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KIRKLEES COUNCIL

CORPORATE SCRUTINY PANEL

Friday 28th February 2020

Present: Councillor Andrew Cooper (Chair)
Councillor Mahmood Akhtar
Councillor James Homewood
Councillor John Lawson
Councillor Will Simpson
Councillor John Taylor

Apologies: Philip Chaloner (Co-optee)

1 Membership of the Committee

Apologies were received from Philip Chaloner, Co-opted Member and Councillor Graham Turner, Cabinet Member for Corporate Portfolio.

2 Minutes of the Previous Meeting

Councillor Lawson suggested that issues arising from the Council's Risk Register should be a standing item on the Panel's agenda.

RESOLVED -

That the minutes of the meeting held on 10th January 2020 be signed as a correct record.

3 Interests

No interests were declared.

4 Admission of the Public

All items were considered in public session.

5 Deputations/Petitions

No deputations or petitions were received.

6 Public Question Time

No questions were received.

7 People Strategy Update - Attraction

Deborah Lucas, the Head of People Services presented a report which provided the Panel with an update on activities associated with the People Strategy, with particular reference to the 'attraction' workstream.

She also invited feedback from Members in advance of the planned refresh of the strategy over the coming months.

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Deborah set out a number of key achievements from the last 12 months including:

- The development of community outreach programmes to encourage people, particularly from some of the most disadvantaged groups and communities, to apply for jobs with Kirklees and to assist them to do so by signposting to support for the development of the necessary skills and helping with the completion of application forms. This initiative had resulted in an increase in applications for apprenticeships from female applicants and those over the age of 30. There had also been an increase in job applications from people with disabilities and from black and minority ethnic applicants.
- Kirklees being shortlisted for a Local Government Chronicle diversity award.
- The High Five employee recognition scheme. This had proved to be hugely successful, with excellent feedback being received from the workforce. The first Staff Awards event had taken place in October 2019.
- A pilot 'Saturday Job' scheme for care leavers, which currently involved seven young people working in various roles; the success of the pilot would be evaluated in due course but the early feedback had been very positive.
- The ongoing modernisation of the recruitment process, including the introduction of a new digital platform and development of the induction process to include engagement with new employees at an early stage.

In terms of the refresh of the strategy, she explained that engagement with stakeholders would be undertaken over the next few months. One of the key challenges for the future would be workforce planning and the impact of automation on jobs. There would also be a need for creative thinking in respect of meeting the expectations of the workforce whilst ensuring the strategy aligned with the Council's other strategies such as climate change.

Members welcomed the comprehensive report and made the following comments:

- The recognition of the multi-generational nature of the workforce and the different issues affecting each sector was appreciated.
- There should be explicit reference to those staff who also had caring responsibilities. Real life examples should be provided to illustrate how the Council could put support into practice so that it was clear to these employees that they were valued and that the challenges they faced were recognised.
- The poorest outcomes nationally were for white working-class males and it was questioned whether data was collected on this group and what support was being provided.
- The 'High Five' scheme and awards event were excellent initiatives.
- The culture of the Council needed to encourage and reward those who adopted a wider, holistic approach to their role and demonstrated a pride in the district through their behaviours.
- The introduction of a new digital recruitment platform was a positive development.
- Outcomes could be captured in the form of individual's stories and experiences, as well as raw data, as this could better illustrate the impact of initiatives.
- The wellbeing of employees, including their status and how they were treated by an organisation, was very important element in terms of attraction and retention and this issue needed to be given equivalent weight to salary and benefits packages when considering the offer to employees.

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- Effective induction was also important; it was suggested that senior members of staff who were new to the Council should engage with the political groups at an early stage.

Deborah, along with Michelle Moss and Adele Humble, Human Resources Managers, answered questions as follows:

- Individuals who would benefit from improved employability skills were signposted to the 'Works Better' project which could provide a number of different options to meet individuals' needs, such as CV writing and interview techniques, and could assess and help with the improvement of functional skills. Progress and outcomes for individuals were tracked.
- Credit Unions for staff had been launched just before Christmas with two options available; face to face or digital. There had been a slightly greater uptake of the digital option to date and, although there had been a slow start, numbers were increasing on a daily basis.
- Succession planning and the continued development of existing employees was a priority and data was being collected to support the progression of this work.
- The anecdotal evidence indicated that the facility for two days paid leave to allow staff to volunteer had been very successful. It was believed that the numbers that had taken this opportunity were greater than the recorded data suggested. This scheme was being promoted at every available opportunity and could enable staff to use their existing skills to provide very valuable support to organisations such as charities.

Further comments were made:

- The level of useage of QR codes should be monitored.
- The existing employee platform provided a number of valuable benefits, this needed to be promoted on ongoing basis.
- Exit interviews were any important mechanism for understanding the reasons for employees choosing to leave and what could be done to retain people.
- There was a need to ensure that the organisation attracted people who would assist in progressing the climate change agenda and the policy background of the authority would play an important part in doing so.

In response to a further question, Deborah explained that a small cohort of officers were undertaking a collaborative research project, as part of a leadership and management development programme, which would focus on the reasons for staff leaving Kirklees, including those employed in schools. Personal exit interviews were being conducted to allow analysis of the issues in detail and a report was due to be produced by Autumn 2020.

RESOLVED –

(1) That Deborah Lucas, Adele Humble and Michelle Moss be thanked for presenting the comprehensive update on the People Strategy to the Panel.

(2) That the positive work being undertaken in respect of attraction and retention including; the staff recognition scheme, wellbeing support for existing staff, the ongoing improvements to recruitment processes and schemes to improve diversity be welcomed and supported.

(3) That it be recommended that:

- consideration be given to using 'real-life' stories to illustrate data.
- the strategy make reference to those staff who are also carers and the support available to them.
- the induction process for the most senior employees, should include introductory engagement with the political groups.
- the volunteering opportunity for staff and the employee benefit platform should continue to be well promoted.

(4) That a further report be submitted to the Panel in Autumn 2020 on the refreshed People Strategy and that this include the recommendations forthcoming from the current study of the reasons for people leaving the authority.

8 EU Transition Kirklees Preparations - Update

Kate McNicholas, Head of Policy, Partnerships and Corporate Planning provided an update for the Panel in relation to Kirklees' preparations during the EU withdrawal transition period, further to the last meeting on 10th January 2020. The report focussed on the ongoing work in respect of specific issues relating to economic impact and the provision of European Union Settlement Scheme (EUSS) application support to vulnerable groups.

The following points were highlighted:

- As at January 2020, the UK had signed continuity deals with twenty of the thirty-seven non-EU countries with block trade free trade agreements in place. Those thirty-seven countries corresponded to 11% of UK exports.
- Kirklees officers continued to work closely with the local Federation of Small Businesses and the Chamber of Commerce to support businesses as they considered the potential opportunities for exports and changes to the associated technical details and conditions. Businesses were being kept informed of changes as they happened.
- The next stage of this work was to match analysis of Kirklees level export destinations with the current position on free trade agreements. This would be reported back to the Panel along with information on local business confidence levels, assessed using the results of the latest Leeds City Region business survey, and an examination of the implications of transition for particular sectors such as social care.
- The EUSS had been publicised through a number of different routes, with the information being tailored to reach different groups. Data on those individuals that had been through the process was being analysed to inform and target communication going forward. Access to IT equipment, for those that needed it, was available through libraries and customer service centres. Kirklees was aiming to increase the level of support for vulnerable people.
- The Council had identified five looked after children who were EU citizens and they were being supported with their applications for settled status. Information on the scheme had also been provided for care leavers who were EU nationals.

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In response to questions from Panel members, Kate and Deborah Lucas, the Head of People Services, explained that:

- No difficulties had been reported in respect of the five looked after children achieving settled status but an update could be provided to Members after the meeting.
- The EUSS had been well promoted internally, including with schools, to ensure Council staff awareness and to offer support. No particular issues of concern had been flagged by managers. Detailed consideration had been given to the potential implications in respect of the Council's workforce, with a key area being social care. In terms of providers of social care services, the feedback had suggested that many staff did not wish to seek settled status. This was recognised as something that would impact on the workforce in the future and was a national as well as a local issue.
- This report had focussed on the issues identified by the Panel on 10th January 2020. A broader report on the overall position, including matters such as business continuity and areas of opportunity and risk, including those issues that extended beyond the Council's remit could be brought to a future meeting.

RESOLVED –

(1) That an update be provided to members of the Panel, further to the meeting, in respect of the progress of the applications for settled status by the five looked after children who are also EU citizens.

(2) That a report be presented to a future meeting of the Panel to provide:

- an update on the analysis of the Kirklees level export destinations with the current position on free trade agreements;
- an assessment of local business confidence;
- an evaluation of the implications for social care;
- an update on the wider economic and social impacts of transition including those issues that extend beyond the Council's remit.

9 Financial Management Update

Eamonn Croston, the Service Director – Finance, provided a high-level overview of the Council's current financial monitoring position for 2019/20, the year-end forecast and Medium Term Financial Plan 2020/23, which included an update on national and local intelligence and financial sustainability.

The following issues were highlighted:

- The Quarter 3 monitoring indicated that a balanced budget position should be reached by year-end.
- The Housing Revenue Account (HRA) was still showing a small surplus.
- Revenue reserves were in a healthy position.
- A slight surplus at year-end was also anticipated for the Collection Fund.
- There was now more flexibility to adjust capital spend between years and £20 million had been re-profiled from the originally approved figure for 2019/20. Just under £80 million capital spend had been achieved this year and it was anticipated that this figure would increase in future years.

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- The 2019/20 year-end report would be submitted to Cabinet and Council in July and would also consider any opportunity for revenue roll-over, if the overall outturn position showed a net underspend; although it was likely that this would be minimal.
- The Local Government Financial Settlement for 2020-21 had been debated in Parliament on 24th February; there had been no changes that would affect Council's agreed budget plans.
- Details of further business rates relief for 2020/21 had been released, with compensatory grant provided from Government meaning that there would be a net-neutral budget impact.
- The implementation of the revised treatment for carrying forward Dedicated Schools Grant (DSG) deficits had been reflected in the Council's annual budget papers. Specific exemption would now be required from the Secretary of State to use General Fund reserves to cover the deficit.
- There were significant pressures on the high needs block element of DSG, for 2019/20 this equated to a forecast overspend of £11.2 million. Approximately £6 million of additional funding had been allocated by the Government for 2020/21 but the £5-£6 million in-year structural deficit remained. The Council was working on potential measures to mitigate the medium-term growth pressures, alongside key educational partners.
- A national debate was taking place, with HM Treasury and the Department for Education, in relation to what part of the Year 2 and 3 allocations would support high needs funding.
- A new Demand Reserve had been set up to try and ensure that sufficient resource was set aside to cover any deficits rolled forward, further to discussion with the Government.
- A budget announcement was due on 11th March 2020; it was anticipated that this would have significant resourcing implications including regional devolution deals and infrastructure investment.
- A local review of the financial planning framework was underway which aimed to provide better alignment to the ambitions of the Corporate Plan. Re-profiling of the capital plan was currently being considered and a report was due to be submitted to next meeting of the Panel. The proposal was to move from 3-year to 5-year revenue plan and a 10-year capital plan.

Members commented that:

- The proposed changes to the revenue framework, the capital re-profiling work and the move towards 5 and 10 year plans were welcomed.
- Thanks were expressed to the officers who were doing an excellent job in respect of council tax and business rates collection.
- The public realm funding had been an excellent way for ward councillors to address local priorities.

In response to Members' questions and further comments Eamonn explained that:

- Discussion was ongoing in respect of the potential impact of the emerging situation associated with coronavirus and there was a recognition that this could escalate quickly. A proportionate approach was being adopted at this point and action taken in line with national guidance and advice. There had been an

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unprecedented impact on the financial markets but, at this stage, the long term local and global economic and financial impacts were unknown.

- In terms of the revenue cost implications associated with the reduction in capital spend in the current year; this was complex but slippage around borrowing was already factored-in and there was also a time lag so there would only be a marginal revenue underspend this year as a result. The impact in terms of the Treasury Management Budget would fall more within 2020/21.
- HRA was considered in the context of a 30-year plan and there were a number of factors taken into consideration in deciding on the uplift to annual rents; the rationale for the increase for 2020/21 was ensuring the overall affordability of the plan over the 30 year period. In the preceding 4 years 1% rent reductions had been passed on to residents. The Government's policy was clear about allowing for CPI (Consumer Price index) + 1% for the next 4 to 5 years to enable more flexibility for Councils and Housing Associations to increase their income stream to build reserves to facilitate additional investment into compliance with health and safety and fire safety requirements, housing regulations and implementation of the rent standard.

Deborah Lucas said that the approach in respect of coronavirus was being led by emergency planning and advice was being disseminated to the workforce and schools as it came through. Each service had a business continuity plan and these were under review to ensure that they were robust.

Eamonn also led an interactive session in respect of Cipfa's Resilience Index which measured a number of indicators of financial stress for local authorities, provided trend analysis and allowed comparison with other similar authorities.

RESOLVED –

(1) That the Panel give consideration to reviewing the public realm funding, which had provided ward councillors with the means to address local priorities, to include how the process had operated, the results achieved, and the potential for future budget provision.

(2) That Eamonn Croston be thanked for the report and that he be requested to report back to the Panel if he considers that there is anything to be learned from the rationale and practices of those authorities identified in the resilience index as having the highest or lowest levels of reserves.

10 Work Programme 2019/20

The Panel reviewed its Work Programme for 2019/20.

Members were requested to contact the Principal Governance and Democratic Engagement Officer to identify the issues that they considered should continue to be included on the work programme for 2020/21 and to highlight any new matters for consideration for scrutiny during the forthcoming new municipal year.

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RESOLVED –

That the following matters be considered for inclusion in the Panel's Work Programme:

- (i) The Council's Risk Register and regular updates on matters arising from the register.
- (ii) Review of public realm funding.