

Name of meeting: Cabinet

Date: 16 November 2021

Title of report: Corporate Financial Monitoring Report, Quarter 2, 2021/22

Purpose of the Report

To receive information on financial monitoring for General Fund Revenue, Housing Revenue Account (HRA) and Capital Plan, as at Quarter 2 (month 6), 2021/22.

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 Scrutiny?	Yes
Date signed off by Strategic Director & name	Rachel Spencer Henshall – 08/11/21
Is it also signed off by the Service Director for Finance?	Eamonn Croston – 08/11/21
Is it also signed off by the Service Director – Legal, Governance & Commissioning?	Julie Muscroft – 08/11/21
Cabinet member portfolio - Corporate	Give name of Portfolio Holders Cllr Paul Davies

Electoral wards affected: All
Councillors Consulted: None

Public or private: Public

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

1. Summary

1.1 General Fund

- 1.1.1 The Council's revised General Fund controllable (net) revenue budget for 2021/22 is £320.9m. The budget includes planned (net) revenue savings in-year of £1.8m.
- 1.1.2 The revised budget is net of a number of planned transfers from reserves during the year, with the most significant being £0.9m from the Strategic Investment reserve, £0.6m from Revenue Grants reserve, £0.5m from the Rollover reserve, £0.3m from the Ward Based Activity reserve and £0.2m from the Place Partnership Fund for Mental Health and Domestic Abuse.
- 1.1.3 There is a forecast overspend of £1.2m against the £320.9m revised budget at Quarter 2; equivalent to 0.4%.
- 1.1.4 There has been a net reduction of £0.4m in the forecast overspend position since Quarter 1.
- 1.1.5 The forecast revenue outturn as at Quarter 2 is summarised at Appendix 1 and in Table 1 below. Headline variances, including COVID impacts, are described in more detail in sections 1.3 to 1.8 of this report.

Table 1 - Overview of 2021/22 forecast revenue outturn position at Quarter 2

	Revised Budget	Outturn	Variance
	£000	£000	£000
Children & Families	76,797	80,562	3,765
Adults & Health	114,758	115,467	709
Environment & Climate Change	36,393	42,204	5,811
Growth & Regeneration	13,521	13,732	211
Corporate Services	36,846	40,704	3,858
Central Budgets	42,580	38,116	(4,464)
General Fund Sub Total	320,895	330,785	9,890
COVID Funding Offset	-	(8,731)	(8,731)
Revised General Fund Total	320,895	322,054	1,159

1.2 COVID

- 1.2.1 Full year forecasts as at Quarter 2 include £26.5m additional COVID related spend. This is an increase of £5.1m from Quarter 1 estimates. There are also projected service income losses of £5.8m; compared to £5.6m at Quarter 1. The COVID impacts are shown in more detail at Appendix 2a and summarised in Table 2 below.

Table 2 - Overview of 2021/22 Forecast COVID Pressures at Quarter 2

	COVID spend	COVID Income Loss	Total COVID Pressures
	£000	£000	£000
Children & Families	2,981	309	3,290
Adults & Health	8,851	230	9,081
Environment & Climate Change	1,411	4,209	5,620
Growth & Regeneration	1,610	913	2,523
Corporate Services	11,612	149	11,761
Central Budgets	48	0	48
General Fund Total	26,513	5,810	32,323

- 1.2.2 Of the forecast £26.5m COVID related additional spend at Quarter 2, £19.1m will be funded through a combination of specific COVID grant funding from Government in 2021/22, allocated to councils to cover particular aspects of the response to the pandemic, including specific COVID related grant funding received in 2020/21, rolled forward into 2021/22 through reserves. As such, this does not affect the overall Directorate variances. The balance of £7.4m COVID spend is not funded by specific COVID grant funding and is offset by the drawdown of the COVID Response reserve, as illustrated at Appendix 2b. This compares to a projected drawdown of £6.2m at Quarter 1.
- 1.2.3 As confirmed in the Financial Settlement in February 2021, the Sales, Fees and Charges (SFC) income compensation scheme continued to apply for the first 3 months of 2021/22; April to June. The principles remain the same as in 2020/21, whereby Councils absorb losses up to 5% of planned sales, fees and charges against baseline, with Government providing compensation of 75p in every pound thereafter. Officers have submitted a claim, based on the outlined criteria, for £1.3m compensation for Quarter 1 income losses. This is factored into the overall Quarter 2 position.
- 1.2.4 An additional base budget provision of £5m was included in the approved 2021/22 budget to reflect the likelihood of continued income loss from sales, fees and charges and commercial rents as a result of COVID, over the medium term. This budget reduces by £1m per annum over the duration of the MTFP, in anticipation of the medium-term recovery of the local economy. The £5m base budget adjustment reflects the estimated net position for 2021/22 after the application of any SFC income compensation due to the Council for the first three months of the new financial year.
- 1.2.5 At Quarter 2, £4.5m of the base budget provision has been released to offset the balance of projected income losses unfunded by the income compensation scheme. This is illustrated as an underspend within Central Budgets at Appendix 1 and at Table 1 above.
- 1.2.6 Government recently launched a £500m fund for councils to support poorer families through the winter amid the energy supply crisis and the withdrawal of other forms of financial assistance; Kirklees allocation £3.7m. This new Hardship Support Fund is intended to support millions nationally, via small grants for food, clothing and utilities, with money being disbursed by local authorities.

- 1.2.7 Various other funding announcements have been made by Government for 2021/22, covering specific aspects of the continued national response to the pandemic. This includes funding for Adult Social Care through an extension of both the Infection Control Fund and the Rapid Testing Fund; Kirklees' total allocation £4.2m, and further funding through the Contain Outbreak Management Fund (COMF); Kirklees' allocation £3.2m. In addition, at Quarter 2, a further £3.1m income is estimated to be received through Clinical Commissioning Group funding, targeted to cover COVID associated costs related to aspects such as hospital discharge and follow-on care.
- 1.2.8 A further extension of the Infection Control and Testing Fund (Round 3) was announced by Government on 30 September 2021. The fund now extends to the end of March 2022, with an extra £388m of funding nationally to support the care sector to put in place crucial measures over the winter period. Kirklees' allocation of the Round 3 funding is £2.9m.
- 1.2.9 The ongoing financial impact of the pandemic continues to be monitored sector wide on a monthly basis through 2021/22 by DLUHC, the successor Department to MHCLG, as it was through 2020/21. This Council, working with the Local Government Association (LGA), Special Interest Group of Metropolitan Authorities (SIGOMA) and other sectoral and stakeholder lobbying, will continue to work with Government to ensure Kirklees is appropriately compensated for COVID related impacts not just through in 2021/22, but also over the medium term.

1.3 Children & Families

Learning – High Needs

- 1.3.1 At Quarter 2, the forecast in-year spend on High Needs in excess of the DSG funding allocation is £9.9m (equivalent in-year deficit in 2020/21 was £10.7m). This will be transferred to Kirklees' balance sheet at year end, and the overall DSG Deficit is forecast to be £35.0m by 31 March 2022.
- 1.3.2 High Needs is an area of significant and growing pressure on Council budgets nationally and locally. It is anticipated that medium term, growth pressures will be mitigated at least in part through other measures, with the Council currently working on the implementation of a ten-point action plan with key educational partners across the district. Officers are in current dialogue with the Education, Skills & Funding Agency (ESFA) regarding a medium-term management plan to reduce the in-year structural deficit over time, alongside potential for additional funding support from ESFA. The approved budget plans included in the Annual Budget Report to Council on 10 February 2021, affirm the Council's commitment to SEND investment (both revenue and capital) over the medium term.
- 1.3.3 The Council will continue to engage with Department for Education, Schools Forum and other key stakeholders, using the framework of the updated operational guidance on schools funding 2021/22, to consider options to manage down the accumulated DSG deficit over time.

Learning and Early Support

- 1.3.4 Currently there are 218 children with Education Health and Care Plans (EHCP's) using Post-16 Home to School Transport. The additional complexity of need and the increase in placements outside of Kirklees is reflected in a projected overspend of £0.6m on Post-16 Home to School Transport at Quarter 2. This is in-line with Quarter 1

projections and relates also to other school transport pressures noted later in the report.

- 1.3.5 The Council is currently exploring a range of alternate approaches, working with pupils, parents, schools sector and providers, to deliver more innovative and tailored transport options while reducing overall cost pressures. An additional £1.5m was built into base budgets going forwards as part of the 2021/22 Annual Budget Report to address the estimated residual ongoing pressure in this area, with £0.3m allocated to Post-16 budgets and £1.2m allocated to Schools Transport budgets within Environment.
- 1.3.6 The increased number of approved applications for funding support from Special Educational Needs and Disability Inclusion Fund (SENDIF) has resulted in the requirement for additional investment. The fund primarily supports 2-4 year olds with special educational needs who attend a Private Voluntary and Independent (PVI) or mainstream school nursery setting. Numbers of children accessing the fund increased from 406 to 486 during 2020/21 and estimates are that this growth will continue in 2021/22 alongside a growth in complexity of need.
- 1.3.7 The service has strengthened the resources in the Early Years SEN Inclusion Team and are providing training to nursery settings to upskill their workforce so that they can meet the needs of the children rather than having to access SENDIF. This is intended to help mitigate pressures on this budget going forward. The 2021/22 annual budget report factored this ongoing investment need into approved budget plans, however forecasts at Quarter 2 indicate a further pressure in the region of £0.3m in-year; consistent with Quarter 1 projections.
- 1.3.8 There is also a projected overspend in the SENDACT Team of £0.7m; an increase of £0.6m since Quarter 1. This is as a result of a high volume of Agency staff being employed to cover vacancies, sickness and maternity leave. Additionally, a temporary team has been employed (through agency) to address the backlog of assessments that has built up. It is anticipated that by January 2022 these issues will be resolved and substantive employees will be in post.

COVID Impacts – Children and Families

- 1.3.9 Within Children and Families there is forecast additional spend of £3.0m due to COVID; an increase of £0.9m from Quarter 1. The spend includes a £1.5m pressure within External Residential Placements and Independent Fostering Placement budgets related to the deferred placement target for Looked After Children (LAC) resulting from a number of COVID impacted issues affecting the timing of targeted savings. Work is ongoing within the service to address these pressures by looking to safely move children to less costly placements and also to increase local fostering capacity and reduce the reliance of more expensive external provision whilst continuing to maintain successful outcomes.
- 1.3.10 There are also estimated additional staffing costs of £1.0m (£0.3m in Quarter 1) arising as a direct result of COVID related absences within Children's residential homes and also £0.1m of placement accommodation costs associated with young people aged 18 remaining in care due to delayed transfers.
- 1.3.11 At Quarter 2, income losses within Learning and Early Support are projected to be £0.3m; reflecting the continued impact of school closures on budgeted Attendance Penalty Notice income and reduced income from the Duke of Edinburgh scheme.

1.4 **Adults and Health**

- 1.4.1 The overall projected position for Adults is an overspend of £0.7m; a reduction of £0.3m since Quarter 1. Within this, there are some variances across key demand-led headings, with some elements offsetting others.
- 1.4.2 Within Independent Sector Home Care there is £2.6m additional spend (an increase of £1.7m since Quarter 1); due primarily to continuing increased delivery of home care to the public, a pre-pandemic trend that has accelerated because of a shift in market patterns as a result of COVID. Similarly, there is additional spend pressure on Self Directed Support (Commissioned services, and Direct Payments).
- 1.4.3 There is a projected underspend on Independent Sector Residential & Nursing placements of £2.5m (a change from Quarter 1 of -£1.6m). This is due to shifting patterns in the market, and the impact of the pandemic, and includes some measures to assist providers). Note that this underspend is offset by the homecare overspend outlined above.
- 1.4.4 Other headline variances are around employees (with a projected overspend of £0.3m). Pressures are being seen in relation to recruitment and retention in the workforce, resulting in the use of agency staff where necessary.

COVID Impacts – Adults and Health

- 1.4.5 The pandemic has had a significant impact on the Social Care market. Adult social care providers have seen significant operational and financial pressures, including additional vacancies arising in care homes, additional costs of providing services in the context of COVID impacts on cash flow, and uncertainty within the market. Such challenges have been well documented locally, regionally and nationally.
- 1.4.6 Officers have been working closely with partners to ensure there is stability and consistency of approach in the market. Work is also ongoing as to the consideration of key pressures being seen by providers and where support may be required (targeted if necessary) – a report has recently gone to Cabinet around options for this. A programme has also been undertaken with the Clinical Commissioning Group (CCG) to support hospital discharge. This continues in the wake of the recent Government announcement around national NHS/Care funding (extending the programme into the remainder of the financial year).
- 1.4.7 The Council also continues to utilise nationally announced Government grants allocated for Social Care. This includes continuing phases of the Infection Control Funding and Rapid Testing Funding. At Quarter 2, projected COVID spend for Adults is £8.9m; an increase of £3.5m since Quarter 1. This primarily relates to additional costs identified within the service, and for those supporting the provider market, that will be funded through these specific grant streams.
- 1.4.8 As noted in paragraph 1.2.8, Kirklees is due to receive a further £2.9m from Round 3 of the Infection Control and Testing Fund for the October 2021 to March 2022 period. The final grant conditions, and individual council allocations, were published on 21 October 2021 and as such, the funding and associated costs are not included in the Quarter 2 position. These will be factored into future monitoring reports as appropriate.
- 1.4.9 Work is also being undertaken with providers in the Care home market to review recent falls in demand, how much of this has been caused by the pandemic, and how much is due to changes in longer term shifts. There is the question of what the new 'normal' will be both in the short and long term, and in terms of the type of support required (with the possibility of it being driven more by people with complex needs). Continued working with partners is key, as is the utilisation of market research. One such example of this is the recent work with providers towards the creation of a Kirklees Care

Association.

1.5 Growth and Regeneration

COVID Impacts – Growth and Regeneration

- 1.5.1 Across Growth and Regeneration there are estimated spend pressures totalling £1.6m with respect to COVID; £0.9m of which sit within Development and largely represent costs related to re-opening high streets and town centres safely. There are also estimated costs of £0.5m related to Housing Temporary Accommodation; an increase of £0.4m since Quarter 1.
- 1.5.2 Of the estimated spend pressures across the directorate, £1.3m is assumed to be offset by specific COVID funding streams. This includes £0.6m from the Welcome Back Fund (formerly the Re-opening High Streets Safely Fund) and £0.3m from Contain Outbreak Management Funding (COMF).
- 1.5.3 There are also estimated income losses of £0.9m within Growth and Regeneration in relation to COVID. These include £0.8m on Commercial Properties and £0.1m on Building Control fees.

1.6 Environment and Climate Change

Environmental Strategy and Climate Change

- 1.6.1 Within Environmental Strategy and Climate Change there is a projected overspend of £0.3m on Schools Transport; in the main linked to an increase in the number of routes to out of area schools. This has increased from £0.2m at Quarter 1.

Highways and Streetscene

- 1.6.2 At Quarter 2, a pressure of £0.7m has been identified within parking; largely due to multi storey and other site closures and lower than budgeted parking fees income. The pressure is offset in part by a projected £0.3m underspend on the Waste Contract. This is based on current waste contract monitoring and reflects an improved position since Quarter 1 where an estimated overspend of £0.7m was reported because of higher landfill tonnage between April and June 2021.

Culture and Visitor Economy

- 1.6.3 There is an estimated temporary income shortfall of £0.3m in Bereavement Services linked to the Cremator Replacement project and resultant short-term capacity reduction. In addition there is a projected income shortfall of £0.3m for Cliffe House, due to the continued closure of the main house.

COVID Impacts – Environment and Climate Change

- 1.6.4 At Quarter 2 there is an estimated full year pressure of £5.6m across both spend and income budgets within Environment and Climate Change in relation to COVID. This has increased by £0.7m from the Quarter 1 forecasted position; £0.4m on spend pressures and £0.3m on income losses.
- 1.6.5 Estimated spend pressures equate to £1.4m across the directorate, with the majority assumed to be offset in full by a range of specific COVID funding sources. The

pressures include £0.5m additional spend on Waste Services, largely associated with vehicles and hired staff required for additional duties related to COVID and also projected costs of £0.3m for COVID Community Support Officers. Costs of £0.1m within Museums and Galleries are also included at Quarter 2; to be offset in full by Cultural Recovery Fund income.

- 1.6.6 There are projected income losses of £4.2m across the directorate; the most significant being £2.2m on Catering due to under recovery of income from school meals as a result of reduced pupil numbers. Other forecast losses include £0.7m on Markets, £0.4m on Licensing and £0.3m on Parking Fees; the latter due to increased home working and local measures to encourage high street footfall through free parking for key workers in the borough's major towns.
- 1.6.7 A further £1.5m spend has been identified within Environment to deal with a range of backlog and recovery issues and it is proposed that the funding will be drawn down from the COVID Response reserve. Spending plans include £0.6m for Parks and Greenspaces for works such as contracting out of the backlog of Forestry work, re-development of Gateway routes and additional litter clearance and bin emptying. Amongst other bids there are also estimated costs of £0.3m within Highways; including £141k for additional capacity for the Public Realm team, and £0.3m within Cleansing; including £150k for additional Difficult Access Crews.

1.7 Corporate Strategy, Commissioning and Public Health

- 1.7.1 Within Legal Services there is an estimated pressure of £0.9m; an increase of £0.4m since Quarter 1. The service is currently reviewing all aspects of service delivery taking into account pre-existing savings targets and the increased demands on Legal Services as the requirement for legal intervention rises; in particular relating to childcare.

COVID Impacts – Corporate Strategy, Commissioning & Public Health

- 1.7.2 At Quarter 2 there are projected additional spend pressures of £11.6m within Corporate Strategy, Commissioning and Public Health relating to COVID; consistent with the Quarter 1 position. A range of specific COVID grant streams will be used to fund £8.0m of the identified costs. This includes £3.9m within Public Health, largely comprised of £2.0m of test and trace programme costs; offset by the Test and Trace Service Support Grant, £1.2m of testing mobilisation costs; offset by Community Testing Funding and £0.6m of spend to support clinically vulnerable residents; offset by the Clinically Extremely Vulnerable (CEV) Fund.
- 1.7.3 Within Finance, there is projected spend of £1.8m on welfare provision costs to support for our most vulnerable residents with the cost of food, energy, water bills and other essentials; offset by the Local Support Grant and £1.2m costs for administering support payments to those on low incomes who had to self-isolate; offset by Self Isolation Grant funding. COMF is also assumed to be applied across the directorate at £0.7m; largely to fund estimated costs of £0.4m for relevant Ward Activity spend and £0.3m IT and remote working costs.
- 1.7.4 The balance of additional COVID spend within the Directorate, not funded by specific grant, is £3.6m. This mostly reflects continued Council 'underwrite' to Kirklees Active Leisure (KAL) of £3.5m in 2021/22 to address forecast net revenue losses as a result of enforced closure of leisure centres during the pandemic, and gradual recovery of the leisure industry both nationally and locally. This underwrite was part of the Council and KAL Partnership Framework report approved by Cabinet on 27 July 2021. The

payments to KAL will be funded through drawdown of the COVID Response reserve. See also paragraph 1.9.3.

- 1.7.5 The income compensation scheme outlined in paragraph 1.2.3 compensates for COVID related losses from Council owned leisure services, or through a planned management fee, where there is an arms-length relationship. However, the income compensation scheme does not cover other 3rd party provider arrangements such as Kirklees Active Leisure (KAL) Trust.

1.8 Central Budgets

- 1.8.1 The 2021/22 Annual Budget Report included provision within central budgets to reflect the likelihood of continued income loss from sales, fees and charges and commercial rents as a result of COVID, over the medium term. There is a £5.0m service income loss provision in 2021/22, reducing by £1.0m per annum, through to 2025/26, in anticipation of the recovery of the local economy. At Quarter 2, £4.5m of the 2021/22 contingency has been released to offset the balance of projected income losses unfunded by the Sales Fees and Charges compensation scheme.

1.9 General Fund Reserves

- 1.9.1 The reserves position at Appendix 3 reflects the Council's reserves strategy and approach reported and approved at Budget Council on 10 February 2021 and subsequent re-refresh in the Financial Outturn report to Cabinet on 27 July 2021.
- 1.9.2 At Quarter 2, General Fund reserves and balances are estimated to decrease through 2021/22 by £48.4m; from £197.4m at the start of the year to £149.0m as at 31 March 2022. Of this, £21.3m relates to transfers approved in the 2021-26 Annual Budget report; largely the drawdown of £23.5m from the Expanded Business Rates Relief reserve to offset the carried forward Collection Fund deficit, as outlined in the 2020/21 Financial Outturn Report to Cabinet in July 2021.
- 1.9.3 The remaining £27.1m balance of movement on reserves is broken down as follows:
- i) Forecast £3.0m net planned drawdowns from reserves during the year, with the most significant being £0.9m from Strategic Investment reserve, £0.6m from Revenue Grants reserve, £0.5m from the Rollover reserve, £0.3m from the Ward Based Activity reserve and £0.2m from the Place Partnership Fund for Mental Health and Domestic Abuse.
 - ii) Transfer of the Quarter 2 projected overspend of £1.2m against earmarked financial resilience reserves at year-end.
 - iii) Estimated drawdown of £22.9m from COVID related reserves. This includes:
 - £7.4m from the COVID Response reserve to offset projected COVID related costs unfunded by specific funding streams. As noted in paragraph 1.7.4, £3.5m of this drawdown relates to estimated payments to Kirklees Active Leisure (KAL).
 - £13.6m from the COVID Grants and Business Grants reserves to fund specific eligible COVID related spend.
 - £1.9m from the Tax Income Loss Compensation reserve to support the Council's bottom line as per the 2021-26 Annual Budget report.
- 1.9.4 The 2020/21 Financial Outturn Report to Council included proposals for spend against

the COVID Response reserve with £2.0m earmarked to underwrite Council 'recovery/recuperation' from COVID as the Council transitions from pandemic to post-recovery.

- 1.9.5 The Financial Resilience reserve is informed by the Council's corporate risk register; current version attached at Appendix 7 for information.
- 1.9.6 Regular monitoring and review of corporate reserves will continue to be undertaken as part of the standard monitoring cycle through the remainder of the financial year.

1.10 Collection Fund

- 1.10.1 The Collection Fund accounts separately for council tax and business rates income and payments. Table 3 below summarises the projected financial performance of the Collection Fund at Quarter 2.

Table 3 – Collection Fund Summary

Collection Fund forecast (Council Share)	Council Tax	Business Rates	Total
	£000	£000	£000
(Surplus)/Deficit at 1 April 2021	4,554	30,933	35,487
Re-payments to/(from) General Fund 21/22	(2,117)	(24,613)	(26,730)
Technical impact of expanded reliefs		12,000	12,000
In year Financial Position	(170)	(1,500)	(1,670)
(Surplus)/Deficit at 31 March 2022	2,267	16,820	19,087
Offset of Expanded Reliefs by s31 Grant		(12,000)	(12,000)
Re-payments to/from General Fund 22-24	(1,756)	(3,304)	(5,060)
Residual Collection Fund Deficit	511	1,516	2,027

- 1.10.2 The 2021/22 Council Tax Base (CTB), approved as part of the 2021-26 Annual Budget Report, incorporated a series of negative adjustments reflecting the forecast wider economic impact of COVID on Council Tax income, as described further in paragraphs 1.10.3 to 1.10.5 below. In total, the adjustments amounted to a £4.4m reduction in budgeted Council Tax income compared to previous forecasts included in the 2020-23 MTFP. As at Quarter 2, there is projected to be a small in-year surplus of £0.2m against the approved 2021/22 budgeted position for Council Tax.
- 1.10.3 The £4.4m adjustment noted above included an increase in the number of working age Council Tax Reduction claimants in 2021/22; reflecting a rise to approximately 27,000 claimants, from a pre-COVID level of 23,000. This amounted to a £2.0m reduction in budgeted Council Tax income.
- 1.10.4 The local Council Tax Reduction (CTR) scheme supports some of the borough's households on low incomes, is means tested and eligible claimants receive up to 80% discount from their full council tax liability. The local scheme only applies to those of working age. The national pension age scheme means there is no such minimum payment and eligible pensioners can receive up to 100% discount. At 30 September 2021 the working age CTR claimant numbers were 25,887; a reduction of 779 since the end of June 2021. At present these figures are still considered volatile, with the potential of a further rise over time as Government support for businesses tapers. CTR claimant numbers will continue to be reviewed over the remainder of the monitoring cycle and trends factored into future monitoring reports as appropriate.

- 1.10.5 A further £0.9m adjustment was made to reflect the scaling back of housing growth projections from previous assumptions which had largely mirrored the Local Plan over recent years. In addition, the collection rate was projected to decrease, resulting in a £1.4m uplift in the bad debt provision requirement. At Quarter 2, it is projected that the bad debt provision requirement will be lower than budgeted; thereby resulting in the estimated surplus noted in paragraph 1.10.2 above.
- 1.10.6 As at Quarter 2, there is an estimated £10.5m deficit within Business Rates. This includes £12.0m that is 'technical' in nature, as it relates to a downward income adjustment as a result of the continuation of the expanded retail discount scheme, announced by Government after the 2021/22 budgets had already been set. The additional reliefs awarded to businesses are funded in full by Central Government through section 31 grant payments. The payments will be transferred into earmarked reserves at year-end and will be drawn down in 2022/23 against the carried forward Collection Fund deficit.
- 1.10.7 The approved 2021/22 budget for Business Rates income included an estimated reduction in local share of 5%, equating to a £3m loss in income. There was also a further assumed impact of £1.5m due to a projected reduction in the Business Rates collection rate. As at Quarter 2, the in-year collection rate is slightly above target. When combined with the work being undertaken by the service with regards to recovery action on outstanding arrears, this is resulting in a projected in year surplus of £1.5m (excluding the technical adjustment described at 1.10.6 above), compared to the approved budget for 2021/22.
- 1.10.8 Charges to the General Fund each year from the Council (the billing authority) for Council Tax and Business Rates, and to the major precepting authorities (Fire & Rescue Authority, Office of Police & Crime Commissioner) are based on estimates. Actual income collected year on year will vary. These timing differences result in actual surpluses or deficits which are rolled forward year on year through the Collection Fund, and 'settled' over following years, through relevant payment adjustments to the General Fund/major precepting authorities.
- 1.10.9 The net effect of the above adjustments leaves an estimated residual Collection Fund deficit of £2.0m at year end (compared to £3.5m at Quarter 1).
- 1.10.10 The 2020/21 Financial outturn report included approval for up to £6.4m of the COVID Response reserve to be earmarked to offset the balance of mainly COVID impacted Collection fund deficit rolled forward from 2020/21. This will be addressed in the 2022-23 budget round.

1.11 Housing Revenue Account

- 1.11.1 The Council's Housing Revenue Account (HRA) accounts for all Council housing related revenue expenditure and income in a separate statutory (ring-fenced) account. The forecast revenue outturn at Quarter 2 is a £2.3m deficit against an annual turnover budget of £92.1m in 2021/22. This has increased significantly since Quarter 1, where the projected deficit was £0.3m.
- 1.11.2 The increased deficit largely relates to a £1.7m pressure identified within repairs and maintenance. This includes overspends on Compliance due to the compression of the asbestos programme from 4 to 2 years (£0.5m), Fire Detection and Safety patrolling watch costs (£0.7m) and Fire safety Inspection costs for ongoing surveys, reports and investigations into high rise, medium rise and retirement living schemes (£0.6m). There is also a projected £0.5m overspend on Cyclical works.

1.11.3 Forecast HRA reserves at 31 March 2022, including set asides for business risks and investment needs is £47.9m. A summary of the HRA outturn and reserves position can be found at Appendix 4.

1.12 Capital

1.12.1 The Council Budget Strategy Update Report presented to Cabinet on 12 October 2021 updated the capital plan budget for 2021/22 at £229.1m. The budget has since been updated with a further £49.1m re-profiled into subsequent financial years mainly due to slippage of schemes and further net £130k grant removed from the plan (see Appendix 6).

1.12.2 The Council's revised capital budget for 2021/22 is £179.9m. The forecast capital outturn at Quarter 2 is £177.5m; forecast £2.4m variance.

1.12.3 The Quarter 2 position is summarised in Table 4 below, categorised by Council primary outcomes as set out in the Corporate Plan, which illustrates how the Council's investment proposals align with the Council's ambitions for its residents. Each primary outcome is further structured between strategic priorities, baseline work programmes and one-off projects.

Table 4 – Forecast Capital Outturn 2021/22 at Quarter 2

By Category	Revised Budget £000	Actuals to Date £000	Annual Forecast £000	Variance £000
Aspire & Achieve	20,804	8,289	20,488	(316)
Best Start	891	72	891	0
Independent	3,164	919	3,150	(14)
Sustainable Economy	102,151	21,440	100,331	(1,820)
Well	11,973	6,749	11,783	(190)
Safe & Cohesive	0	(3)	0	0
Clean & Green	7,179	2,618	7,179	0
Efficient & Effective	3,465	526	3,426	(39)
General Fund	149,627	40,610	147,248	(2,379)
Independent –Strategic Priorities	9,912	2,246	9,912	0
Independent - Baseline	20,325	8,062	20,325	0
Housing Revenue Account	30,237	10,308	30,237	0
Total Capital Plan	179,864	50,918	177,485	(2,379)

1.12.4 Of the forecast £2.4m variance, the headline £1.8m underspend for Sustainable Economy is largely made up of £783k Transforming Cities Fund identified delays on outline business case development work, £608k underspend on Town Centre Action Plans reflecting a mixture of planning delays, resourcing shortages and delays to outline business cases. A further £240k underspend for the Dewsbury Staff Move and Regeneration programme is due to the review of the Council's long-term accommodation strategy. The headline projected underspend for Aspire and Achieve results from revised timings on various Libraries projects due to robust options appraisals undertaken.

1.12.5 Noting that Quarter 2 is a half yearly capital forecast, officers will continue to review capital budget profiles in year, including any more detailed recommendations for potential re-profiling of scheme budgets between years (allowable under Financial Procedure Rules 3.10-3.15), as part of future financial monitoring. Any such

recommendations would reflect the growing complexities and challenges over the next 5 years in delivering to this scale of ambition.

- 1.12.6 Future capital plan updates will continue to be presented to Council via the annual budget approval reports to Cabinet and Council as a matter of course, as part of the annual planning cycle.

2021/22 Budget Proposals

- 1.12.7 This report also includes a number of specific capital scheme proposals for Cabinet approval in line with Council Financial Procedure Rules:

KAL Joint Energy Invest to Save, Phase 2 Public Sector Decarbonisation Scheme

- 1.12.8 Kirklees Active Leisure (KAL) and the Council's Capital Delivery and Facilities Management Service are seeking to implement a programme of energy efficiency invest-to-save projects for which KAL has a significant positive track record of delivering such invest to save initiatives, over the past 8 years or so. The proposal is for a programme of works for £483k, profiled over a period of 3 years. Many of the projects proposed within the programme will have a direct positive impact on customer areas, leading to more pleasant pool environments, fitness areas, changing rooms, etc. and customer satisfaction. The energy projects undertaken would have a positive wider environmental impact, contributing towards the "Clean and green" Kirklees Outcome and the Council's Climate Emergency and sustainability agenda.
- 1.12.9 Cabinet are requested to endorse £483k towards the above invest to save programme of works at KAL managed sites funded from existing borrowing within the KAL capital plan. The estimated annual revenue debt costs will be paid back from energy savings with future savings from the identified projects helping to reduce ongoing utility costs.

Information Technology, Council Cyber Security & Resilience

- 1.12.10 A collaborative review was undertaken between Kirklees IT, Ministry of Housing Communities & Local Government (MHCLG) and National Cyber Security Centre (NCSC) to understand the mitigations Kirklees have in place to reduce cyber risk and the impact of malware and ransomware attacks. Following this review a set of enhancements were recommended to Kirklees by MHCLG and a funding bid was encouraged to obtain funding for the high rated issues.
- 1.12.11 Following a successful funding bid, IT have been allocated £350k funding from the MHCLG, to implement the identified high priority enhancements. Specifically those are Immutable backups & Role Based Access Control, for which options are currently being pursued in relation to off site Server & Storage Area Network backups and O365 backups, as well as privileged access management controls. Cabinet is asked to delegate authority to the Head of Technology, to progress works on increasing the level of Council Cyber security & resilience as appropriate.

Marsden Mechanics

- 1.12.12 Marsden Community Trust submitted a request for Council support towards refurbishment of the Mechanics Institute Building in Marsden. The total cost of the project is under £213k to carry out repair works to the Mechanics Institute building and to support related project work. The National Lottery Community Fund is willing to fund part of the projects costs and usually requires a minimum of 20% support towards projects of this scale. Competition for Lottery Fund support is intense, so to ensure the maximum amount of grant is gained, the Trust is seeking match funding of 40% (£85k)

from the Council to strengthen its bid. The Lottery has agreed to support the bid on this basis. Kirklees' support will enable essential refurbishment works to the Mechanics Institute and enhance the events and community space available. This will provide greater opportunities for income generation by the Trust.

- 1.12.13 Cabinet is requested to endorse a match fund grant of £85k to Marsden Mechanics Trust to ensure the successful outcome of the Lottery Fund bid. The funds for the grant offered will be met from the Regeneration and Greening of Smaller Towns and Villages capital plan programme line.

2 Information required to take a decision

- 2.1 The Appendices accompanying this report provide a more detailed breakdown of the outturn financial monitoring position, as follows:

Appendix 1a summarises, by service area, the forecast General Fund revenue outturn position in 2021/22;

Appendix 1b summarises, by service area, the forecast General Fund revenue outturn position in 2021/22 split into gross expenditure and income;

Appendix 2a summarises, by service area, the forecast COVID additional spend and income losses in 2021/22;

Appendix 2b categorises the forecast 2021/22 COVID additional spend by funding source;

Appendix 3a summarises the forecast General Fund reserves and balances movements in-year;

Appendix 4 summarises the forecast HRA revenue outturn position including movements in HRA reserves in-year;

Appendix 5 sets out by Outcome area the forecast capital outturn position in 2021/22.

Appendix 6 shows capital budget changes and re-profiling of spending plans into future years of the capital plan.

Appendix 7 is the Corporate Risk Register, updated as at October 2021;

- 2.2 The corporate risk register at Appendix 7 summarises the key strategic risks or barriers to achieving the corporate objectives. It also provides visibility about the management actions which are either in place or brought into action to mitigate the impact of these risks. Many of these are of a financial nature and provide contextual information when setting the council's budget. There isn't a direct link but they do help to inform the level of reserve held by the council.
- 2.3 Individual risks vary over time, and the need to set aside reserves changes depending on the underlying budget provisions. The risk assessment reflects the approved budget plans updated for emerging and changing medium and significant risk, including COVID impact.

3 Implications for the Council

3.1 Working with People

3.2 Working with Partners

3.3 Place Based working

3.4 Climate Change & Air Quality

3.5 Improving Outcomes for Children

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

3.6.1 The Council has a statutory duty to balance its budget under section 31A of the Local Government and Finance Act 1992 and to take any necessary steps in-year to ensure this. Section 151 of the Local Government Act 1972 requires the Council to make proper arrangements for the administration of its financial affairs including budgetary control.

3.6.2 The Council's 2021-26 budget plans, approved at Budget Council on 10 February 2021, set out proposals for the delivery of an overall Council balanced budget for 2021/22, and indicative budget spending plans and funding forecasts over the following 4 years. This was against a backdrop of COVID which brought an unprecedented level of challenge and uncertainty to the budget round.

3.6.3 The financial planning framework underpinning the budget proposals was pragmatic in nature, enabled by the relatively strong financial resilience of the Council which existed pre-COVID; in particular by earmarking some of the pre-COVID financial resilience (MRP flexibility) to underwrite the Council's financial stability in 2021/22 as far as possible given the extent of global, national and local volatility.

3.6.4 The 2021-26 Annual Budget Report also made extensive reference to the continuing impact of COVID over the course of the medium-term financial plan, with impacts forecasted on a range of funding assumptions going forward, including service income and local tax income and business rates losses. As at Quarter 2, the Collection Fund is projected to achieve an in-year surplus. However, the continued volatility within the local economy, and the potential for the forecast to fluctuate over the remainder of the financial year, is recognised.

3.6.5 The COVID response is ongoing, with impacts of the pandemic continuing to be a draw on existing Council, Partner and community capacity.

3.6.6 The Council's refreshed reserves strategy approved in the 2021-26 budget plans acknowledges the heightened volatility and unpredictability in the COVID impacted budget risk environment within which the Council is operating both currently and over the medium term.

3.6.7 The recent annual budget strategy report to Cabinet and Council in October 2021 incorporated a more detailed review, quantification and sensitivity analysis on a range of emerging budget and other risks to help inform the Council's financial planning framework and overall reserves requirement as part of the refreshed Medium Term financial Plan (MTFP).

4 Consultees and their opinions

This report has been prepared by the Service Director Finance, in consultation

with the Executive Team.

5 Next Steps

To present this report to Cabinet as part of the Quarterly financial monitoring reporting cycle.

6 Cabinet portfolio holders recommendations

The portfolio holder agrees with the recommendations set out in this report.

7 Officer recommendations and reasons

Having read this report and the accompanying Appendices, Cabinet are asked to:

General Fund

7.1 note the forecast revenue outturn position at Quarter 2;

7.2 note the forecast year end position on corporate reserves and balances at Quarter 2;

7.3 note the regular monitoring and review of corporate reserves in 2021/22 reported to Cabinet as part of the Quarterly financial monitoring cycle;

Collection Fund

7.4 note the forecast position on the Collection Fund as at Quarter 2;

HRA

7.5 note the Quarter 2 forecast HRA position and forecast year-end reserves position;

Capital

7.6 note the Quarter 2 forecast capital monitoring position for 2021/22;

7.7 approve the re-profiling across years of the capital plan as set out in this report and at Appendix 6;

7.8 approve £483k self-funding within the Kirklees Active Leisure (KAL) Capital Plan towards the invest to save Phase 2 Public Sector Decarbonisation Scheme as set out in this report;

7.9 approve £350k grant allocation from MHCLG and delegate authority to the Head of Technology to progress works on increasing the level of Council Cyber security & resilience as appropriate;

7.10 approve £85k match fund grant to Marsden Mechanics Trust as part of a Lottery Fund bid to be drawn down from the Regeneration and Greening of Smaller Towns and Villages capital plan programme line.

8 Contact Officer

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9 Background papers and History of Decisions

Budget Update Report to Council, October 2021

Corporate Financial Monitoring Report, Quarter 1, August 2021

Financial Outturn and Rollover Report to Cabinet, July 2021

Annual budget report 2021-26 to Budget Council, February 2021

Budget Update Report to Council, October 2020

10 Service Director responsible

Eamonn Croston, Service Director Finance.

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Corporate Revenue Budget Monitoring 2021/22 – Month 6

Strategic Director portfolio responsibilities	Annual						Month 6 Variance made up of:		
	Controllable Budget (Net)	Planned use of reserves	Revised Budget	Forecast	Variance	Change from Q1	General Covid Spend	Covid Income Losses	Other
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Child Protection & Family Support	45,988	-	45,988	48,064	2,076	119	2,544	-	(468)
Resources, Improvements & Partnership	11,989	-	11,989	11,542	(447)	(310)	-	-	(447)
Learning & Early Support & Schools	18,820	-	18,820	20,956	2,136	686	318	309	1,509
Sub Total (Children & Families)	76,797	-	76,797	80,562	3,765	495	2,862	309	594
Customers and Communities	11,905	281	12,186	12,088	(98)	(296)	164	39	(301)
ASC - Older People and Physical Disabilities	20,762	-	20,762	19,946	(816)	(729)	227	-	(1,043)
ASC - Learning Disabilities and Mental Health	68,210	-	68,210	70,223	2,013	1,122	-	191	1,822
Adults Sufficiency	13,600	-	13,600	13,210	(390)	(400)	-	-	(390)
Sub Total (Adults & Health)	114,477	281	114,758	115,467	709	(303)	391	230	88
Environmental Strategy & Climate Change	10,012	203	10,215	11,025	810	222	-	446	364
Highways & Streetscene	26,891	108	26,999	28,532	1,533	(464)	162	488	883
Culture & Visitor Economy	(1,019)	198	(821)	2,647	3,468	26	32	3,275	161
Sub Total (Environment & Climate Change)	35,884	509	36,393	42,204	5,811	(216)	194	4,209	1,408
Skills & Regeneration	3,390	112	3,502	3,110	(392)	(314)	15	66	(473)
Homes & Neighbourhoods	3	-	3	(615)	(618)	(65)	-	-	(618)

	Annual						Month 6 Variance made up of:		
Strategic Director portfolio responsibilities	Controllable Budget (Net)	Planned use of reserves	Revised Budget	Forecast	Variance	Change from Q1	General Covid Spend	Covid Income Losses	Other
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Development	9,046	970	10,016	11,237	1,221	156	328	847	46
Sub Total (Regeneration & Growth)	12,439	1,082	13,521	13,732	211	(223)	343	913	(1,045)
Strategy & Innovation	15,051	84	15,135	15,026	(109)	(135)	-	-	(109)
Public Health & People	118	-	118	3,777	3,659	1,295	3,586	28	45
Governance & Commissioning	12,188	744	12,932	13,644	712	311	11	-	701
Finance	8,391	270	8,661	8,619	(42)	(87)	-	121	(163)
Former KNH Resources	-	-	-	(362)	(362)	(193)	-	-	(362)
Sub Total (Corporate Strategy, Commissioning & Public Health)	35,748	1,098	36,846	40,704	3,858	1,191	3,597	149	112
Central	42,580	-	42,580	38,116	(4,464)	(155)	48	-	(4,512)
General Fund Total	317,925	2,970	320,895	330,785	9,890	789	7,435	5,810	(3,355)
COVID Support Grant Offset (from reserves)				(7,435)	(7,435)	(1,255)	(7,435)		-
Estimated Covid Income Loss Compensation				(1,296)	(1,296)	(11)		(1,296)	-
Revised General Fund Total			320,895	322,054	1,159	(477)	-	4,514	(3,355)

Controllable Expenditure - Month 6

Strategic Director portfolio responsibilities	Annual				
	Controllable Budget (Net)	Planned use of reserves	Revised Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000
Child Protection & Family Support	49,191	-	49,191	51,465	2,274
Resources, Improvements & Partnerships	12,731	-	12,731	12,295	(436)
Learning & Early Support	53,849	-	53,849	55,208	1,359
Controllable Expenditure (Children & Families)	115,771	-	115,771	118,968	3,197
Customers and Communities	17,030	281	17,311	17,954	643
ASC - Older People and Physical Disabilities	85,779	-	85,779	86,472	692
ASC - Learning Disabilities and Mental Health	90,680	-	90,680	94,618	3,938
Adults Sufficiency	21,863	-	21,863	21,596	(267)
Controllable Expenditure (Adults & Health)	215,352	281	215,633	220,640	5,007
Environmental Strategy & Climate Change	12,552	203	12,755	13,040	285
Highways & Streetscene	73,991	108	74,099	75,632	1,533
Culture & Visitor Economy	31,969	198	32,167	31,685	(482)
Controllable Expenditure (Environment & Climate Change)	118,512	509	119,021	120,357	1,336
Skills & Regeneration	14,451	112	14,563	15,443	880
Homes & Neighbourhoods	65,285	-	65,285	64,730	(555)
Development	20,502	970	21,472	23,076	1,604
Controllable Expenditure (Regeneration & Growth)	100,238	1,082	101,320	103,249	1,929
Strategy & Innovation	18,919	84	19,003	19,646	643
Public Health & People	29,836	-	29,836	33,636	3,800
Governance & Commissioning	13,500	744	14,244	15,771	1,527
Finance	77,711	270	77,981	77,824	(157)
Former KNH Resources	2,705	-	2,705	2,343	(362)
Controllable Expenditure (Corporate Strategy, Commissioning & Public Health)	142,671	1,098	143,769	149,220	5,451
Central	45,737	-	45,737	41,273	(4,464)
Controllable Expenditure (General Fund)	738,281	2,970	741,251	753,707	12,456

Appendix 1b (continued)

Controllable Income - Month 6

Strategic Director portfolio responsibilities	Annual				
	Controllable Budget (Net)	Planned use of reserves	Revised Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000
Child Protection & Family Support	(3,203)	-	(3,203)	(3,401)	(198)
Resources, Improvements & Partnerships	(742)	-	(742)	(754)	(12)
Learning & Early Support	(35,029)	-	(35,029)	(34,251)	778
Controllable Income (Children & Families)	(38,974)	-	(38,974)	(38,406)	568
Customers and Communities	(5,125)	-	(5,125)	(5,866)	(741)
ASC - Older People and Physical Disabilities	(65,017)	-	(65,017)	(66,526)	(1,509)
ASC - Learning Disabilities and Mental Health	(22,470)	-	(22,470)	(24,395)	(1,925)
Adults Sufficiency	(8,263)	-	(8,263)	(8,386)	(123)
Controllable Income (Adult & Health)	(100,875)	-	(100,875)	(105,173)	(4,298)
Environmental Strategy & Climate Change	(2,540)	-	(2,540)	(2,015)	525
Highways & Streetscene	(47,100)	-	(47,100)	(47,100)	-
Culture & Visitor Economy	(32,988)	-	(32,988)	(29,038)	3,950
Controllable Income (Environment & Climate Change)	(82,628)	-	(82,628)	(78,153)	4,475
Skills & Regeneration	(11,061)	-	(11,061)	(12,333)	(1,272)
Homes & Neighbourhoods	(65,282)	-	(65,282)	(65,345)	(63)
Development	(11,456)	-	(11,456)	(11,839)	(383)
Controllable Income (Regeneration & Growth)	(87,799)	-	(87,799)	(89,517)	(1,718)
Strategy & Innovation	(3,868)	-	(3,868)	(4,619)	(751)
Public Health & People	(29,718)	-	(29,718)	(29,859)	(141)
Governance & Commissioning	(1,312)	-	(1,312)	(2,127)	(815)
Finance	(69,320)	-	(69,320)	(69,206)	114
Former KNH Resources	(2,705)	-	(2,705)	(2,705)	-
Controllable Income (Corporate Strategy, Commissioning & Public Health)	(106,923)	-	(106,923)	(108,516)	(1,593)
Central	(3,157)	-	(3,157)	(3,157)	-
Controllable Income (General Fund)	(420,356)	-	(420,356)	(422,922)	(2,566)

Appendix 2a

COVID Spend and Income Losses Summary

Strategic Director portfolio responsibilities	COVID spend	COVID Income Losses	Total COVID Pressures
	£k	£k	£k
Child Protection and Family Support Resources, Improvements & Partnership	2,544	0	2,544
Learning, Early Support and Schools	0	0	0
	437	309	746
Sub Total (Children & Families)	2,981	309	3,290
Customers and Communities	744	39	783
ASC - Older People & Physical Disabilities	8,107	0	8,107
ASC - Learning Disabilities and Mental Health	0	191	191
Adults Sufficiency	0	0	0
Sub Total (Adults & Health)	8,851	230	9,081
Environmental Strategy & Climate Change	578	446	1,024
Highways & Streetscene	677	488	1,165
Culture & Visitor Economy	156	3,275	3,431
Sub Total (Environment & Climate Change)	1,411	4,209	5,620
Skills & Regeneration	129	66	195
Homes & Neighbourhoods	571	0	571
Development	910	847	1,757
Sub Total (Regeneration & Growth)	1,610	913	2,523
Strategy Innovation and Planning	352	0	352
Public Health and People	7,462	28	7,490
Governance and Commissioning	402	0	402
Finance	3,396	121	3,517
Former KNH Resources	0	0	0
Sub Total (Corporate Strategy, Commissioning & Public Health)	11,612	149	11,761
Central	48	0	48
General Fund Total	26,513	5,810	32,323

COVID Spend and Funding Sources

Strategic Director portfolio responsibilities	COVID spend	COVID Spend Funded By:	
		COVID Specific Grant Funding	COVID Response Reserve
		£k	£k
Child Protection and Family Support Resources, Improvements & Partnership	2,544	0	2,544
Learning, Early Support and Schools	0	0	0
	437	119	318
Sub Total (Children & Families)	2,981	119	2,862
Customers and Communities	744	580	164
ASC - Older People & Physical Disabilities	8,107	7,880	227
ASC - Learning Disabilities and Mental Health	0	0	0
Adults Sufficiency	0	0	0
Sub Total (Adults & Health)	8,851	8,460	391
Environmental Strategy & Climate Change	578	578	0
Highways & Streetscene	677	515	162
Culture & Visitor Economy	156	124	32
Sub Total (Environment & Climate Change)	1,411	1,217	194
Skills & Regeneration	129	114	15
Homes & Neighbourhoods	571	571	0
Development	910	582	328
Sub Total (Regeneration & Growth)	1,610	1,267	343
Strategy Innovation and Planning	352	352	0
Public Health and People	7,462	3,876	3,586
Governance and Commissioning	402	391	11
Finance	3,396	3,396	0
Former KNH Resources	0	0	0
Sub Total (Corporate Strategy, Commissioning & Public Health)	11,612	8,015	3,597
Central	48	0	48
General Fund Total	26,513	19,078	7,435

Appendix 3a

General Fund Earmarked Reserves							
	Reserves position as at 1 April 2021	2021-26 Budget report Approved Transfers	Revised reserves position at 1 April 2021	Planned Net Drawdown in-year - COVID Reserves	Planned Net Drawdown in-year - other	Unplanned use of Reserves (<i>Forecast Variance</i>)	Forecasted Reserves position at 31 March 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Statutory (School Reserves)							
Schools Balances	(13,562)	-	(13,562)		-	-	(13,562)
Total Statutory (School Reserves)	(13,562)	-	(13,562)		-	-	(13,562)
Earmarked							-
Financial Resilience Reserves	(37,146)	-	(37,146)		-	1,159	(35,987)
Rollover	(604)	-	(604)		548	-	(56)
Revenue Grants (various)	(13,319)	-	(13,319)		592	-	(12,727)
Public Health	(1,539)	-	(1,539)		-	-	(1,539)
Stronger Families Grant	(1,531)	-	(1,531)		-	-	(1,531)
Insurance	(1,900)	-	(1,900)		-	-	(1,900)
Ward Based Activity	(1,400)	-	(1,400)		329	-	(1,071)
Social Care Reserve	(2,099)	-	(2,099)		-	-	(2,099)
Property and Other Loans	(3,000)	-	(3,000)		-	-	(3,000)
Strategic Investment support	(4,954)	-	(4,954)		888	-	(4,066)
Waste Management	(5,684)	2,000	(3,684)		-	-	(3,684)
Inclusive Investment	(3,000)	-	(3,000)		112	-	(2,888)
School PFI	(1,282)	-	(1,282)		-	-	(1,282)
Demand Reserve	(19,306)	-	(19,306)		-	-	(19,306)
Place Partnership Fund	(3,202)	-	(3,202)		244	-	(2,958)
Treasury Smoothing	(960)	-	(960)		-	-	(960)
Transformation	(2,348)	(2,000)	(4,348)		69	-	(4,279)
Place Standard	(500)	-	(500)		-	-	(500)
Local Welfare provision initiatives	-	(2,237)	(2,237)		-	-	(2,237)
Apprenticeship Levy	(3,191)	-	(3,191)		-	-	(3,191)
Other	(4,315)	-	(4,315)		127	-	(4,188)
Sub Total Earmarked Reserves	(111,280)	(2,237)	(113,517)	-	2,909	1,159	(109,449)
Earmarked (COVID) Reserves							

General Fund Earmarked Reserves

	Reserves position as at 1 April 2021	2021-26 Budget report Approved Transfers	Revised reserves position at 1 April 2021	Planned Net Drawdown in-year - COVID Reserves	Planned Net Drawdown in-year - other	Unplanned use of Reserves (<i>Forecast Variance</i>)	Forecasted Reserves position at 31 March 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
COVID Response	(19,994)	-	(19,994)	7,435	61	-	(12,498)
COVID Grants (various)	(5,604)		(5,604)	5,604			-
COVID Business Grants Reserve	(7,953)	-	(7,953)	7,953	-	-	-
<i>Sub Total Earmarked Reserves</i>	<i>(33,551)</i>	<i>-</i>	<i>(33,551)</i>	<i>20,992</i>	<i>61</i>	<i>-</i>	<i>(12,498)</i>
Earmarked (Collection Fund Technical Reserves)							
Extended Business Rate Relief Compensation	(23,955)	23,520	(435)		-	-	(435)
Tax Income Loss Compensation	(5,002)	-	(5,002)	1,900	-	-	(3,102)
<i>Sub Total Earmarked (Collection Fund)</i>	<i>(28,957)</i>	<i>23,520</i>	<i>(5,437)</i>	<i>1,900</i>	<i>-</i>	<i>-</i>	<i>(3,537)</i>
<i>Total Earmarked</i>	<i>(173,788)</i>	<i>21,283</i>	<i>(152,505)</i>	<i>22,892</i>	<i>2,970</i>	<i>1,159</i>	<i>(125,484)</i>
GENERAL BALANCES	(10,003)	-	(10,003)			-	(10,003)
<i>Grand Total</i>	<i>(197,353)</i>	<i>21,283</i>	<i>(176,070)</i>	<i>22,892</i>	<i>2,970</i>	<i>1,159</i>	<i>(149,049)</i>
<i>Total usable reserves (excluding schools and public health)</i>	<i>(182,252)</i>	<i>21,283</i>	<i>(160,969)</i>	<i>22,892</i>	<i>2,970</i>	<i>1,159</i>	<i>(133,948)</i>

Glossary of Reserves

RESERVE	DESCRIPTION
School Reserves	Statutory reserves relating to individual school balances/deficits carried forwards.
Financial Resilience	Covers a range of potential costs highlighted in the Council's corporate risk register, including budget risks as set out in the sensitivity analysis within the 2021-26 Annual Budget report.
Rollover	To fund deferred spend commitments against approved rollover
Revenue Grants	Represents grants and contributions recognised in the Comprehensive Income and Expenditure Statement before expenditure has been occurred. Includes £5.6m of COVID specific grants as at 31 March 2021.
Public Health	Timing issues on Public Health grant spend commitments (Public health grant is statutorily ring-fenced)
Stronger Families	Set aside reflecting timing issues on expenditure commitments supporting a range of Stronger Families activity, funded from external grant.
Insurance	Mitigates against risk from increased liabilities and insurance claims.
Ward Based Activity	Set aside reflecting timing issues on ward based activity spend commitments
Social Care	Set aside to cover phased rollout of a range of social care expenditure commitments as agreed at Cabinet, August 2018.
Property and Other Loans	Set aside in part against the potential risk of future loan defaults; in part to offset potential unfunded technical accounting entries on General Fund revenue arising purely arising from the introduction of a new local government accounting code intended to strengthen balance sheet transparency.
Strategic Investment & Support	To address the scale of development costs required to support the upscaling of capital investment activity and major project activity over the MTFP.
Waste Management	To support the implementation of the Council's waste management strategy, including phased release over the MTFP to manage current PFI contract transition in light of the current Council PFI Waste Contract ending in 2022/23.
Inclusive Investment Reserve	Set aside for a range of targeted development activity that supports the Council's inclusive investment ambition.
Schools PFI Reserve	Will be utilised to cover reduced DSG budget contributions to council services in 2020/21 and 2021/22
Demand Reserve	Set aside to mitigate the impact/volatility of a range of potential demand risks on statutorily provided service activity
Place Partnership Fund	To encourage Place specific local initiatives. Includes £2m for Active Travel and £1.2m for local area based Mental Health initiatives (including Domestic Abuse).
Treasury Smoothing Reserve	This reserve has been set aside to manage the volatility surrounding treasury management budgets with respect to both potential changes in interest rates and the level of delivery of the capital plan.
Transformation Reserve	Set aside for strategic transformation developments over the next 12 to 24 months.
Place Standard Reserve	Set aside to support the resourcing of emerging Place Standard action plans.
Local Welfare Provision Initiatives	Set aside to fund a range of existing Local Welfare Provision measures to support some of the borough's families and individuals in extreme financial hardship.
Other Earmarked	A range of smaller reserves earmarked for specific purposes.
COVID Response Reserve	Specific reserve set aside to cover the costs of the Council's COVID response.
COVID Business Grants reserve	Reflects the balance of COVID Business Grants received and recognised in 2020/21 before expenditure was incurred.
Extended Business Rate Relief Compensation	During 2020/21, local authorities received approximately £10bn in S31 grants to offset the reliefs given to businesses during lockdown. Under current Collection Fund accounting rules, the S31 grants received this year will not be discharged against the

RESERVE	DESCRIPTION
	Collection Fund deficit until 2021/22. The full amount of additional s31 grants received was therefore transferred into the extended business rates relief reserve, to be drawn down in 2021/22 against the rolled forwards Collection Fund deficit.
Local Tax Income Loss Compensation	Local authorities were compensated for the loss of local tax income in 2020/21 as a result of COVID. The compensation amount was transferred into the Tax Income Loss Compensation Reserve to be drawn down against the rolled forwards Collection Fund deficit.
General Fund Balances	General reserve set at £10m to support general working capital and cashflow requirements.

Appendix 4

HOUSING REVENUE ACCOUNT 2021/22 - MONTH 6						
	Year to Date			Annual		
	Controllable Budget (Net)	Actuals	Variance	Revised Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Repairs & Maintenance	13,483	14,468	984	27,016	28,750	1,734
Housing Management	10,616	10,385	(230)	39,111	39,246	135
Other Expenditure	262	198	(64)	25,602	25,602	(0)
Total Expenditure	24,361	25,051	690	91,729	93,598	1,869
Rent & Other Income	(43,972)	(43,900)	72	(92,147)	(91,712)	435
Revenue Contribution to Capital Funding	0	0	0	1,168	1,168	0
Planned transfer to HRA Reserves	0	0	0	(750)	(750)	0
Total	(19,611)	(18,849)	762	0	2,304	2,304

HRA RESERVES			
	Balance at 31 March 2021	Approved Movement in Reserves	Balance at 31 March 2022
	£'000	£'000	£'000
Set aside for business risks	(4,000)	0	(4,000)
Forecast in Year Surplus/Deficit	0	2,304	2,304
Net Transfer of HRA Reserves	0	(2,600)	(2,600)
Set aside to meet investment needs (as per HRA Business Plan)	(52,918)	10,771	(42,147)
Working balance	(1,500)	0	(1,500)
Total	(58,418)	10,475	(47,943)

Corporate Capital Budget Monitoring 2021/22 – Month 6

Appendix 5

	Budget Strategy Update Report £'000	Budget Adjustment incl Re- profiling £'000	Qtr 2 Revised Budget £'000	Actuals to Date £'000	Forecast £'000	Variance £'000	Variance %
General Fund							
Aspire & Achieve	24,567	(3,763)	20,804	8,289	20,488	(316)	(2%)
Best Start	3,369	(2,478)	891	72	891	0	0%
Independent	6,133	(2,969)	3,164	919	3,150	(14)	0%
Sustainable Economy	126,616	(24,465)	102,151	21,440	100,331	(1,820)	(2%)
Well	13,548	(1,575)	11,973	6,749	11,783	(190)	(2%)
Safe & Cohesive	172	(172)	0	(3)	0	0	0%
Clean and Green	11,353	(4,174)	7,179	2,618	7,179	0	0%
Efficient & Effective	4,518	(1,053)	3,465	526	3,426	(39)	(1%)
GENERAL FUND TOTAL	190,276	(40,649)	149,627	40,610	147,248	(2,379)	(2%)
Housing Revenue Account							
Strategic Priorities	12,701	(2,789)	9,912	2,246	9,912	0	0%
Baseline	26,086	(5,761)	20,325	8,062	20,325	0	0%
HOUSING REVENUE TOTAL	38,787	(8,550)	30,237	10,308	30,237	0	0%
CAPITAL PLAN TOTAL	229,063	(49,199)	179,864	50,918	177,485	(2,379)	(1%)

Corporate Capital Budget Monitoring 2021/22

Breakdown of Budget Changes since Budget Strategy Update

Appendix 6

	£'000	£'000	£'000
BUDGET UPDATE STRATEGY CAPITAL BUDGET			229,063
Increase in Grants/Contributions/Other			
Strategic Priorities (SP)			
Emergency Active Travel Fund Grant	(384)		
Baseline (BL)			
Play Strategy - S106 Funded Schemes	464		
Housing Revenue Account			
Fuel Grant	(210)		
Total Reductions		(130)	
Re-profiling into Later Years			
General Fund:			
Aspire & Achieve			
New Pupil Places in Primary/Secondary Schools (SP)	(1,513)		
District Sufficiency - SEND (SP)	(450)		
Capital Maintenance (BL)	(1,800)		
Best Start			
Residential Children's Units – Magdale House (SP)	(428)		
Specialist Accommodation/Youth Services (SP)	(2,050)		
Independent			
Day Services Support for Vulnerable Adults (SP)	(2,170)		
Adult Social Care Operation (OP)	(250)		
CareFirst System Replacement (OP)	(550)		
Sustainable Economy			
Huddersfield Town Centre Action Plan (SP)	(8,922)		
Strategic Acquisition Fund (SP)	(3,000)		
Cultural Heart (SP)	3,500		
Regeneration and Greening of Smaller Towns and Villages (SP)	(2,472)		
Homes England - Site Development (SP)	107		
Dewsbury Riverside (SP)	(3,741)		
Corporate Landlord (BL)	(3,856)		
Corporate Landlord - Suitability Programme (BL)	(150)		
Highways (BL)	(5,234)		
Transport (BL)	(86)		
Bereavement (BL)	(75)		
Asset Strategy (OP)	(150)		
Well			
Play Strategy (BL)	(1,652)		
Kirklees Active Leisure	(387)		

Corporate Capital Budget Monitoring 2021/22

Appendix 6

Breakdown of Budget Changes since Budget Strategy Update (continued)





	£'000	£'000	£'000
Safe & Cohesive			
Youth Offending Team	(172)		
Clean & Green			
Waste Strategy/Management Plant/Infrastructure	(4,174)		
Efficient & Effective			
One Venues Development (BL)	(200)		
Sustainability of Town Halls - Service Development (BL)	(500)		
Information Technology (Digital) (OP)	(354)		
General Fund Re-profile		(40,729)	
Housing Revenue Account			
Housing Growth (SP)	(482)		
New Build Phase 1 - Ashbrow Extra Care (SP)	(1,280)		
New Housing IT System (SP)	(453)		
Council House Building (SP)	(574)		
Housing Capital Plan (BL)	1,807		
Environmental Improvements / Estate Improvements (Neighbourhood Investment) (BL)	(451)		
Compliance (BL)	(5,003)		
Fuel Poverty (BL)	(1,904)		
HRA Re-profile		(8,340)	
	Total Re-profiling	(49,069)	
	Total Change in Budget		(49,199)
REVISED OUTTURN BUDGET			179,864
Change in Budget - Funding Breakdown:			
Borrowing		(29,827)	
Borrowing (self-financed)		(1,887)	
Grant (Grants & contributions)		(9,026)	
S106		(532)	
Capital Receipts		(701)	
HRA Reserves		(7,226)	
Change in Budget			(49,199)





Key:



SP = Strategic Priorities



BL = Baseline







OP = One Off Projects





Risk No	Risk – Description of the risk	Management actions already in place to mitigate the risk	Control Opptnty	Trend	Risk Matrix Symbol
	Community Impacts & Risks	Delivering service that customers and citizens need			
A1	Covid 19 coronavirus and or seasonal flu has further implications on the Kirklees community, and the Council. There are additional risks and impacts on the council (and community) in the short and medium term, which relate to community, operational and financial matters	<p>This position requires regular reconsideration as the position can change quickly, and there remains a substantial number of areas of uncertainty.</p> <p>Mitigations need to relate to</p> <ul style="list-style-type: none"> • Infection control and management- as a council activity • Management of financial consequences including seeking to spend national grants effectively, and mitigation against the risk of fraud • Social and economic consequences (including appropriate council interventions therein) • Recognition of long covid and other consequent diseases • Ensuring staffing compliance where specific rules apply for example re vaccination (in direct and contracted facilities) <p><i>Responsible for this risk –R. Spencer-Henshall and all strategic directors</i></p>	M	 5X4=20	
A2	The council does not adequately safeguard children and 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.	<ul style="list-style-type: none"> • Disclosure & Barring Service (DBS) checking, staff training, supervision, protection policies kept up to date and communicated. • Effective management of social work (and related services); rapid response to any issues identified and from any Safeguarding Practice Reviews (Children), Safeguarding adults reviews and Domestic Homicide Reviews • Active management of cases with media interest • Completion of the development of the Corporate Safeguarding Policy (scrutiny Jan'22, then Cabinet Mar'22) • Review of current practices following the child sexual exploitation in other authorities and the emerging requirements. • Ensure that workloads are balanced to resources, and that this worked is prioritised when there are staff resource availability issues • Staff and skill development to minimise dependence on key individuals. • Use of agency staff and or contractors when necessary 	H		

		<ul style="list-style-type: none"> • Ideal manager training • Development of market sufficiency strategy; consider approaches to support the development of the available service offer both locally and regionally. • Ensure competence of the Safeguarding Boards and that they are adequately resourced to challenge and improve outcomes • Adults Safeguarding Board has own specific risk register • Effective listening to messages about threats from other parts of the council and partner agencies • Proactive recognition of Members role as “corporate parent” • Childrens Improvement Board to assist governance and quality improvement • Additional work to ensure that corporate safeguarding activities include appropriate control arrangements. • Ensure effective record keeping • Ensure routine internal quality assessment • Training to ensure that there is a proportionate reaction, • Recognise that referrals may have been suppressed as a result of lockdown and other coronavirus related concerns <p style="text-align: right;"><i>Responsible for this risk – R Parry and M Meggs</i></p>		4X5=20	
A3	Legacy issues of historical childcare management practices, and particularly, the heightened national attention to Child Sexual Exploitation and historical abuse cases leads to reputational issues, and resource demands to address consequential matters.	<ul style="list-style-type: none"> • Additional resources and expertise allocated to new and historical Child Sex Exploitation (CSE) and other legacy work, as required. • Risk matrix and risk management approach implemented with the police and partners. • Provision of support pathways to assist victims • Understand relationship with the Prevent strategy, and issues linked to counter terrorism • Ensure effective record keeping <p style="text-align: right;"><i>Responsible for this risk –M Meggs</i></p>	LM	 4x4=16	
A4	Failure to address matters of violent extremism and related safer stronger community factors, including criminal exploitation, (and with the potential of	<ul style="list-style-type: none"> • Prevent Partnership Action Plan. • Community cohesion work programme • Local intelligence sharing and networks. • Status as a Prevent Priority Area provides funding for a Prevent Coordinator Post and enables the development of bids for additional funding. 	M		





	<p>safeguarding consequences for vulnerable individuals), or national or international incidents (e.g. terrorism), out with the councils control, create significant community tension, with the risk of public disorder, and threats to councillors going about their duties</p>	<ul style="list-style-type: none"> Counter terrorism local profile. Awareness that some campaigns may give cause to action and reaction. (e.g. black lives matter, LGBTQ) Global events can create ongoing potential issues and tensions, (national risk status raised recently) which the council needs awareness and mitigations strategies. West Yorkshire Violence Reduction Unit will assist Local measures to ensure councillors are/feel protected .(and staff and others) including access to relevant information <p><i>Responsible for this risk – R Parry and M Meggs (& J Greenfield)</i></p>		4x5=20	
A5	<p>Significant environmental events, as a consequence of climate change, and otherwise, such as severe weather impact on the Council’s ability to continue to deliver services.</p>	<ul style="list-style-type: none"> Effective business continuity and emergency planning (including mutual aid) investment in flood management, gritting deployment plans. Winter maintenance budgets are supported by a bad weather contingency. Operational plans and response plans designed to minimise impacts (e.g. gully cleansing for those areas which are prone to flooding.) Emergency Planning risks for current year reflect risks of (e.g.) staff sickness for both services such as gritting and meeting home care commitments Consultancy study advice on how the council might address global warming consequences of higher summer temperature (affecting road surfaces), and more volatile weather conditions, e.g. rain storms <p><i>Responsible for this risk – C Parr</i></p>	M	<p>As a long-term environmental trend</p> <p>↑</p> <p>4x5=20</p>	
A6	<p>Reconsidered individual and community and partner and business sector priorities Understanding the financial and other on-going impact on partner agencies, including the voluntary sectors –in way that reduces their ability to support communities, with an impact on the council. Understand the impact that other entities have on e.g demands for</p>	<ul style="list-style-type: none"> Understand the impacts Consider what types of support the council might provide Engagement in resilience discussions with NHS partners Secure funding as appropriate (e.g consider extension of pooled funds Understanding potential impacts on demand for council services Strengthen partnership arrangements to ascertain whether other funding or cost reduction solutions can be introduced. Assess dependency on voluntary organising, and impacts that coronavirus has on their sustainability, and consider actions. Understand the impact on demand and resources from the broader economic .microsystem 	H	<p>↑</p> <p>4x4=16</p>	




	council service	<ul style="list-style-type: none"> Determine which of these are really adverse <p style="text-align: center;"><i>Responsible for this risk – R Parry and M Meggs * all strategic directors</i></p>			
	The finances of the Council	Keeping the Council solvent			
A7	A failure to achieve the Councils savings plan impacts more generally on the councils finances with the necessity for unintended savings (from elsewhere) to ensure financial stability	<ul style="list-style-type: none"> Significant impacts on incomes and cost pressures on certain service areas Established governance arrangements are in place to achieve planned outcomes at Cabinet and officer level Escalation processes are in place and working effectively. Alignment of service, transformation and financial monitoring. Tracker developed which allows all change plans to be in view and monitored on a monthly basis Monthly (and quarterly) financial reporting <p style="text-align: center;"><i>Responsible for this risk - E Croston & ET</i></p>	MH	↔	
				4x5=20	
A8	<p>The council has significant financial risks related to</p> <p># Volumes (in excess of budget) of;</p> <ul style="list-style-type: none"> Complex Adult Care services Childrens Care Services Educational high needs <p># Coronavirus additional costs</p> <p># Coronavirus income impacts on commercial rents and other fees and charges.</p> <p># HRA Rent collection. (UC roll-out)</p> <p># Waste disposal and waste strategy</p> <p>And potential risks in relation to grant schemes, especially where the council takes on cost or outcome risk</p>	<ul style="list-style-type: none"> Monitor short term loss of income and additional costs (& be sure they are all captured) and recognise these in budget plans Scenario plan for reduced level of demand, post current crisis (e.g. changed customer tastes and priorities))e.g. currently shortfall in car park income) Scenario plan for recurrences of coronavirus or similar Scenario plan for default by debtors- although income collection on council tax, business rates, rents and sundry debtors is in line with expected levels. Seek to recover additional costs where budgets held by other parties or partners Significant service pressures recognised as part of resource allocation Responsibility for budgetary control aligned to Strategic and Service Directors. Examine alternative strategies or amend policies where possible to mitigate growth in demand or reduce costs Utilise supplementary resources to cushion impact of cuts and invest to save. Assess grant related risks and seek to mitigate (with the grant regime) Proactive monitoring as Universal Credit is introduced Possible financial implications from Heath & Social Care legislation being prompted by government <p style="text-align: center;"><i>Responsible for this risk - E Croston & ET</i></p>	M	↔	
				5x5=25	


A9	Above inflation cost increases, impact on the ability of providers to deliver activities of the specified quality, and or impacting on the prices charged and impacting on the budgets of the Council.	<ul style="list-style-type: none"> • Monitor quality and performance of contracts. • Be aware of underlying issues through 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) • Renegotiate or retender contracts as appropriate. • Ensure that budgets anticipate likely cost impacts • Seek additional funding as a consequence of government-imposed cost • Determine if increased costs such as energy make efficiency projects more financially attractive, or reduce consumption by less use of heating. <p><i>Responsible for this risk - E Croston & all strategic directors</i></p>	LM	 5x4=20	
A10	Making inappropriate choices in relation to lending or and borrowing decisions, leads to financial losses.	<ul style="list-style-type: none"> • Effective due diligence prior to granting loans and careful monitoring of investment decisions. • Effective challenge to treasury management proposals by both officers and members (Corporate Governance & Audit Committee) taking account of external advice <p><i>Responsible for this risk - E Croston</i></p>	MH	 2x5=10	
A11	Exposure to uninsured losses or significant unforeseen costs, leads to the necessity for unintended savings to balance the councils finances. Insurance market unwilling to cover certain risks.-such a clad buildings.	<ul style="list-style-type: none"> • Ensure adequacy of financial revenue reserves to protect the council financial exposure and managed effectively not to impact on the council essential services. • Consider risks and most cost-effective appropriate approach to responding to these (internal or external insurance provision). • Awareness of risk activity that is not insured or uninsurable. <p><i>Responsible for this risk - E Croston & J Muscroft</i></p>	H	 4x4=16	
A12	The future national budget position and allocation of funding to local authorities causes a loss of resources or increased and under-funded obligations (e.g. in relation to social care), with impact on the strategic plans, Although the government has provided resource	<ul style="list-style-type: none"> • Monitor government proposals and legislation, and their impact on council and partner services. • Continue to lobby, through appropriate mechanisms, for additional resources e.g. Local Government Association (LGA) • Be aware of underlying issues through effective communication with citizens, partners, service providers and suppliers about likely impact on resources • Ensure that budgets anticipate likely impacts 	L	 5x5=25	

	to meet coronavirus consequence, but it is unclear how long this will continue. Medium term risks remain, as the need to address recent high level of national debt, and inflation/ interest, with other spending areas deemed of greater priority. NHS given all of social care additional tax revenues initially	<ul style="list-style-type: none"> • Ensure adequacy of financial revenue reserves to protect the council financial exposure and managed effectively not to impact on the council essential services. • Lobby for appropriate shares of NI levies for local authorities- or similar funding <p style="text-align: center;"><i>Responsible for this risk - E Croston & all strategic director</i></p>			
	Governance	Operating legally and ethically			
A13	The councils arrangements to effectively determine and implement policies, and operational practices, are inadequate, leading to the potential for failure	<ul style="list-style-type: none"> • Open policy development • Open decision making, including full consultation • Effective challenge (between officers, officers and members, and between member), with sufficient time for adequate consideration (e.g. Key Decision Notices) • Proper recording of all decisions • Carefully following all rules and requirements, particularly those related to Financial Procedures Rules and Contract Procedure Rules • Doing basis well- strong training and effective assurance • Clarity of management responsibility and understanding <p style="text-align: center;"><i>Responsible for this risk – chief executive and all strategic directors</i></p>	H		
	Resource Utilisation	Operating successfully and effectively			
A14	Council supplier and market relationships, including contractor failure leads to; <ul style="list-style-type: none"> • loss of service, • poor quality service • an inability to attract new suppliers (affecting competition, and to replace 	<ul style="list-style-type: none"> • Avoid, where possible, over dependence on single suppliers • Seek to build a panel of suppliers who are available and interested in delivering work to council • More thorough financial assessment when a potential supplier failure could have a wide impact on the council's operations but take a more open approach where risks are few or have only limited impact. • Recognise that supplier failure is always a potential risk; those firms that derive large proportions of their business from the public sector are a particular risk. 	MH		

	<p>any incumbent contractors who have failed)</p> <ul style="list-style-type: none"> • complexities and difficulties in making arrangements in respect of significant and long running major outsource contracts, and their extension and renewal. 	<ul style="list-style-type: none"> • Need to balance between only using suppliers who are financially sound but may be expensive and enabling lower cost or new entrants to the supplier market. • Consideration of social value, local markets and funds recirculating within the borough • Understanding supply chains and how this might impact on the availability of goods and services • Be realistic about expectation about what the market can deliver, taking into account matter such as national living wage, recruitment and retention issues etc. • Develop and publish in place market position statement and undertake regular dialogue with market. • Effective consultation with suppliers about proposals to deal with significant major external changes • Early consultation with existing suppliers about arrangements to be followed at the end of existing contractual arrangements • Realign budgets to reflect real costs • Commission effectively • Ensuring adequate cash flow for smaller contractors <p><i>Responsible for this risk – J Muscroft</i></p>		<p>5x4=20</p>	
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A15	<p>Management of information from loss or inappropriate destruction or retention and the risk of failure to comply with the Council's obligations in relation to Data Protection, Freedom of Information legislation and the General Data Protection Regulations (GDPR) leading to reputational damage, rectification costs and fines.</p>	<ul style="list-style-type: none"> • Thorough, understandable information governance policies and practices that are clearly communicated to workforce and councillors • Effective management of data, retention and recording. • Compliance with retention schedules. • Comply with new legislation around staff access to sensitive data. • Council has a Senior Information Risk Owner ("SIRO") officer and a Data Protection Officer (DPO) who are supported by an Information Governance Board • Development of action plan to respond to GDPR requirements and resourcing requirements as appropriate • Recognition of increased risk from homeworking may increase risks or change their perspective (e.g. destruction of paper records), and whether there is a need for additional security, training or other matters. • Compliance with IT security policy. • Increased awareness of officers and members as to their obligations, responsibilities etc, through training • Recognising and understanding "cloud" based products and the advantages and risks that they provide • Business continuity procedures. <p style="text-align: right;"><i>Responsible for this risk – J Muscroft & Rachel Spencer Henshall</i></p>	H	 4x5=20	
A16	<p>Cyber related threats affecting data integrity and system functionality.</p>	<ul style="list-style-type: none"> • Thorough, understandable security policies and practices that are clearly communicated to workforce and councillors • Recognition of increased risk from homeworking which may increase or Change their perspective -need for additional security, training or other matters. • Compliance with IT security policy. • Increased awareness of officers and members as to their obligations, responsibilities etc, through training • Recognising and understanding "cloud" based products and the advantages and risks that they provide • Business continuity procedures. • Proactive management of cyber issues, including additional web controls 	M		

		Responsible for this risk – T Hudson, A Simcox & Rachel Spencer Henshall			
A17	Health and safety measures are inadequate leading to harm to employees or customers and possible litigious action from them personally and/or the Health and Safety Executive.(and the potential of prosecution and corporate /personal liability)(and in particular issues of fire safety,)	<ul style="list-style-type: none"> Ensuring appropriate H&S responses re Coronavirus (appropriately balancing statutory obligations, desirable positions and commerciality/business risk) New Fire Safety Policy approved and being implemented with improved monitoring of fire risk Prioritised programme of remedial works to buildings to tackle fire safety and other issues Review work practices to address H&S risks Monitor safety equipment Improved employee training as to their responsibilities, as employees and (where appropriate) as supervisors. Improved employee work practices Approval of additional resources to improve corporate monitoring regime. <p style="text-align: center;">Responsible for this risk – R Spencer Henshall</p>	H	↔	 3x5=15
A18	Exposure to increased liabilities arising from property ownership and management, including dangerous structures and asbestos, cladding and fire controls with reputational and financial implications.	<ul style="list-style-type: none"> Active site management Routine servicing and cleansing regimes (including coronavirus compliance in both operational and managed tenanted commercial property) Work practices to address risks from noxious substances Property disposal strategy linked to service and budget strategy Review of fire risks Housing Building Safety Assurance Board established Develop management actions, categorised over the short to medium term and resource accordingly. Prioritisation of funding to support reduction of backlog maintenance Clarity on roles and responsibilities particularly where property management is outsourced <p style="text-align: center;">Responsible for this risk – C Parr/ D Shepherd</p>	H	↑	 5x4=16
A19	The risk of retaining a sustainable, diverse, workforce, including <ul style="list-style-type: none"> aging and age profile encouraging people to enter hard to recruit roles (which often have low pay, 	<ul style="list-style-type: none"> Effective Workforce Planning (including recruitment and retention issues) Modernise Human Resources policies and processes Increased accessibility to online training managers/ employees. Selective use of interim managers and others to ensure continuity of progress regarding complex issues Ensure robust change processes including Equality Impact Assessments (EIA's) and consultation. 	H	↑	

	<p>or challenging hours or tasks)</p> <ul style="list-style-type: none"> encouraging entrants to professional roles where pay is often below market levels. and ensuring that the workforce is broadly content, <p>without whom the council is unable to deliver its service obligations.</p>	<ul style="list-style-type: none"> Understanding difficult to recruit areas Understand market pay challenges Promote the advantages of LG employment Emphasise the satisfaction factors from service employment Engage and encourage younger people through targeted apprenticeships, training, and career development (and recognising that young peoples skills, knowledge, and expectations may be impacted by coronavirus) Ensuring awareness to ensure employees safety and health (including stress) Consider issues about a workforce reflective of the community, inclusion, diversity and coronavirus issues <p>Responsible for this risk – R Spencer Henshall</p>		4x4=16	
A20	<p>Compliance with the councils own climate change commitments, and or statutory climate change obligations fails to achieve objectives and ambitions, and or causes unanticipated costs or operational consequences. Certain government grants require demonstration of climate commitments, impacting on funding available.</p>	<ul style="list-style-type: none"> Reconsideration of priorities and potential achievability within timescales Monitoring of achievements/effective project planning and costing Awareness of local consequences such as ensuring appropriate levels of energy efficiency in residential and commercial property, and the financial consequences Being climate aware in design- such as ensuring temperature appropriate road surfacing products, heating and ventilation in new and refurbished property Lobbying for financial and other government support in relation to the costs of meeting obligations WYMCA related projects will require assessment of carbon impacts <p>Responsible for this risk – C Parr</p>	M	<p>↑</p> <p>4x4=16</p>	

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

TREND ARROWS

Worsening	↑
Broadly unchanged	↔
Improving	↓

CONTROL OPPORTUNITIES

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