix

This Corporate Risk Matrix outlines the 10 high level Key Corporate Risks (KCRs). Each KCR has a Risk Owner at ET level. Specific risks, and Emerging Risks are recorded under the relevant KCR, with owners, scores and trend direction detailed. Emerging Risks (title only) are also included on the Corporate Risk Matrix to provide a comprehensive risk profile.

It should be noted that all risks reported on the Corporate Risk Matrix are assessed as red / high risks on an inherent or gross basis, which those charged with senior executive leadership and governance need to have awareness of, even where these are well controlled – resulting in a lower residual / net score. It is the residual score that is recorded within the Corporate Risk Matrix.

Appendix 3: Emerging Risk / Issues (Private Appendix)

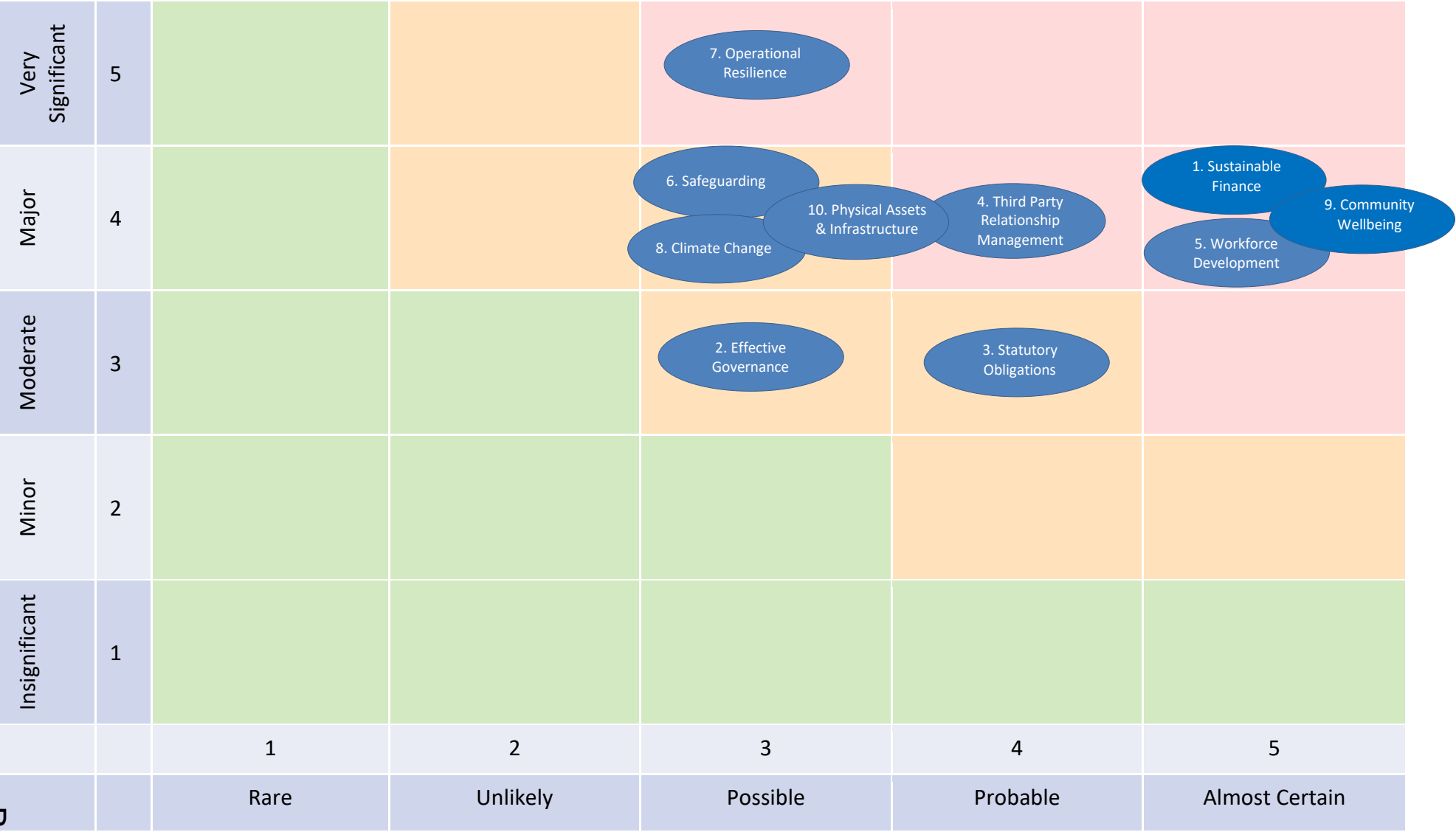
This is a list of shorter-term threats and issues which may require awareness and potential action. These are listed in the same order as the Corporate Risk Matrix to aid cross referencing.

Corporate Scrutiny are asked to:

1. Consider if the Corporate Risk Matrix reflects the major and long-term risks facing the council.
2. Consider the Emerging Risks / Issues schedule.
3. Consider if there any additional items that they would recommend be included

A Carruthers, Risk Officer & M E Dearnley, Head of Risk January 2023

RISK HEAT MAP & SUMMARY



		Previous quarter	This quarter	Drivers of change
KCR 1	Sustainable Finance		20 (5x4)	Whilst the Council has robust financial controls in place external market conditions, specifically the inflationary environment, is resulting in above budget cost increases. Capital programme review ongoing in light of increased borrowing costs. The cost of living crisis is increasing the demand for services and impacting on residents / businesses ability to service payments due.
KCR 2	Governance Frameworks		9 (3x3)	There have been improvements in officer adherence to agreed governance processes / timescales. New DPO is now in post, with SARs backlog being actively managed and progress reported on a monthly basis to the ICO. Work on Cabinet / Committee structure is progressing in line with original plan.
KCR 3	Statutory Obligations		12 (4x3)	Increasing uncertainty on the legislative agenda across the short to medium term. Widespread calls continue to extend the implementation timeline for the proposed reforms to adult social care. Expectation that the Elections Act will require amended processes for May 2023 and Protect Duty (PAL) will come into force in Summer 2023.
KCR 4	Third Party Management & Oversight		16 (4x4)	Continued strong engagement and representation with partner agencies. Collaborative approach with suppliers to work together to manage inflation driven cost increases. Consider if there is read across of high level findings from Internal Audit of KIHCP to other similar programmes.
KCR 5	Workforce Development		20 (5x4)	Challenging market conditions are presenting a significant risk to both recruitment and retention success. The risk of industrial action over pay is flagged as an emerging risk. Turnover has risen to pre-pandemic levels. Salaries are becoming increasingly out of line with market norms / candidate expectations.
KCR 6	Safeguarding		12 (3x4)	Robust processes and procedures and effective working with strategic partners ensures appropriate escalation and intervention as required. The 2022 JTAI inspection observed there is a well embedded strategic partnership approach to CSE & CCE. Note reduction in score due to re-baselining and not material reduction in risk.
KCR 7	Operational Resilience		15 (3x5)	Governance and oversight controls are working effectively. The potential impact of a successful cyber attack is so severe that the risk remains reporting as 'red', despite the operation of the preventative controls that are in place. Online accident and incident reporting system now in place.
KCR 8	Climate Change		12 (3x4)	Team have been successful in securing external WYCA gainshare and grant funding for service priority projects and staff resources. The Climate Change Action Plan is progressing through governance with approval at Cabinet and full Council in due course
KCR 9	Community Wellbeing		20 (5x4)	The cost of living crisis continues to impact directly on our communities. Planning underway for winter interventions when further increases in fuel costs are expected. Direct financial support continues to be provided through the Household Support Fund, with signposting to existing sources of support (eg FSM).
KCR 10	Physical Assets & Infrastructure		12 (3x4)	Embedded assurance activity across both residential and corporate assets continues to control and manage inherent risks associated with property ownership and management. Work underway to validate residential stock quality data is progressing in line with agreed plan.

KEY CORPORATE RISK MATRIX

OCTOBER 2022

KCR 1	Financial Sustainability		Previous	Current
Risk Owner: CEO		Risk Type: Financial		⬆
Risk of failing to maintain a sustainable financial position due to the Council facing ongoing financial pressures with multiple causes; Government funding cuts, the impact and subsequent recovery from Covid-19, and the macroeconomic situation which is driving increases in both demand for services and costs to deliver services, as well as increasing borrowing costs across the financial plan period.				
Q3 rationale for change: Whilst the Council has robust financial controls in place, external market conditions, specifically the inflationary environment, is resulting in above budget cost increases for directly purchased materials / services and those contracted through third parties. Capital programme review is ongoing in light of increased borrowing costs. The cost of living crisis is increasing the demand for services and impacting on residents / businesses ability to service payments due. The risk therefore remains rated as high and is increasing.				
Sources of risk		Responsible Officer	Previous	Current
Mitigating controls / actions				
1.1	Failure to achieve the budget impacts more generally on the councils finances with the necessity for unintended savings from elsewhere to ensure financial stability	Director of Finance	4x5=20	4x5=20
1.1.1	Established governance arrangements are in place to achieve planned outcomes at Cabinet and officer level including quarterly reporting to Cabinet / ET and escalation processes as required	Embedded		
1.1.2	Agreed 5 year plan including both capital and revenue spend was agreed in Q1 2022.			
1.1.3	Forecasts reviewed and updated on a monthly basis with updated year end position	Ongoing affordability review of Capital Plan		
1.1.4	Ongoing budget monitoring takes place in conjunction with budget holders			
1.1.5	Regular meetings and ongoing engagement as required between Service Directors and Finance			
1.1.6	Internal Finance business meetings to share knowledge and best practice take place fortnightly			
1.1.7	Virements are used where appropriate to ensure budgets and spend are aligned accurately			
1.1.8	Where appropriate reserves can be released to balance the budget			
1.1.9	Separate process for HRA business plan setting, monitoring and updating however subject to same robust controls			
1.2	Inflationary pressures are resulting in cost increases, which impact on the council directly, and on the ability of contractors to deliver activities of the specified quality at the agreed price	Head of Finance / Procurement / Contract Managers	4x4=16	5x4=20
1.2.1	Ongoing and effective communication with service providers and suppliers about likely impact on prices (e.g., 5-year expectation of cost increases by one quarter on construction projects)			
1.2.2	Contract procedure rules followed, investigate where opportunity exists to renegotiate or retender contracts			

1.2.3	Ensure that budgets anticipate likely cost impacts with reasonable allowances built into budget costings to cover inflation risk. Recognise that even where inflation linked cost impacts are permitted contractually, they may not be acceptable politically / reputationally (eg. Rental increase of CPI+1% for HRA allowable) Government consultation on rental cap at 5%. HRA.			
1.2.4	Regular review of priorities and available resources, informed by ongoing monitoring of expenditure and updated forecast position			
1.2.5	Ongoing review of project business cases to consider how changes to assumed costs (borrowing / raw materials / contractor) impact overall viability. Similarly, to revisit benefits case where project outcomes deliver reduced energy consumption.	Head of Commercial Services		
1.3	The council has significant financial risks related to increasing (above budget) demand for services: currently felt most acutely across Complex Adult Care, Childrens Care Service and Educational High Need Provision	Head of Finance	4x5 = 20	4x5=20
1.3.1	Dedicated Finance Managers for each service area and dedicated income management teams			
1.3.2	Maximisation of available income sources – ensuring accuracy in charging and collection processes			
1.3.3	There are regular links to performance meetings, monitoring KPIs and contract compliance			
1.3.4	Investment in technology or operational delivery arrangements also helps mitigate cost pressures or new legislative requirements.			
1.3.5	Responsibility for budgetary control aligned to Strategic and Service Directors.			
1.3.6	Examine alternative strategies or amend policies where possible to mitigate growth in demand or reduce costs			
1.3.7	Seek to recover additional costs where budgets held by other parties or partners			
1.3.8	Utilise supplementary resources to cushion impact of cuts and invest to save			
1.3.9	Assess grant related risks and seek to mitigate (with the grant regime)			
1.4	The risk of a reduction in expected income as both tenants, residents and businesses are struggling with the ‘cost of living’ and unable to meet financial commitments resulting in a failure to meet budgeted income targets for Council Tax, Business Rates and other payments.	Head of Welfare and Exchequer	3x4=12	4x4=16
1.4.1	Continue to migrate customers to cheaper, more effective methods of payment (e.g. Direct Debit).			
1.4.2	Process work in timely manner ensuring that correct bills are issued to customers as soon as possible.			
1.4.3	Timely payment of benefit – ensure benefit workloads are managed effectively and kept to a minimum.			
1.4.4	Adhere to the recovery timetable for issuing reminders and summonses.			
1.4.5	Continue to drive ‘digital by design’ improvement of business processes to reduce waste and deliver improved processing times			
1.4.6	Increase workforce flexibility to ensure resourcing and demand are aligned			
1.5	Making inappropriate choices in relation to lending or and borrowing decisions, leads to financial losses.	Head of Accountancy	2x4= 8	2x4=8
1.5.1	Treasury management policy which sets out the policies and objectives of its treasury management activities and treasury management practices, how those policies and objectives will be achieved and how treasury management will be managed and controlled.			
1.5.2	Treasury management strategy and plan recommended to and approved by the Corporate Governance & Audit Committee and Cabinet			

1.5.3	Report to Council (via the Corporate Governance & Audit Committee and Cabinet) at least once in relation to treasury management activity during the year		
1.5.4	Keeping updated in relation to rate changes		
1.6	Exposure to uninsured losses or significant unforeseen costs, leads to the necessity for unintended savings to balance the councils finances.	Head of Accountancy / Insurance Manager	2x4=8 2x4=8
1.6.1	Ensure adequacy of financial revenue reserves to protect the council's financial exposure and maintain effective management to minimise impact on the council essential services.		
1.6.2	Actively consider the appropriate treatment for known risks, accepting that insurance provided by 3 rd party may not always be the optimum solution.		
1.6.3	Maintain awareness of risk activity that the insurance market is unwilling to cover and developments of offerings in this area. Eg: Combustible composite panelling (cladding), Cyber attacks		

KCR 2		Effective Governance	Previous	Current
Risk Owner: SD Corporate Strategy, Commissioning & Public Health		Risk Type: Compliance / Legal / Reputational		➡
Failure to effectively design, implement and maintain fit for purpose governance frameworks could lead to statutory breaches, poor allocation of resources and reputational damage for the Council. Given the breadth of activity and speed of delivery it is crucial that decision making and service delivery activity is well controlled to demonstrate value for money and be sufficiently agile to respond to resetting of priorities at a strategic or operational level.				
Q3 update: There have been improvements in officer adherence to agreed governance processes / timescales, due to implementation of communication / training plan. New DPO is now post, with SARs backlog being actively managed and progress reported on a monthly basis to the ICO. Work on Cabinet / Committee structure is progressing in line with original plan. Previously flagged emerging risks are being well managed. Propose no change to previous rating.				
Sources of risk and Mitigating controls / actions		Responsible Officer	Previous	Current
2.1	The council’s arrangements to effectively design, implement and monitor adherence to policies are inadequate, leading to the potential for failure, error, illegality or delay	Head of Governance	2x5 = 10	2x3=6
2.1.1	Agenda planning process is embedded with regular reminders issued			
2.1.2	Scheme of delegations has been approved			
2.1.3	General online and bespoke training available on CPRs, FPRs, Working in a Political Environment and Decision Making			
2.1.4	Effective challenge (between officers, officers and members, and between member), with sufficient time for adequate consideration and scrutiny (e.g. timely publication of Key Decision Notices)			
2.1.5	Carefully following all rules and requirements, particularly those related to Financial Procedures Rules and Contract Procedure Rules			
2.1.6	Clear processes for recording officer decisions are in place, with an increase in the number of decisions that are being recorded			
2.1.7	Series of SLT briefings have taken place to ensure requirements are understood			
2.2	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.	Head of Governance	3x4=12	3x4=12
2.2.1	Thorough, understandable information governance policy and supporting procedures that are clearly communicated to workforce and councillors			
2.2.2	IG Guides have been developed and are published on the Intranet. These cover topics such as DPIAs, privacy notices and information security			
2.2.3	Sharepoint site developed to host templates and provide additional guidance			
2.2.4	Development and maintenance of data retention schedules within operational areas			
2.2.5	Established process for recording and assessing potential data breaches, including process for reporting to ICO if required			
2.2.6	Council has a Senior Information Risk Owner (SIRO) officer and a Data Protection Officer (DPO) supported by an Information Governance Board			

2.2.7	GDPR training is included as part of induction training for all relevant roles			
2.2.8	Ongoing development and implementation of training programme(s) to meet the needs of officers and members to continue to embed processes and maintain awareness			
2.3	Failure to administer elections (parish / local / parliamentary) in line with required legislation / guidance (eg. Elections Act 2022).	Head of Governance	NEW	3x4=12
2.3.1	Established elections team in place to assess requirements and implement necessary changes			
	Working collaboratively with other LAs to understand likely implications and to share approach			
2.3.2	Awaiting final [legislation] detailing changes that must be enacted prior to May 2023 election period. Draft [legislation] reviewed and planning underway. Will require significant communications strategy, changes to operational processes and therefore financial implications.			
	Initiating working groups to address specific strands of changes (eg IT working group for development of voter registration portal)			
2.4	Failure to implement effective controls to prevent and identify fraudulent activity resulting in potential misuse of council resources leading to unfair outcomes for service users, poor value for money and reputational damage	Head of IA and Risk	NEW	3x4=12
2.4.1	Development and approval of revised Fraud Strategy			
2.4.2	Relaunch Fraud Risk Panel to provide cross service oversight of fraud risks and mitigants			First meeting Q1 2023
2.5	Insufficient visibility of the council-wide change delivery programme incorporating both transformation and project activity, concerns that the organisational capacity to deliver is insufficient to cope with the ambitious change agenda, coupled with challenging 'steady state' conditions.	SD Strategy & Innovation	NEW	3x3=9
2.5.1	Corporate Transformation priorities are required to follow agreed project methodology			
2.5.2.	Clear and effective governance models and reporting routes in place, for Corporate Transformation Priorities, to include <ul style="list-style-type: none"> Individual Programme Board meetings, as appropriate Corporate Transformation Priorities are considered at Monthly Modern Organisation Board and/or Bi-Monthly TPB meetings. Programme risks reviewed with opportunity to escalate specific high risks for consideration and discussion Programme Assurance Sessions for corporate transformation led priorities, enabling opportunity for challenge and support on risk management Corporate PMO to have oversight of Corporate Transformation Priorities performance and progress tracking 			
2.5.3	Implementation of robust benefits realisation planning to ensure that both financial and non-financial outcomes are delivered in line with expectations, across all in-view programmes			

KCR 3		Statutory Obligations		Previous	Current	
Risk Owner: Chief Executive			Risk Type: Legal / Compliance		➡	
The risk that the Council, or their delivery partners, are unable to meet statutory obligations due to changes in funding models and / or changes external market conditions (difficulty in recruiting, increasing costs inc NMW) or the emergence of new, unfunded government burdens. Where statutory obligations are delivered by external bodies (eg. West Yorkshire Joint Services) the process for obtaining ongoing assurance must be agreed and monitored through robust governance frameworks.						
Q3 update: Increasing uncertainty on the legislative agenda across the short to medium term. Widespread calls continue to extend the implementation timeline for the proposed reforms to adult social care (Care Act), currently October 2023. Expectation that the Elections Act will require amended processes for May 2023 and Protect Duty (PAL) will come into force in Summer 2023.						
Sources of risk and Mitigating controls / actions				Responsible Officer	Previous	Current
3.1	Statutory obligations create additional resource requirements that are not covered by existing government / other funding allocations and impact on the councils current policies and strategies.			CEO / ET	4x3=12	4x3=12
3.1.1	Horizon scanning and work to ensure that the local impacts of national legislation, or other changes are fully understood as soon as practical					
3.1.2	Strategic Leaders participate in regional and national forums. Joint responses to emerging issues are coordinated through these forums					
3.1.3	Continue to lobby, through appropriate mechanisms, for additional resources e.g., Local Government Association (LGA)					
3.1.4	Be aware of underlying issues through effective communication with citizens, partners, service providers and suppliers about likely impact on resources					
3.1.5	Understand, scenario plan and monitor financial implications so that budgets can anticipate likely impacts					
3.1.6	Lobby for appropriate shares of NI levies for local authorities- or similar funding.					
3.2	Failure to complete adequate assurance where responsibility to deliver statutory obligation has been [transferred] to external organisations			CEO / ET	3x3=9	3x3=9
3.2.1	Robust governance framework in place to monitor adherence to obligations that have been transferred eg. WYJS					

KCR 4		Third Party Relationship Management	Previous	Current
Risk Owner: Chief Executive		Risk Type: Operational / Reputational / Financial	NEW	➡
Failure to develop and manage relationships with third parties (including grant awarding bodies and government agencies) to ensure council priorities are considered and outcomes delivered. Provision of services to residents and communities is no longer the sole preserve of ‘the council’, from the allocation of funding to end user delivery it is to be expected that there will be a multitude of third parties involved. These range from other public sector bodies, private suppliers / contractors, commercial partners to voluntary organisations. It is imperative that the Council nurture and maintain effective and influential working relationships with these third parties demonstrating robust governance and oversight.				
Q3 Update: Continued strong engagement and representation with partner agencies. Collaborative approach with suppliers to work together to manage inflation driven cost increases. Consider if there is read across of high level findings from Internal Audit of KIHCP to other similar programmes.				
Sources of risk and Mitigating controls / actions		Responsible Officer	Previous	Current
4.1	Risk of low levels of interest from suppliers in renewing contracts / tendering for contracts resulting in reduced competition and potentially poor-quality service. Risk of contractor failure resulting in impacts on service	Head of Procurement	5x4=20	5x4=20
4.1.1	Proactively encourage and stimulate interest in tendering for council contracts by developing and publishing market position statements and procurement pipeline opportunities, undertake regular dialogue with market.			
4.1.3	Ensure sufficient time is allocated to procurement activities to allow for pre-market engagement (where appropriate) and to allow time for potential suppliers to submit bids within timescales			
4.1.4	Recognise and mitigate for differing sources of risk such as reliance on single suppliers and contracting with firms that derive large proportions of their business from the public sector			
4.1.5	Commission effectively; ensuring specifications are fit fur purpose			
4.1.6	Instigate early consultation with existing suppliers about arrangements to be followed at the end of existing contractual arrangements			
4.1.7	Undertake robust contract management - ensuring suppliers are performing and delivering against any key performance indicators and plans in place to manage external pressures such as changes to NMW, recruitment / retention challenges, supply chain disruption			
4.1.8	Adhere to payment terms to maintain adequate cash flow for smaller contractors			
4.1.9	The new Kirklees Procurement Strategy 2022-2026 and Action Plan details how KC will become an attractive partner to do business with, whilst maximising the economic, social and environmental benefits through our approach to social value	In progress		
4.1.10	Adherence to procurement processes, including the agreed governance framework, to ensure the risks associated with approvals are documented and escalated appropriately			

4.2	Risk that external agencies become increasingly influential and impose additional governance arrangements / policy and processes on to KC leading to protracted decision / delivery timelines, conflicting priorities, extra costs and political pressure, including but not limited to: <ul style="list-style-type: none"> • West Yorkshire Combined Authority (WYCA)/Leeds City Region Local Enterprise Partnership (LEP) • West Yorkshire Police and Crime Commissioner • WYJS • Government departments e.g. DLUHC, BEIS 	CEO / ET	NEW	4x3=12
4.2.1	Maintain senior officer engagement eg, Strategic Director currently Chair of 'Directors of Development' group,			
4.2.2	Ensure that Kirklees are represented on all relevant boards and relevant officer groups with appropriate briefing			
4.2.3	Ensure effective use of WY Chief Executives and WY Leaders groups to escalate issues / concerns			
4.2.4	Work with partners to co-design governance processes / funding agreements etc.. to reduce the risk of additional and unnecessary provisions which add cost or delays			
4.3	NHS West Yorkshire Integrated Care Board / Kirklees Integrated Care Board	SD Adults & Health	NEW	

KCR 5		Workforce Development	Previous	Current	
Risk Owner: SD Corporate Strategy, Commissioning and Public Health		Risk Type: Colleague / Operational		⬆	
Risk that delivery of services is negatively impacted through a reduction in number and / or capability of council workforce. We are reliant on maintaining a suitably qualified, capable and motivated workforce in order to meet the expectations of our partners and communities.					
Q3 update: Challenging market conditions are being experienced across the public and private sector and are presenting a significant risk to both recruitment and retention success. The risk of industrial action over pay is flagged as an emerging risk with various other public services discussing increasing likelihood of strike action over the coming months. Turnover has risen to pre-pandemic levels. Whilst sickness levels have stabilised since last quarter any resurgence of Covid and / or winter flu and resulting absence will place further pressure on front line colleagues. Salaries are becoming increasingly out of line with market norms / candidate expectations.					
Sources of risk and Mitigating controls / actions			Responsible Officer	Previous	Current
5.1	Failure to deliver the recruitment requirements to resource council roles, primarily due to salary expectations or role specifications, leading to increasing numbers of agency / contracted staff with resulting financial and operational implications.		Head of People Services	4x4 = 16	5x4 = 20
5.1.1	Recruitment strategy to promote the range of employee benefits and emphasise the job satisfaction factors, specifically from service employment				
5.1.2	Recruitment initiatives include working with the job centre, launch of careers site (2021), working with employment and skills and social media campaigns. Two council recruitment events taking place in Q4 and continuing to drive place-based initiatives such as outreach through libraries.				
5.1.3	Embedding flexibility into the recruitment process where possible and responding to changing candidate expectations. Eg. Application form has been further simplified.				
5.1.4	Engage and encourage younger people through targeted apprenticeships, training and career development opportunities as well as support into employment programmes (Project Search, Kickstart and work experience)		Active YEN		
5.2	The risk of failing to retain a motivated, sustainable and diverse workforce, appropriately skilled to meet the demands of the council / government agenda.		Head of People Services	4x4 = 16	5x4 = 20
5.2.1	Refreshed People Strategy now in place, with regular monitoring of workforce data at ET and SLTs		Ongoing – monthly reporting in place		
5.2.2	Appropriate oversight and scrutiny in place through updates provided to Personnel Committee and Corporate Scrutiny Panel (August 22), specifically on recruitment and retention challenges		Ad hoc		
5.2.3	Dedicated resource is in place to support services with the most acute need, utilising more creative approaches such as talent banks, alternative advertising approaches and bespoke events.				
5.2.4	Ongoing pilot activity to trial workforce planning approaches and utilise benchmarking data across Adults, Growth & Regeneration, Communities, Catering & Cleaning		Outcome of pilots to be reviewed		
5.2.5	My Learning (MiPod Xtra replacement) has now launched making learning easier to access for everyone. My Space, new employee portal launched, making accessing employee content easier from personal devices		Complete		

5.2.6	Development of a workforce planning approach to consider long term plans as well as short term solutions; fully utilise the Timewise accreditation in promoting the council as a Flexible Employer.	
5.2.7	Focus on Mental Health Awareness, including stress, with promotion of Wellbeing surveys, Wellbeing network and dedicated support service	
5.2.8	Revitalising exit interviews and developing 'stay' interviews to drive understanding	Target date Q1 2023
5.2.9	Create a commercial strategy linked to income generation from schools, given the future government's White Paper agenda of academisation in order to future proof our business.	

KCR 6		Safeguarding	Previous	Current	
Risk Owner: SD Children & Families and SD Adults & Health		Risk Type: Reputational		➡	
Failure to keep vulnerable people in our communities safe from harm is a key priority for the Council. The consequence of a safeguarding failure are serious and long-lasting at both an individual and organisational level.					
Q3 update: It should be noted that whilst the risk assessment scores have reduced across all safeguarding risks this reflects a re-baselining against the revised risk assessment matrix, to accurately reflect the current risk. There has not been a material in quarter reduction in risk exposure. Robust processes and procedures and effective working with strategic partners ensures appropriate escalation and intervention as required. The 2022 JTAI inspection observed there is a well embedded strategic partnership approach to CSE & CCE.					
Sources of risk and Mitigating controls / actions			Responsible Officer Target Date	Previous	Current
6.1	The council does not adequately safeguard children because of increased complexity, referral volumes and a lack of service capacity to respond to the assessed need.		SD Children & Families	3x4=12	2x4=8
6.1.1	Disclosure & Barring Service (DBS) checking, staff training, supervision, protection policies kept up to date and communicated				
6.1.2	Robust Safeguarding board partnership is in place, shared accountability across key strategic partners ensures oversight and management of safeguarding risks				
6.1.3	Effective management of social work (and related services); rapid response to any issues identified and from any Safeguarding Practice Reviews (Children), Ofsted focus visits have evidenced practice is improved with no children considered at risk of significant harm. LADO procedures, process and training issues have been addressed as a result of the 2019 Ofsted inspection.				
6.1.4	16+ Unregistered/unregulated provision procedure in place and communicated to staff mitigates against inappropriate use of the above provision.				
6.1.5	Continued focus on strengthening practice - Recording Assessment and Planning with regular, high quality supervisions in place.				
6.1.6	Recruitment practices and a focus on developing staff has stabilised the social care workforce and addressed capacity issues.				
6.1.7	Monthly directorate wide QA meetings focusing on key areas, giving assurance of grip, management oversight, quality of practice and performance.				
6.1.8	Service Practice learning days and auditing in place contributing to children’s services objective of being a learning organisation				
6.2	The council does not adequately safeguard vulnerable adults, and those subject to elder abuse, because of increased complexity, referral volumes and a lack of service capacity to respond to the assessed need.		SD Adults & Health	4x5=20	4x4=16
6.2.1	Staff training, supervision, safeguarding and Self Neglect Policies kept up to date and communicated.				
6.2.2	Active management of cases with media interest, Adults have an Escalation pathway monitored by Safeguarding Service manager.				
6.2.3	Completion of the development of the Corporate Safeguarding Policy (approved by Cabinet March 2022)				

6.2.4	Self-neglect policy and pathway			
6.2.5	Ongoing awareness raising through functions such as Safeguarding Week, training and briefings			
6.2.6	Adults Survivors team in place to work with adult survivors of CSE.			
6.2.7	Adults continue to review and prioritise risk and actively work with staff in monitoring workloads during workload management conversations.			
6.2.8	Responded to recruitment and retention issues recruitment drive, Rolling adverts, jobs fairs and offering certain roles a retention payment			
6.2.9	Ensure competence of the Safeguarding Boards and that they are adequately resourced to challenge and improve outcomes			
6.2.10	Adults Safeguarding Board has its own risk register.			
6.2.11	Risk Escalation Conference for Self-Neglect cases which is multi-agency focused.			
6.2.12	Additional work to ensure that corporate safeguarding activities include appropriate control arrangements. Comprehensive audit programmes ensure quality oversight (such as effective record keeping, risk management and decision making)			
6.2.13	Adult's representation on all strategic and operational groups related to safeguarding (such as Prevent, Domestic Abuse and Modern Day Slavery)			
6.2.14	PIPOT Process in Place			
6.3	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.	SD Children & Families	4x4=16	2x4=8
6.3.1	Additional resources and expertise allocated to new and historical Child Sex Exploitation (CSE) and other legacy work, as required.			
6.3.2	Two exploitation subgroups that focus on strategic and operational matters relating to the exploitation of children are in place which has mitigated resource demands to address consequential matters.			
6.3.3	Risk matrix and risk management approach implemented with the police and partners.			
6.3.4	Provision of support pathways to assist victims			
6.3.5	Understand relationship with the Prevent strategy, and issues linked to counter terrorism			
6.3.6	Continue to monitor external developments and engage with other LA's / relevant bodies			

KCR 7		Resilient Operational Processes	Previous	Current
Risk Owner: SD Corporate Strategy, Commissioning & Public Health		Risk Type: Operational		➡
Failure to develop and maintain resilient operational processes and controls resulting in an inability to keep our communities and colleagues safe.				
Q3 update: No change – governance and oversight controls are working effectively. Online accident and incident reporting system now in place to ensure accurate recording of lessons learnt activity completed and any additional training provided to relevant colleagues. The potential impact of a successful cyber attack is so severe that the risk remains reporting as ‘red’, despite the operation of the preventative controls that are in place.				
Sources of risk and Mitigating controls / actions		Responsible Officer Target Date	Previous	Current
7.1	The risk that the Council’s incident management / emergency planning is insufficient to manage a serious incident or series of related incidents leading to short term or prolonged impacts on the Kirklees community and Council employees and operations. Potential risk causes include, but are not limited to: Weather related events; Industrial accident; Infectious disease outbreak; Terrorist attack	Head of Health Protection	4x4=16	4x4=16
7.1.1	The Council has an embedded emergency management system that aligns to National guidance, including annual assurance audit under EPRR core competencies assessment.			
7.1.2	All our plans are subject to regular review as per work programme. We also regularly train people in their roles and test these via exercises.			
7.1.3	Governance is provided via Kirklees Health Protection Board.			
7.1.4	Debriefing following incidents so that lessons can be identified, and plans modified where necessary.			
7.2	The risk of a data breach and / or impaired system functionality caused by a malicious cyber-attack leading to inability to deliver council services, costs to recover / compensate and associated reputational damage	Head of Technology	5x5=25	5x5=25
7.2.1	Cyber Strategy approved by ET and IG Board being implemented by IT Service			
7.2.2	Comprehensive training plan in place to cover new starters and refresher training on an annual basis			
7.2.3	Recognising and understanding “cloud” based products and the advantages and risks that they provide			
7.2.4	Business continuity procedures (in various scenarios) including recognising that some solutions may involve a return to paper-based solutions and records			
7.2.5	Proactive management of cyber issues, including additional web controls			
7.2.6	Adherence to NCSC guidance			
7.3	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 with the potential for prosecution and reputational damage .reputational damage And the potential of prosecution and corporate /personal liability) (and particularly issues of fire safety)	Head of Public Health	2x4=8	2x4=8
7.3.1	Regular monitoring through Health and Safety Oversight Board			
7.3.2	Completion of Bi-annual corporate performance reports			

7.3.3	Audit of the health and safety management systems of Services within the Council, carried out in accordance with HSE guidance Successful Health and Safety Management (HSG (65)	
7.3.4	Management review and inspection of high risk premises at 3 yearly intervals and medium risk premises at 5 year intervals.	
7.3.5	Online accident and incident reporting system (Claim Control) has recently been launched to provide statistical information to managers at agreed intervals. Accident reports monitored and followed up and or investigated as necessary.	
7.3.6	Mandatory health and safety training matrix developed to specify the minimum level of training dependent on role within the Council. A well-managed training programme will help to develop a positive health and safety culture as well as helping to ensure that the Council meets its legal duty to protect its employees	

KCR 8	Climate Change	Previous	Current
Risk Owner: SD Environment & Climate Change			
Risk Type: Operational / Reputational			
<p>Failure to consider and adequately respond to Climate Change both at an immediate operational level and as longer-term strategic risk resulting in insufficient resilience to climate events with consequential local environmental / community impacts (eg. Flood risk) financial impacts (predominantly restrictions on funding) and reputational damage.</p> <p>Q3 Update: Team have been successful in securing external WYCA gainshare and grant funding for service priority projects and staff resources. The Climate Change Action Plan is progressing through governance with approval at Cabinet and full Council in due course. Guidance for residents and employees was issued to ensure people remained safe during the extreme heat in July / August.</p>			
Sources of risk and Mitigating controls / actions		Responsible Officer Target Date	Previous Current
8.1	Failure to identify, prioritise and implement adaptation measures resulting in low levels of climate change resilience	SD Environmental Strategy & Climate Change	4x5=20
8.1.1	Operational and response plans designed to minimise impacts (e.g. gully cleansing for those areas which are prone to flooding, winter maintenance budgets are supported by bad weather contingency, gritting deployment plans etc..)		
8.1.2	Investment in flood management		
8.1.3	Awareness of local consequences such as ensuring appropriate levels of energy efficiency in residential and commercial property, and the financial consequences		
8.1.4	Consultant-led work, due to be completed by August 22, to understand Kirklees' climate change risks and vulnerabilities and identifying possible adaptation measures.		
8.2	Risk that net zero net zero climate commitments are not achieved due to scope and scale of programme exceeding the funding and delivery capability that is currently allocated. Grants increasingly require demonstration of climate commitments, impacting on funding available and statutory obligations relating to climate change are becoming more stringent.	SD Environmental Strategy & Climate Change	4x5=20 3x4=12
8.2.1	PCAN (Placed-Based Climate Action Network) and UoL led work, completed in Jan 22, outlining the pathways to Net Zero for Kirklees, in-line with the districts 2038 net zero target and UK's 2050 net zero target.	Complete	
8.2.2	Lobbying for financial and other government support in relation to the costs of meeting obligations		
8.2.3	Climate Change engagement underway to inform the Action Plan, including a resident survey alongside workshops with Council and non-Council stakeholders. The results for which will be published as part of the Autumn 22 Action Plan.		
8.2.4	Phase 2 Climate Change Action Plan to be published in Autumn 2022, detailing how we will become carbon neutral and climate ready by 2038		

KCR 9		Community Wellbeing & Resilience	Previous	Current	
Risk Owner: SD Adults & Health		Risk Type: Operational / Reputational		⬆	
Risk of declining community wellbeing & resilience caused by lack of engagement with communities directly and partner organisations, insufficient understanding of community needs and wants, poorly targeted interventions / service developments, persistent reduction in funding.					
Q3 update: The cost of living crisis continues to impact directly on our communities. Planning underway for winter interventions when further increases in fuel costs are expected. Direct financial support continues to be provided through the Household Support Fund, with signposting to existing sources of support (eg FSM). Cost of Living Action Plan being developed.					
Sources of risk and Mitigating controls / actions			Responsible Officer Target Date	Previous	Current
9.1	Failure to address matters of violent extremism and related safer stronger community factors, including criminal exploitation, or national or international incidents (e.g., terrorism), create significant community tension, with the risk of public disorder, and threats to councillors going about their duties.		Service Director Customer & Communities	3x5=15	3x5=15
9.1.1	Dedicated community tensions monitoring process and a clear procedure to process intelligence related to protests and tensions. Procedure includes Police and Emergency planning colleagues.				
9.1.2	Weekly tensions monitoring meetings are held with all relevant partners, would move to daily if required				
9.1.3	Prevent Action Plan addresses community engagement, critical thinking and ideological issues and seeks to mitigate risk				
9.1.4	The implementation of the Inclusive Communities Framework to build resilience to extremist narratives				
9.1.5	The Cohesion Team engage with communities and enable opportunities for communities to build relationships and mix to counter extremist narratives				
9.1.6	Protect and Prepare obligations to mitigate terrorism risk on publicly accessible locations (PAL). The Protect Duty will introduce additional responsibilities with a short implementation date anticipated.		Implementation date TBC – August 2023?		
9.1.7	Assurance processes re ensuring appropriate understanding associated with the use of public and client access to the internet (terrorism and extremism related)				
9.2	The impact of the “cost of living crisis” (specifically inflationary pressure leading to increased prices for food and fuel) on individuals, the community, partners and the business sector, and on their priorities, and their consequent demands for council service. Impact on the voluntary sectors may reduce their ability to support communities, with a consequent impact on the council.		Service Director Customer & Communities	4x4=16	4x4=16
9.2.1	Direct financial support being allocated through the Household Support Fund and discretionary energy rebate fund. It is anticipated that there will be a further allocation of funding to the Household Support Fund.				
9.2.2	Continuation and signposting of existing support through Council Tax Reduction Scheme, Free School Meals (inc holiday support), Housing Benefit etc...				
9.2.3	Local Cost of Living campaign has detailed the various national and local sources of support available to residents. This is available digitally, but has also taken a place-based approach and worked with local community organisations, frontline				

	services, healthcare providers etc to ensure that physical leaflets are also available in order to support and facilitate conversations.		
9.2.4	Cost of Living event took place in July with over 70 attendees across VCSE, council and Cllrs. Several organisations made links to wider partnerships and shared ideas for better communication and cross working in local areas.		
9.2.5	Local Welfare team fund 3 foodbanks in Kirklees to ensure residents can access crisis food. Working in partnership with the Bread and Butter Thing to provide a place-based response to food access, currently in the process of setting up 5 local hubs in areas of Kirklees which have high levels of deprivation. It is expected that an additional 5 hubs will be funded.		
9.2.6	Exploration of upskilling front line workforce to have brief intervention conversations - in order to provide appropriate support and signposting.		
9.2.7	The Suicide prevention action group have prioritised cost of living/economical adversity as a significant risk factor for suicide prevention. Making suicide prevention part of everyone's responsibility (awareness raising, training and knowledge of where to signpost) is key		
9.2.8	Council officers are working with colleagues from the VCS to ensure a coordinated and joined up approach where possible, and to reflect the fact that VCS are often best placed to deliver place based community support.		
9.2.9	Cost Of Living Action Plan currently being developed between Public Health and Policy. This will reflect the short to medium / long term actions which the LA are facilitating to support people in crisis as well as to increase long term economic development		
9.2.10	Working in partnership with regional colleagues in order to develop a regional Cost of Living action plan and supporting regional groups		

KCR 10	Physical Assets and Infrastructure	Previous	Current
Risk Owner: SD Growth & Regeneration			↓
Risk Type: Compliance / Reputational			
<p>The exposure to increased liabilities arising from property ownership and management, including both the councils residential portfolio and corporate portfolio (inc schools, community buildings) with reputational and financial implications.</p> <p>Q3 update: Embedded assurance activity across both residential and corporate assets continues to control and manage inherent risks associated with property ownership and management. Work underway to validate residential stock quality data is progressing in line with agreed plan.</p>			
Sources of risk and Mitigating controls / actions		Responsible Officer Target Date	Previous Current
10.1	Exposure to increased liabilities arising from the Council's ownership and management of corporate assets, including dangerous structures and asbestos, cladding and fire controls with reputational and financial implications	Head of Property	3x4=12 3x4=12
10.1.1	Corporate Compliance Board established, with escalation to the Health & Safety Oversight Board		
10.1.2	Compliance testing matrix in place identifying sources of risk, test requirement as detailed in legislation and test frequency	Dependency with 10.1.6	
10.1.3	Asbestos and Legionella currently reported as AMBER within H&S Risk Report		
10.1.4	Embedded programme of fire risk assessments, inspections and audits in place, as documented in Corporate Fire Safety Policy. New fire log has been produced for site trial before full roll out.		
10.1.5	Routine servicing and cleansing regimes in place with site audits continuing to fill data gaps. Further work on collation of data to be continued into 2023.	Ongoing into 2023	
10.1.6	Corporate compliance guide being created to develop all servicing regimes and reasoning to allow areas that are more at risk to be addressed first	In progress	
10.2	Exposure to increased liabilities arising from residential property ownership and management, including dangerous structures and asbestos, cladding and fire controls with reputational and financial implications.	Head of Assurance	4x5=20 3x5=15
10.2.1	Building Safety Assurance Board (Housing) established to provide oversight of controls and governance in place, reporting into the Housing Advisory Board and the Health & Safety Oversight Board		
10.2.2	Regular onsite audits, detailed training programme and dedicated HSE team ensure robust H&S culture with officers clear on duties related to H&S compliance		
10.2.3	Fire Risk Assessment (FRAs) remedial actions continue to progress. Of the outstanding 1164 high risk remediation actions at the time of the review, 1118 have been completed with the balance in procurement or in contract. The low and medium rise FRA actions are currently at the early stages of contract negotiation. The outcome of these will determine the programme.	March 2024 overall completion date	
10.2.4	Comprehensive and accurate stock condition data is available to inform programmes of work and ensure high risk items are addressed as a priority	In progress	

EXAMPLE PLAN - Forward Plan - 1 January 2023 onwards FOR THE PERIOD 1 FEBRUARY 2023 TO 31 MAY 2023

Subject / Decision	Decision Maker	Decision Due Date	Consultation	Likely Exemption	Background documents	Member / Officer Contact
Kingsgate Phase 2 update report A report that provides an update on the progress and funding position the development of Kingsgate, Phase 2, Huddersfield.	Cabinet	14 Feb 2023		Part exempt	background information	Councillor Paul Davies, Cabinet Member - Corporate, Councillor Graham Turner, Cabinet Member - Regeneration <i>Liz Jefferson</i> <i>liz.jefferson@kirklees.gov.uk</i>
Leeds City Region (LCR) Business rates Pool arrangements 2023-24 To consider the ratification of the Council's membership and arrangements for the operation and governance of the LCR Business Rates Pool for 2023-24.	Cabinet	14 Mar 2023		Open		Councillor Paul Davies, Cabinet Member - Corporate <i>James Anderson, Head of Accountancy</i> <i>james.anderson@kirklees.gov.uk</i>
Corporate Financial Monitoring Report Quarter 3 for 2022-23 To consider the third quarter Revenue & Capital Monitoring forecast and to consider any specific recommendations on the application of resources in-year, including movements to and from reserves, as required by financial procedure rules.	Cabinet	14 Feb 2023		Open		Councillor Paul Davies, Cabinet Member - Corporate <i>Sarah Hill, Finance Manager</i> <i>sarahm.hill@kirklees.gov.uk</i>

Subject / Decision	Decision Maker	Decision Due Date	Consultation	Likely Exemption	Background documents	Member / Officer Contact
Calculation of council tax base 2023-24 To calculate the various tax bases that will apply to the Kirklees area for 2022-23.	Cabinet Council	17 Jan 2023 Not before 17th Jan 2023		Open		Councillor Paul Davies, Cabinet Member - Corporate <i>Mark Stanley</i> <i>mark.stanley@kirklees.gov.uk</i>
Kirklees school funding arrangements for financial year 2023-24 To consider the Kirklees schools funding formula for 2022-23 to be submitted to the Education & Skills Funding Agency.	Cabinet	17 Jan 2023		Open		Councillor Paul Davies, Cabinet Member - Corporate <i>David Baxter</i> <i>david.baxter@kirklees.gov.uk</i>
Council Annual Budget Report 2023-24 and following years; incorporating Capital, Treasury Management, General Fund, Revenue and Housing Revenue Account To provide the necessary financial information to enable the Council's Revenue Budget, Capital Programme & Housing Revenue Account to be set in accordance with agreed treasury management principles.	Cabinet Council	Not before 1st Feb 2023 Not before 1st Feb 2023		Open		Councillor Paul Davies, Cabinet Member - Corporate <i>James Anderson, Head of Accountancy</i> <i>james.anderson@kirklees.gov.uk</i> , <i>Sarah Hill, Finance Manager</i> <i>sarahm.hill@kirklees.gov.uk</i>

CORPORATE SCRUTINY PANEL – WORK PROGRAMME 2022/23

PANEL MEMBERS:

Councillor John Taylor	Lead Member
Councillor Steve Hall	Panel Member
Councillor Tyler Hawkins	Panel Member
Councillor Harry McCarthy	Panel Member
Councillor Aleks Lukic	Panel Member
Councillor John Lawson	Panel Member
Garry Kitchen	Voluntary Co-Optee
Kristina Parkes	Voluntary Co-Optee
James Ryan	Voluntary Co-Optee

GOVERNANCE OFFICER: Jenny Bryce-Chan

FULL PANEL DISCUSSION				
ISSUE	APPROACH/AREAS OF FOCUS	OUTCOME/ACTIONS	Strategic Director/Service Director and Lead Officers	Date to Panel
The People Strategy	<p>There are 4 outcomes in the People Strategy:</p> <ul style="list-style-type: none"> - Healthy and well people; - Effective and compassionate leadership; - Skilled, flexible and engaged people; - Inclusive organisation of choice. <p>Each outcome is supported by a number of projects within the overall programme of work.</p>	<ul style="list-style-type: none"> • Update on projects within the People Strategy programme of work and the impact that these are having on the 4 People Strategy outcomes 	<p>Rachel Spencer-Henshall, Strategic Director for Corporate Strategy, Commissioning and Public Health</p> <p>Deborah Lucas, Head of People Service</p>	<p>15th August 2022</p> <p>Recruitment & Retention</p>

Social Value Strategy	Draft Social Value Policy seeks to apply social value as widely as possible to maximise the impact	<ul style="list-style-type: none"> Corporate Panel to be engaged in the draft Social Value Policy Corporate Panel to be updated and assured that the Council's approach to social value is supportive of outcomes and deliverables in the Council Plan 	Rachel Spencer-Henshall , Strategic Director for Corporate Strategy, Commissioning and Public Health and David Shepherd , Strategic Director Growth and Regeneration Julie Muscroft , Service Director for Legal, Governance and Commissioning	15th August 2022
Portfolio holder priorities	<ul style="list-style-type: none"> Effective financial management Developing an inclusive procurement strategy Developing the relationship between the council and citizens Community assets transfer and how the council works with communities IT Strategy/Digital Inclusion Communications Cost of Living	<ul style="list-style-type: none"> 	Cllr Paul Davies , Portfolio Holder for Corporate	15th August 2022 Update from Cabinet Member on priorities from the Corporate Plan action plan Update on Corporate Plan priorities provided by the Cabinet Member on the 3 rd October 2022
Emerging Issue – Customer Service Capacity	Update on issues that have emerged at Customer Service Centres	<ul style="list-style-type: none"> Discussion on root causes and action plan to address concerns. 	Richard Parry – Strategic Director for Adults and Health Dave Thompson – Head of Access Strategy and Delivery	15th August 2022
Financial Management/Capital Plan	Periodic updates of the council's overall financial position both in year and forward plans (revenue and capital)	<ul style="list-style-type: none"> Work with political and officer leadership, budget managers and key partners to ensure delivery of Council outcomes within approved budgets. 	Rachel Spencer-Henshall , Strategic Director for Corporate Strategy, Commissioning and Public Health Eamonn Croston , Service Director - Finance	3rd October 2022 Medium Term Financial Plan

	Informed by relevant national, regional, and local context			
Responding to Cost-of-Living Crisis	Periodic reporting on the impact on residents and businesses	<ul style="list-style-type: none"> • Support to residents and Businesses • VCSE Investment Strategy 	Rachel Spencer-Henshall , Strategic Director for Corporate Strategy, Commissioning and Public Health Eamonn Croston , Service Director - Finance	3rd October 2022
Council Risk Register	Oversight of the Risk Management process Update on improvements being sought/achieved Discussion of specific risk areas	Awareness of <ul style="list-style-type: none"> • risks faced by organisation • appetite and alternatives 	Rachel Spencer-Henshall , Strategic Director for Corporate Strategy, Commissioning and Public Health Julie Muscroft , Service Director for Legal, Governance and commissioning Martin Dearnley , Head of Risk, Financial, IT and Transactional Services	3rd October 2022
Procurement Strategy	Draft Procurement Strategy for 2022-2026 developed focussing on 5 strategic themes; <ul style="list-style-type: none"> • Delivering social value • Promoting inclusive procurement • Embedding a category led approach to procurement • Striving for innovation and improvement Adopting good governance throughout the procurement lifecycle	<ul style="list-style-type: none"> • Corporate Panel to be engaged in the draft Procurement Strategy • Corporate Panel to be updated and assured that the Council's approach to procurement is supportive of outcomes and deliverables in the Council Plan 	Rachel Spencer-Henshall , Strategic Director for Corporate Strategy, Commissioning and Public Health and Julie Muscroft , Service Director for Legal, Governance and Commissioning Jonathan Nunn , Policy & Partnership Team Manager Jane Lockwood , Head of Procurement & Commissioning Support	3rd October 2022

Asset Management	<ul style="list-style-type: none"> Community asset transfer (shaped by people) <p>Place based working – one component of which is community bases</p>	<ul style="list-style-type: none"> Continually monitor outcomes from the Community Asset Transfer (CAT) programme and review council processes and procedures in line with the updated 2020 CAT Policy to ensure that communities and community need is at the forefront of asset transfers Look at relationship between community bases and best utilisation of assets 	David Shepherd , Strategic Director, Growth and Regeneration Joanne Bartholomew , Service Director, Development	28th November 2022
Access to Services and Customer Services	<p>Developing the proposition for Place Based Working for Access to Services including customer journey mapping</p> <p>Replacement telephony project.</p>	Implementing the Access Strategy, ensuring citizens are placed centrally in our approach and improving the relationship between the council and citizens	Richard Parry , Strategic Director for Adults and Health Jill Greenfield , Service Director for Customer and Communities	28th November 2022
Libraries	<p>Improving general condition of key locations is underway with our 4 priority libraries identified.</p> <p>We have produced our dementia action plan and are working on improving our locations for those with autism and the visually impaired.</p> <p>Planning the decant of Huddersfield Library's services to an alternative</p>	<p>Tracking progress of all the capital related programs of work and linked improvements to create more accessible, welcoming libraries that provide a more diverse offer to communities and partners.</p> <ul style="list-style-type: none"> Seeing through the creation of an innovative, fit for purpose, relevant library that delivers high a quality, accessible cultural, social 	Richard Parry , Strategic Director for Adults and Health Jill Greenfield , Service Director for Customer and Communities	28th November 2022

	location(s) whilst the Cultural Heart program is delivered.	offer that encourages and supports wider town centre activity and regeneration.		
Financial Management/Capital Plan	<p>Periodic updates of the council's overall financial position both in year and forward plans (revenue and capital)</p> <ul style="list-style-type: none"> Informed by relevant national, regional, and local context 	Work with political and officer leadership, budget managers and key partners to ensure delivery of Council outcomes within approved budgets.	Rachel Spencer-Henshall , Strategic Director for Corporate Strategy, Commissioning and Public Health Eamonn Croston , Service Director - Finance	28th Nov 2022 Autumn Government Budget Statement & In-year financial challenges
Council Risk Register	<p>Oversight of the Risk Management process Update on improvements being sought/achieved Discussion of specific risk areas</p>	<p>Awareness of</p> <ul style="list-style-type: none"> risks faced by organisation appetite and alternatives 	Rachel Spencer-Henshall , Strategic Director for Corporate Strategy, Commissioning and Public Health Julie Muscroft , Service Director for Legal, Governance and commissioning Martin Dearnley , Head of Risk, Financial, IT and Transactional Services	16th Jan 2023
Financial Management/Capital Plan	<p>Periodic updates of the council's overall financial position both in year and forward plans (revenue and capital)</p> <ul style="list-style-type: none"> Informed by relevant national, regional, and local context 	Work with political and officer leadership, budget managers and key partners to ensure delivery of Council outcomes within approved budgets.	Rachel Spencer-Henshall , Strategic Director for Corporate Strategy, Commissioning and Public Health Eamonn Croston , Service Director - Finance	16th Jan 2023 Financial update with a focus on the budget
Data & Insight			Andy Simcox , Service Director, Strategy, and Innovation Mike Henry , Head of Intelligence and Performance	16th Jan 2023 Informal discussion
The People Strategy	<p>There are 4 outcomes in the People Strategy:</p> <ul style="list-style-type: none"> Healthy and well people; 	Update on projects within the People Strategy programme of work and the impact that	Rachel Spencer-Henshall , Strategic Director for Corporate Strategy, Commissioning and Public Health Shauna Coyle , Head of People Service	15 August 2022 - Discussion on the recruitment & retention

	<ul style="list-style-type: none"> - Effective and compassionate leadership; - Skilled, flexible and engaged people; - Inclusive organisation of choice. <p>Each outcome is supported by a number of projects within the overall programme of work. We could consider 1 or 2 outcomes at Corporate Scrutiny Panel and provide an update on progress in these areas and the impact that projects are having.</p>	these are having on the 4 People Strategy outcomes		<p>challenges faced by the council</p> <p>6th March 2023 HR Place Based Working</p>
Technology Strategy	<ul style="list-style-type: none"> • The Technology Strategy implementation programme since 2020, brought to life through the pandemic and recovery • What have we learned and adjusted in focus since 2020? • Priorities in technology delivery (operational and strategic) for 2022/23 and early thoughts on 23/24 and beyond <p>Digital Inclusion: Understanding of the challenges; use / development of sustainable solutions to address need.</p>	<ul style="list-style-type: none"> • Corporate Panel to be updated and assured that the Council's approach to technology is supportive of outcomes and deliverables in the Council Plan <p>Panel to provide thoughts/steer on our approach and opportunities for development and future engagement</p>	<p>Rachel Spencer-Henshall, Strategic Director for Corporate Strategy, Commissioning and Public Health</p> <p>Andy Simcox, Service Director, Strategy and Innovation</p>	6th March 2023

	<ul style="list-style-type: none"> • Cyber Security (Informal discussion) 			
Comms Strategy	<ul style="list-style-type: none"> • Communications Strategy in development for agreement and implementation in 2022 – approach, principles. • Increased reach and engagement in the council's work with citizens and communities (second half of 2022/23) 	<ul style="list-style-type: none"> • Corporate Panel to be engaged in the development of the Communications Strategy • Corporate Panel to be updated and assured that the Council's approach to communications is supportive of outcomes and deliverables in the Council Plan • Demonstrable evidence of increased reach and engagement with citizens and communities 	Rachel Spencer-Henshall , Strategic Director for Corporate Strategy, Commissioning and Public Health Andy Simcox , Service Director, Strategy and Innovation Marcus Bowell – Head of Strategic Communication	Informal discussion with the Panel on the 3 rd October 2022 6th March 2023

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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