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KIRKLEES COUNCIL

CORPORATE SCRUTINY PANEL

Thursday 6th August 2020

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

Co-optees: Philip Chaloner

In attendance: Councillor Graham Turner, Portfolio Holder – Corporate
Marcus Bowell, Strategic Planning 2030 Lead
Eamonn Croston, Service Director, Finance &
Accountancy

Observers: Joseph James, Student Observer

1 Membership of the Committee

All Panel members were present.

2 Minutes of the Previous Meeting

That the minutes of the meeting held on the 28 February 2020 be approved as a correct record.

3 Interests

No interests were declared.

4 Admission of the Public

All agenda were considered in public session.

5 Deputations/Petitions

No deputations or petitions were received.

6 Questions by members of the public (Written Questions)

No written questions were received.

7 Update on Cabinet Portfolio Holder Priorities

Councillor Graham Turner Cabinet Member with responsibility for the Corporate portfolio, provided the Panel with an update on his current priorities in light of the Covid-19 pandemic.

Corporate Scrutiny Panel - 6 August 2020

Cllr Turner advised that the main priority for this forthcoming year will be to address the council's finance as Covid-19 has put a drain on the finances. While Kirklees is by no means the worst authority because of the prudent way in which it has managed its finances over the last few years, it is still possible that the council could run out of money before the end of the year. The government will be asked for more money to support the council.

Councillor Turner explained that there are still many unknowns, for example, it is not possible to determine how long this will continue or when a vaccine will be available. It is not clear what the local level of unemployment will be and how this will impact on the council tax discount scheme. It is also unclear how Kirklees Active Leisure (KAL), Kirklees Neighbourhood Housing (KNH) and other partner organisations will be impacted. The real challenge will be the next financial year and the budget and therefore a lot of work is being undertaken on this.

Councillor Turner further advised that his priorities include:

- Looking at the Capital Plan and what can be delivered under the current circumstances. An important aspect will be reinvigorating and rebuilding the local economy
- Looking at how to get public buildings back open safely, for example libraries and making sure the public and staff are safe
- Still working very closely with and redefining the relationship with KAL to help them get through this situation
- Delivering the libraries capital plan this year, or a significant part of it. There is planning permission for a new library in Birkby which is currently out to tender
- Developing a new Asset Transfer Policy which will shortly be going to Cabinet
- Looking at developing a white goods recycling scheme, with the aim of having it in place by the end of the financial year. This scheme will be important for people on reduced income or who have lost their job

The Panel asked several questions including:

- Whether the Asset Transfer Policy would be coming through Scrutiny
- Whether there would be ward based discussion on the reopening of public buildings
- Clarification on whether the council will run out of money by the end of the year
- The long-term future of office accommodation

RESOLVED

That Councillor Turner be thanked for providing an update on his portfolio priorities

8 **Communications Strategy**

Marcus Bowell, Strategic Planning 2030 Lead, provided the Panel with an update on the development of the Communication Strategy. The Panel was informed that the peer review identified strategic communication as a priority, and the presentation at the Scrutiny Panel meeting provides an opportunity to engage in the early developmental stage. Mr Bowell explained that one aspect of developing the strategy will be to look beyond local government and to look at theory and practice outside of the sector.

The Panel was presented with an outline of the strategy as follows:

Objectives

Reach - the more people that are informed about what the council is doing the higher their opinion is of the organisation. Therefore, it is important that all the planning and activity reaches the largest possible audience

Engagement – The best communication is conversational and producing content that connects with people, that engages with them and knowing your audience is a key part of this

Evaluation – there needs to be robust mechanisms in place to assess what is working well, what is not working well and looking at continuous improvements

Storytelling – important to tell a story about values, outcomes and human experience

Mr Bowell explained that these are the four objectives that a new communications strategy will revolve around, and each time communication is undertaken it should pass through those four objectives.

The Panel was informed that with each of objectives there are barriers for example on 'Reach', it will be important to look at the channels being used to get messages out and to think creatively about other ways to increase the number of people who receives the messages. On engagement, it is also important to take a harder look at the audiences in Kirklees and work better with services and partners who are in the community to find out what really interests and engages people, to develop a more conversational style that is shown to be more effective.

The Panel asked if as part of the engagement, councillors would be included as they have a great deal of rich intelligence about their local area and understand what works well and what does not. The Panel also discussed whether having a comms lead for each area would be helpful.

RESOLVED

That Marcus Bowell be thanked for providing an update on the development of the Communications Strategy.

Corporate Scrutiny Panel - 6 August 2020

9 Council Financial Management Update

Eamonn Croston, Service Director for Finance provided the Panel with an update on the Councils Financial Management. The Panel was informed that the information being presented was a mix of looking backwards, the present and looking further ahead; and since the last update given in February 2020, things had moved on.

The 2019/20 financial outturn and rollover report was considered at Cabinet on 28 July 2020 and will be presented to full Council on 2 September. Key highlights from the 2019/20 financial outturn report include:

- General fund revenue outturn spend 'break-even' (rounded) against a net revenue budget of £287.1m;
- Actual delivery of £6.5m savings in-0year against planned target of £7.7m (84%);
- COVID-19 related cost pressures identified through March at just over £1m; offset by equivalent use of Government un-ringfenced funding applied at year end;
- No revenue rollover proposals as no overall underspend;
- General Fund reserves at year end (31 March 2020) at £113.4m (£112.5m at 31 March 2019);

The Panel was informed that the second part of the report considers the emerging in-year position with a focus on high needs and Covid-19 impact on council finances. In terms of the impact of Covid there are three board areas:

- Additional spend that councils have incurred while supporting the national effort
- Irrecoverable service income loss, through social distancing and closing down the local economy
- Council tax and business rates income loss

The cumulative forecast, financial impact of COVID-19 was estimated to be in the range £34m to £65m additional cost pressure depending on how quickly social distancing measures ease and the economy reopens. Since April, all council have been required to submit monthly returns to government giving a total cost pressure on council bottom lines as a result of COVID impact. The government is using this intelligence to review and update its funding allocations to councils.

Mr Croston explained that the third part of the report looks further ahead in terms of the emerging medium- term financial strategy and the issues that will need to be considered in positioning the budget strategy update report. The financial planning framework underpinning the forthcoming budget strategy update report which will be presented to Cabinet/Council on 20/21 October 2021 will take into account some of the following in setting out updated spending plans:

Corporate Scrutiny Panel - 6 August 2020

- Updated Corporate Plan, Strategies and Priorities
- Current year 2020-21 performance
- COVID-19 impact on current year and future years resourcing and spend forecasts
- Demographic and other key service pressures over the medium term
- Government Comprehensive Review 2020 (CSR 2020)
- Key assumptions relating to inflation, borrowing costs, pay award, national living wage impacts, minimum revenue provision flexibility
- Review of existing planned savings over the 2020-23 period

The Panel was informed that the Government announced on 21st July 2020 that the forthcoming CSR 2020 in Autumn (assumed to be anytime from late October onwards) will cover a 3-year period for revenue and 4 years for capital. In addition, the Government has also announced a call for evidence for a fundamental review of the business rates system in England.

RESOLVED

That Eamonn Croston be thanked for providing an update on Council Finance Management

10 Work Programme 2020-21

That the Work Programme and forthcoming agenda items be noted.

11 Date of next meeting

That the date of the next meeting be noted.