

**Name of meeting:** Cabinet

**Date:** 9 August 2022

**Title of report:** Corporate Financial Monitoring Report, Quarter 1, 2022/23

**Purpose of the Report**

To receive information on financial monitoring for General Fund Revenue, Housing Revenue Account (HRA) and Capital Plan, as at Quarter 1 (month 3), 2022/23.

<b>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?</b>	<b>Yes</b>
<b>Key decision - is it in the <u>Council's Forward Plan (key decisions and private reports)</u>?</b>	<b>Key decision – Yes</b>
<b>The Decision - Is it eligible for “call in” by Scrutiny?</b>	<b>Yes</b>
<b>Date signed off by Strategic Director &amp; name</b>	<b>Rachel Spencer Henshall – 28/07/22</b>
<b>Is it also signed off by the Service Director for Finance?</b>	<b>Eamonn Croston – 28/07/22</b>
<b>Is it also signed off by the Service Director – Legal, Governance &amp; Commissioning?</b>	<b>Julie Muscroft – 28/07/22</b>
<b>Cabinet member portfolio - Corporate</b>	<b>Give name of Portfolio Holders Cllr Paul Davies</b>

**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.

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## 1. Summary

### 1.1 General Fund

- 1.1.1 The Council's revised General Fund controllable (net) revenue budget for 2022/23 is £338.7m. The budget includes planned (net) revenue savings in-year of £2.5m.
- 1.1.2 The revised budget is net of a number of planned transfers from reserves during the year, with the most significant being £1.7m from the Revenue Grants reserve and £0.7m from the COVID Grants reserve.
- 1.1.3 There is a forecast overspend of £24.6m against the £338.7m revised budget at Quarter 1; equivalent to 7.3%. This is largely attributable to specific cost of living pressures above budgeted assumptions that are set out in more detail in section 1.2 below.
- 1.1.4 Impacts of cost of living pressures are a broader sectoral local government issue, not just a Kirklees specific issue, and at this stage Government has not indicated that it will consider additional in-year funding to the sector. The in-year forecast also includes provision for up to £10m earmarked reserves to part offset the cost of living pressures.
- 1.1.5 The forecast revenue outturn as at Quarter 1 is summarised at Appendix 1 and in Table 1 below. Headline variances are described in more detail in sections 1.2 to 1.8 of this report.

**Table 1 - Overview of 2022/23 forecast revenue outturn position at Quarter 1**

	Revised Budget	Outturn	Total variance	Variance split:	
				Cost of Living	Other
	£000	£000	£000	£000	£000
Children & Families	80,747	87,371	6,624	4,500	2,124
Adults & Health	117,050	117,455	405	-	405
Environment & Climate Change	39,015	44,094	5,079	2,000	3,079
Growth & Regeneration	16,187	16,740	553	-	553
Corporate Services	39,066	41,406	2,340	2,000	340
Central Budgets	46,619	56,226	9,607	11,300	(1,693)
<b>General Fund Sub-Total</b>	<b>338,684</b>	<b>363,292</b>	<b>24,608</b>	<b>19,800</b>	<b>4,808</b>
Reserves Drawdown to Offset Cost of Living	-	-	(10,000)	(10,000)	-
<b>Revised General Fund Total</b>	<b>338,684</b>	<b>363,292</b>	<b>14,608</b>	<b>9,800</b>	<b>4,808</b>

### 1.2 Cost of Living pressures - context

- 1.2.1 The 2022/23 budget plans were approved on 16 February 2022 and reflected the Administration's priorities and Council ambition in the Council Plan, including acknowledgement of the impact of the global pandemic and emerging global recovery, global supply issues, pent up consumer demand pressures on cost inflation, and labour supply recruitment and retention issues across all sectors of the economy.

- 1.2.2 Based on prevailing national and international macro-economic forecasts, it was anticipated that a number of these pressures would be transitory rather than structural in nature and this was factored accordingly into Council forward budget plans.
- 1.2.3 However, the Russian invasion in Ukraine on 24 February 2022 has delivered a further global shockwave with significant and potentially more structural global & national macro-economic and societal impacts.
- 1.2.4 A finance update report to Corporate Scrutiny Panel (CSP) on 5 July 2022 set out a number of key macro-economic factors that were likely to impact on the Council's in-year financial position, including significant price uplifts to gas and electricity, fuel and food. Consumer price index (CPI) inflation is 9.4% as at June 2022 and is expected to be in excess of 10% by current year end.
- 1.2.5 There is also a continued national labour supply shortage with current unemployment rates at about 3.8%; less than pre-pandemic, and outstripped by job vacancies of about 1.3 million currently. Combined, these factors are adding upward pressure on workers' pay across all sectors of the economy and public services; and amidst an anticipated largest fall in the average annual UK standard of living at above 2%, since records began in 1956.
- 1.2.6 The Bank of England base rate has also increased from 0.1% in December 2022 to 1.25% currently, and is anticipated to rise further in August with potential further rises in the remainder of 2022 and 2023 to attempt to counteract inflationary pressures in the economy.
- 1.2.7 The Organisation for Economic Co-operation & Development (OECD, June 2022) forecasts potential zero economic growth for UK through 2023; the 2nd lowest of the G20 countries ahead of Russia.
- 1.2.8 The report presented to CSP on 5 July recognised the significant impact of cost of living pressures on residents, households, communities and businesses, and made reference to a range of current national government and Council 'hardship' support measures for the district's residents and businesses.
- 1.2.9 The report also referenced specific impacts on the Council's finances, and the £19.8m set out in the summary Table 1 above, through this Quarter 1 finance report, is an early indicator of the extent of the in-year pressures; considered in more detail below.

### **Pay award**

- 1.2.10 Salary inflation for 2022/23 was budgeted at 2%. Current national negotiations are underway and there are recent indications from the Local Government Association was that the negotiated settlement nationally could be in the region of 5%. This would equate to an in-year pressure of £4.4m and this is reflected in central budgets at Quarter 1.
- 1.2.11 At the time of writing this report, the national employers association, representing Councils, has put forward an offer of just under £2k per full time equivalent. The modelled impact of this, and any other variant subsequent, will be factored into the forthcoming Medium Term Financial Strategy (MTFS) re-fresh report to Council on 7 September.

### **Energy inflation**

- 1.2.12 There have been unprecedented significant inflationary increases on Council direct

energy costs, with electricity uplifts at 110% and gas uplifts at 415% for 2022/23. This is resulting in an in-year pressure of £6.9m on energy budgets, also reflected in central budgets.

- 1.2.13 The Council is currently part of a broader Council consortium of 13 member Councils with a contract through Yorkshire Purchasing Organisation (YPO) who purchase energy on behalf of the consortium members. Electricity has been forward purchased to 31 March 2022, and gas to 30 September 2022. At this stage it is assumed that the remaining 6 months gas supply will be at the prevailing 415%.
- 1.2.14 The consortium contract with YPO runs to 31 March 2023, and consortium members, including the Council, are currently reviewing its options from April 2023 onwards. Given the exceptional ongoing volatility in the global and national energy market, and significant impact on Council energy costs, future options will be brought back to Cabinet in due course for consideration.
- 1.2.15 There is also a £2m estimated pressure on Kirklees Active Leisure (KAL) budgets as a result of significant in-year increases in both gas and electricity costs. This pressure in the summary table 1 above is aligned to Corporate Services (Sports and Active Leisure). The Council has provided extensive support to KAL through the pandemic period 2020-22 and current financial year, with earmarked Government COVID funding totalling £9.5m to date, alongside a Sports England grant of around £1m.
- 1.2.16 There is also an estimated pressure of £4.5m within Children & Families (Learning Services) due to significantly increased annual energy price uplifts above Retail Price Index; the risk for which is borne by the Council in relation to the Council's existing Public Private Partnership (PPP) 1 and 2 contract with 19 schools. While the above RPI risk has been in place since 2007 with these contracts, the unprecedented energy price uplift has significantly skewed the in-year risk.

### **Fuel/Food inflation**

- 1.2.17 Within Environment & Climate change, there is a projected catering pressure of £1m due to increasing food costs, and a projected further £1m pressure on Transport services due to rising fuel prices. Both these inflationary impacts remain volatile and will be reviewed through the remainder of 2022/23.
- 1.2.18 In addition to the Cost of Living pressures noted above, there are other forecast pressures highlighted in this report across Directorates, and these are summarised in sections 1.3 to 1.8 below.

### **'Other' forecast pressures**

## **1.3 Children & Families +£2.1m**

### **Learning Services – High Needs**

- 1.3.1 The Secretary of State for Education confirmed, on 24 March 2022, the Council's successful participation in the Round 2 Dedicated Schools Grant (DSG) deficit reduction (Safety Valve) Programme. This included an initial 2021/22 Government funding contribution of £13.5m made on 31 March 2022.
- 1.3.2 The balance of agreed £20m government funding contribution to the Council's DSG deficit over the next 5 years is dependent on delivery of in-year DSG High Needs savings target. An update report, setting out in more detail the Safety Valve funding agreement and management plan, was presented to Cabinet on 26 July 2022.

- 1.3.3 At Quarter 1, the forecast in-year spend on High Needs spend in excess of the Dedicated Schools Grant (DSG) funding allocation is £9.5m (equivalent in-year deficit in 2021/22 was £12.8m). The overall DSG Deficit is forecast to be £20m by 31 March 2023. This is consistent with Safety Valve modelled projections.

#### Learning and Early Support +£1.5m

- 1.3.4 The School Improvement Grant has reduced significantly in 22/23 (£429k 21/22, estimated £175k 22/23). To mitigate the impact of this the service are working on a new staffing structure and exploring ways to maximise income generation.
- 1.3.5 Income from Education Penalty Notices reduced significantly during the pandemic and whilst it is starting to recover, levels still remain far lower than pre-COVID. Traded Service income has also reduced since the pandemic. The service is looking to redesign its offer to ensure that this is more in correlation with the expected income levels.
- 1.3.6 Post 16 Transport continues to be a pressure. Additional budget of £0.6m was invested for 2022/23 but the Quarter 1 projection is still an overspend of £421k. Increases in fuel costs have been factored into this figure but the full impact will become clearer later in the year. As at 31 March 2022, 214 children used the service.

#### Family Support and Child Protection +£0.3m

- 1.3.7 This is largely as a result of increased volumes and complexity of need on demand led CDS (Children with Disability Service) Agency Homecare Packages. The main area of this budget is on Demand Led Sufficiency. The service continues to manage LAC (Looked After Children) numbers very well and these have reduced to 604 (at August 2020 they were at 689). Whilst there are variances within these budgets, the net overall position is approximately balanced and therefore the main pressure areas are effectively managed.

#### Resources, Improvements and Partnerships +£0.3m

- 1.3.8 There is a projected overspend of £0.3m within Resources, Improvements and Partnerships. This is as a result of increased costs in Internal residential Homes. There are acute capacity issues due to staff shortages, sickness and shielding along with placement demands and a lack of alternative local provision. The service is implementing measures to mitigate the issue through deployment of an additional casual bank of staff, overtime and agency cover, however this comes at a significant additional cost.

### **1.4 Adults and Health +£0.4m**

- 1.4.1 The overall position for Adults is a projected overspend of £0.4m. There is some volatility across key demand-led headings, with the main variance being seen on Self-Directed Support.
- 1.4.2 The main headline demand led variance at Quarter 1 is around Self-Directed Support, with a projected underspend of £1.1m. A significant element of this relates to Older People, predominantly on Direct Payments (reduced activity and lower unit costs). Against this, the Mental Health client group is seeing pressure against its budget, on Commissioned Services and on Direct payments due to higher unit costs.

- 1.4.3 Other headline variances are around employees (with an overspend of £0.4m). Pressures are continuing in relation to recruitment and retention in the workforce, resulting in the use of agency staff where necessary. There are also smaller variances across a number of other headings, and a projected overspend of £0.2m due to the need to cover an increase in the level of bad debts being seen.
- 1.4.4 Independent Sector Home Care is projected at close to break-even for the current year. Within this there is an overspend on the Learning Disability client group due to higher than anticipated market activity. This is offset by underspends on other client groups.
- 1.4.5 Independent Sector Residential & Nursing placements are also close to break-even with a projected underspend of £0.1m. Within this, unit costs are higher than budgeted but married with a lower level of activity. Work continues with providers in the Care home market around key pressures, and trends in the short and long term (with the possibility of it being driven more by people with complex needs). Working with partners continues to be crucial.
- 1.4.6 The current year will see a significant scale of change within Adult Social Care, notably around the Market Sustainability & Fair Cost of Care national programme which is focussed on the markets for Home Care and for Independent Sector Residential & Nursing Placements. Work is ongoing around the impact of this.
- 1.4.7 There is also the lead up to the national Charging Policy Reform in 2023; another fundamental change. These are alongside the increased cost of living impacts on providers. All will require sustained impetus in working collaboratively in a strategic manner, ensuring that we continue to address the issues in the market, whilst bringing the best outcomes for the residents of Kirklees.

## **1.5 Environment and Climate Change +£3.1m**

### Environmental Strategy and Climate Change +£2.1m

- 1.5.1 Within Environmental Strategy and Climate Change there is an estimated overspend of £2.0m on Schools Transport; in the main linked to an increase in the number of routes to out of area schools. An additional £0.3m was built into the School Transport base budget as part of the 2022/23 Annual Budget report to address some of the ongoing pressures in this area. This was in addition to the £1.2m uplift previously included in the 2021/22 budget round.

### Highways and Streetscene +£0.6m

- 1.5.2 At Quarter 1, a pressure of £0.6m has been identified within parking; largely due to multi storey and other site closures and lower than budgeted parking fees and fines income.

### Culture and Visitor Economy +£0.5m

- 1.5.3 Within Catering there is a projected pressure of £0.5m due to a shortfall in income.

## **1.6 Growth and Regeneration +£0.6m**

### Development +£0.6m

- 1.6.1 Within Development, there is a projected overspend of £0.6m due to commercial rent budgets that are unachievable.

## **1.7 Corporate Strategy, Commissioning and Public Health +£0.3m**

### Strategy and Innovation +£0.4m

- 1.7.1 At Quarter 1, IT has a projected pressure of £0.4m. This relates to annual application and infrastructure contract inflation, offset in part by temporary underspending on staffing.

## **1.8 Central Budgets -£1.7m**

- 1.8.1 The 2022/23 Annual Budget Report included a provision of £4.0m, reducing by £1.0m per annum over the subsequent 2 years, reflecting the protracted recovery of service income from sales fees and charges and commercial rents as a result of COVID over the medium term. At Quarter 1, £1.7m of this contingency has been released from central budgets to offset service losses held within Directorates. Any further contingency release adjustments will be considered in light of updated service income projections to current year end.

## **1.9 General Fund Reserves**

- 1.9.1 The reserves position at Appendix 2 reflects the Council's reserves strategy and approach reported and approved at Budget Council on 16 February 2022 and subsequent re-refresh in the Financial Outturn report which is on the same Cabinet agenda as this report.
- 1.9.2 At Quarter 1, General Fund reserves and balances are estimated to decrease through 2022/23 by £60.3m; from £166.8m at the start of the year to £106.5m as at 31 March 2023. Of this, £27.7m relates to transfers approved in the 2022-27 Annual Budget report.
- 1.9.3 The remaining £32.6m balance of movement on reserves is broken down as follows:
- i) Forecast £3.7m net planned drawdowns into directorates from reserves during the year, with the most significant being £1.7m from Revenue Grants reserve and £0.7m from COVID Grants reserve.
  - ii) Drawdown of £4.3m from the demand reserve reflecting £2.1m contribution towards the DSG deficit as per the Safety Valve agreement referenced in paragraphs 1.3.2 and 1.3.3, and a further £2.2m to offset the Almondbury Community School deficit.
  - iii) Projected drawdown of £10.0m to offset projected cost of living pressures in-year. It is proposed that £5.0m is drawdown from the demand reserve and the remaining £5.0m from revenue grants/other reserves. This is illustrated in Appendix 2.
  - iv) Transfer of the Quarter 1 projected overspend of £14.6m against earmarked financial resilience reserves at year-end.
- 1.9.4 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. Also attached at Appendix 6 is the current version of the Councils Corporate Risk Register, which also helps inform the Council overall reserves requirements in light of known

budget risk issues set out in the register. This includes emerging Cost of Living risks.

## 1.10 Collection Fund

1.10.1 The Collection Fund accounts separately for council tax and business rates income and payments. Table 2 below summarises the projected financial performance of the Collection Fund at Quarter 1.

**Table 2 – Collection Fund Summary**

<b>Collection Fund forecast (Council Share)</b>	<b>Council Tax</b>	<b>Business Rates</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>(Surplus)/Deficit at 1 April 2022</b>	<b>744</b>	<b>13,398</b>	<b>14,142</b>
Re-payments to/(from) General Fund 21/22	(1,026)	(15,135)	(16,161)
Estimated In year Financial Position	-	-	-
<b>(Surplus)/Deficit at 31 March 2023</b>	<b>(282)</b>	<b>(1,737)</b>	<b>(2,019)</b>

- 1.10.2 At Quarter 1, overall, the in-year Council Tax performance is estimated to be in line with the budgeted position. This projection takes into account the various points outlined below, notwithstanding the volatility of income projections in the current economic climate.
- 1.10.3 The 2022/23 Council Tax Base (CTB), approved as part of the 2022-27 Annual Budget Report, incorporated a series of positive adjustments reflecting the impact of the forecasted economic recovery from COVID on Council Tax income. Adjustments included housing growth projections of 1000 Band D equivalents and a reduction in the bad debt requirement from 2.76% in 2021/22 to 1.5% in 2022/23.
- 1.10.4 The 2022/23 Council Tax Base also assumed a decrease in the number of Council Tax Reduction scheme claimants by approximately 1,000, due to the projected local economic recovery post-pandemic.
- 1.10.5 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.
- 1.10.6 At 30 June 2022 the working age CTR claimant numbers were 24,000; a reduction of 500 since 31 March. These figures still remain volatile, with the potential of a further rise over time as prevailing economic conditions are likely to mean increased unemployment rates and further growth in households eligible for CTR.
- 1.10.7 As at Quarter 1, the in-year Business Rates performance is estimated to be in line with the budgeted position. The budget assumes a collection rate of 97.4% compared to a pre-pandemic rate of 98.6%.
- 1.10.8 Government is continuing to provide further expanded reliefs in 2022/23 due to the economic impacts of COVID on specific business sectors. Eligible occupied retail, hospitality and leisure properties will receive a 50% relief, up to a cash limit of £100,000 per business. This was factored into the above collection rate assumption.
- 1.10.9 It is acknowledged that at Quarter 1, the collection fund forecasts are subject to a



significant degree of volatility. Emerging intelligence will be factored into subsequent monitoring projections, in particular the impact on residents and business of the cost of living crisis and the potential effect this may have on the target in-year collection rates and bad debt provision requirements.

## **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 1 is a £275k deficit against an annual turnover budget of £94.8m in 2022/23. This will be monitored closely due to the current pressures caused by inflationary increases.
- 1.11.2 The main variances are £908k on repairs and maintenance which relates to legislative changes for fitting CO2 detectors in all properties, where costs were not initially budgeted for and some inflationary increases to material costs for works. This is netted off by a forecast underspend of £1.1m for management costs; for payroll costs as we are struggling to recruit to a number of technical posts and for other corporate charges. Other variances relate to void rent loss and under recovery of service charges.
- 1.11.3 Forecast HRA reserves at 31 March 2023, which includes providing for business risks and investment needs is £39.1m. A summary of the HRA outturn and reserves position can be found at Appendix 3.

## **1.12 Capital**

- 1.12.1 The budget for the 2022/23 Capital Plan is based on the updated capital plan within the Financial Outturn & Rollover Report 2021/22 at £273.8m, updated to £261.3m at Quarter 1 mainly as a result of £12.6m being re-profiled into subsequent financial years (see also Appendix 5) and other minor budget changes. It is also acknowledged that the budget and forecasts included at this stage are however conditional on Council approval of the Financial Outturn Report 2021/22, on 7 September 2022.
- 1.12.2 The Council's revised capital budget for 2021/22 is £261.3m. The forecast capital outturn at Quarter 1 is £259.4m; forecast £1.9m variance.
- 1.12.3 The Quarter 1 position is summarised in Table 3 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, operational work programmes and one-off projects.

**Table 3 – Forecast Capital Outturn 2022/23 at Quarter 1**

<b>By Category</b>	<b>Revised Budget £000</b>	<b>Actuals to Date £000</b>	<b>Annual Forecast £000</b>	<b>Variance £000</b>
Achieve & Aspire	18,510	1,812	16,898	(1,612)
Best Start	3,341	260	3,341	0
Independent	8,708	63	8,582	(126)
Sustainable Economy	173,502	13,666	173,328	(174)
Well	7,228	657	7,145	(83)
Safe & Cohesive	175	4	175	0
Clean & Green	8,862	1,464	8,962	100
Efficient & Effective	2,821	287	2,821	0
<b>General Fund</b>	<b>223,147</b>	<b>18,213</b>	<b>221,252</b>	<b>(1,895)</b>
Independent –Strategic Priorities	18,828	872	18,828	0
Independent - Operational	19,284	4,184	19,284	0
<b>Housing Revenue Account</b>	<b>38,112</b>	<b>5,056</b>	<b>38,112</b>	<b>0</b>
<b>Total Capital Plan</b>	<b>261,259</b>	<b>23,269</b>	<b>259,364</b>	<b>(1,895)</b>

- 1.12.4 A more detailed breakdown of the capital outturn position is provided at Appendix 4. The largest variance shown in Achieve and Aspire is within Libraries where schemes have been put on pause following reassessment of overall budget requirements due to outcome of feasibility studies and costings for options.
- 1.12.5 Noting that Quarter 1 is an early capital forecast, it is acknowledged that the current financial year, alongside all future years of the capital plan, will be subject to a rigorous forthcoming review. This will be set out in more detail as part of the forthcoming medium term financial strategy (MTFS) re-refresh report to Council on 7 September.
- 1.12.6 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.
- 1.12.7 Future capital plan updates will continue to be presented to Council via the annual budget strategy update and annual budget approval reports to Cabinet and Council as a matter of course, as part of the annual planning cycle.
- 1.12.8 The Council has submitted a Levelling Up Fund (LUF) Round 2 bid to regenerate the markets in Huddersfield by consolidating the two sites into a single new market located at the existing Open Market site. The Council contribution requires 10% match-funding which equates to a £2m commitment. The inclusion of match funding in the Capital Plan will be considered as part of the wider MTFS refresh work and early budget process.

### **2022/23 Capital Scheme drawdown proposals**

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

#### **Huddersfield District Energy Network (HDEN)**

- 1.12.10 The Huddersfield District Energy Network (HDEN) project has completed the Outline Business Case (OBC) Stage of scheme development, which was initiated by a Cabinet

decision in February 2021. The scheme is currently being progressed through the Council's Governance processes for Cabinet in September 2022. Ahead of this approval £200k of existing borrowing has been allocated to the Commercialisation phase of the project (developing the OBC to Full Business Case) in order bring forward workstreams from the OBC which are time-critical.

- 1.12.11 This is to provide funding for additional specialist contractor work, in order to align the HDEN programme with that of the Council's Waste Contract procurement (a key interdependency for the HDEN and the intended source of energy). The second element is for specialist support to complete an application to the Government's Green Heat Network Fund ahead of the August 2022 deadline. This could attract £1m grant for the wider HDEN Commercialisation programme plus grant-fund up to 50% of the subsequent HDEN development and construction.
- 1.12.12 Cabinet are asked to endorse £200k from the commercialisation phase of Huddersfield District Energy Network. The funding will be met from existing funds in the Capital Plan.

### Cultural Heart

- 1.12.13 Cabinet on 22 June 2021 agreed to progress the Cultural Heart master plan to Outline Business Case (OBC) and a budget of £6.55m was approved to deliver the Cultural Heart programme to Gateway 2. The budget included fees associated with the appointed Strategic Development Partner (SDP) project managing the programme to Gateway 2.
- 1.12.14 The Strategic Outline Case (Gateway 1) was approved by Cabinet on 16 November 2021. The cost to deliver the Cultural Heart programme was estimated at £210m and at Budget Council in February 2022 additional capital investment was built into the Capital Plan to set the budget at this level. All funding is being provided from Council borrowing.
- 1.12.15 Gateway 2 completed as per target by July 2022. However, the Cabinet report seeking approval to move to Gateway 3 (programme moves into the implementation phases of, detailed design, planning and construction) has been deferred to 20 September 2022.
- 1.12.16 The SDP and design teams continue to make progress on the project e.g. work has commenced on RIBA Stage 3, however, the associated fees can only be contained within the original Gateway 2 budget of £6.55m until August 2022. Therefore, approval is requested to advance £1m from the existing 22/23 Cultural Heart capital allocation to cover the cashflow issues created for the month of September through scheduling the Outline Business Case Cabinet report for 20 September.

## **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 1 summarises, by service area, the forecast General Fund revenue outturn position in 2022/23;

Appendix 2 summarises the forecast General Fund reserves and balances movements in-year;

Appendix 3 summarises the forecast HRA revenue outturn position including movements in HRA reserves in-year;

Appendix 4 sets out by Outcome area the forecast capital outturn position in 2022/23

Appendix 5 shows 2022/23 capital budget re-profile proposals into future years of the capital plan; and

Appendix 6 shows the current version of the Council's Corporate Risk Register plan.

### **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 Financial Implications for the people living or working in Kirklees**

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

- 3.7.1 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.
- 3.7.2 As outlined in section 1.2 of this report, a number of key assumptions incorporated into the budget plans for 2022/23 and key spend and funding assumptions for future years are being impacted by the current volatile global and national economic conditions. There are significant inflationary pressures affecting both revenue and capital budgets and income forecasts are increasingly volatile as a result of the cost of living crisis and its impacts on local residents.
- 3.7.3 Given the above context, Councils cannot solely rely on a government funding solution to accommodate any forecast in-year budget pressures, which in themselves remain sensitive in the current environment.
- 3.7.4 While the Council has identified up to £10m to part mitigate in-year Cost of Living pressures, over-reliance on "one-off" revenue reserves to support annual balanced budgets over the medium term would not be financially sustainable, and any significant depletion in reserves over time would leave the Council very exposed to financial risks.
- 3.7.5 It is therefore imperative that the Council should continue to ensure that it has robust and sustainable plans to deliver its ambitions and priorities over the foreseeable future within sustainable and available means.
- 3.7.6 The Council's refreshed reserves strategy approved in the 2022-27 budget plans includes the s151 Officer recommendation that the Council's financial resilience

reserves at £37.1m remain 'non-negotiable' for potential re-direction for any other purpose.

### **Management actions**

- 3.7.7 As at Quarter 1, the general fund revenue forecast overspend is £14.6m (net of up to £10m earmarked reserves offset). This overspend would then be transferred i.e. offset against available Council usable (financial resilience) reserves as at 31st March 2023. This would leave financial resilience reserves at £22.5m; significantly below the minimum requirement set out by the s151 Officer, as noted at 3.7.6 above.
- 3.7.8 It is expected that the Council's Executive Management Team will deliver a range of mitigations in-year, in order to deliver an overall year end balanced budget position against the other costs highlighted in the Table 1 summary in this report.
- 3.7.9 In addition, there are a range of other management actions being considered in-year to narrow the gap against Cost of Living pressures, aside from continued sectoral lobbying to Government for additional funding support, given the unprecedented nature of the pressures. These include a further review of in-year demand forecasts across adults and children's services, continued exploration of all external funding opportunities, a corporate review of fees and charges, corporate led capital plan review, ensuring maximisation of capitalisation opportunities, corporate led asset review, agency costs and vacancy management.
- 3.7.10 These, and other management actions will be brought back to Cabinet for further consideration as appropriate, through the remainder of the financial year.

### **Medium Term Financial Strategy Refresh**

- 3.7.11 The Council budget for 2022/23 approved at Budget Council on 16 February 2022 also included indicative spend and funding forecasts for 2023/24 and future years, including a £16.4m budget gap for 2022/23, even before the additional cost of living pressures set out in this report. Clearly the cost of living pressures set out in this report are likely to wash through as well into future years; the extent of which will in some part remain volatile.
- 3.7.12 Existing multi-year budget assumptions will be refreshed using the best available information to help inform the forthcoming Medium Term Financial Strategy (MTFS) update report to Council on 7 September 2022. This will then provide the financial planning framework for the development of subsequent budget proposals to inform 2023/24. A number of the management actions set out above will also inform the development of subsequent budget proposals, alongside a range of other emerging proposals to be set out as part of the MTFS refresh report. The report will also include a further refresh of the Council's Corporate Risk Register.

## **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 1;
- 7.2 note the intent to bring proposals to cabinet in due course for the future procurement of the Council's energy contract from April 2023 onwards.
- 7.3 note the forecast year end position on corporate reserves and balances at Quarter 1;
- 7.4 note the regular monitoring and review of corporate reserves in 2022/23 reported to Cabinet as part of the Quarterly financial monitoring cycle;
- 7.5 note the management actions set out at 3.7.7 to 3.7.10 and the intention to bring proposals back to Cabinet for further consideration to address the in-year position

### Collection Fund

- 7.6 note the forecast position on the Collection Fund as at Quarter 1;

### HRA

- 7.7 note the Quarter 1 forecast HRA position and forecast year-end reserves position;

### Capital

- 7.8 note the Quarter 1 forecast capital monitoring position for 2022/23;
- 7.9 approve the re-profiling of the 2022/23 capital plan as set out in this report and at Appendix 5;
- 7.10 approve £200k capital scheme drawdown for the Huddersfield District Energy Network;
- 7.11 approve £1m drawdown from the existing 22/23 Cultural Heart capital allocation to cover the cashflow issues created for the month of September through scheduling the Outline Business Case Cabinet report for 20 September 2022

## **8 Contact Officer**

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**9 Background papers and History of Decisions**

Annual budget report 2022-27 to Budget Council, February 2022

Budget Update Report to Council, October 2021

Finance Update report to Corporate Scrutiny Panel, 5 July 2022

**10 Service Director responsible**

Eamonn Croston, Service Director Finance.

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## Corporate Revenue Budget monitoring 2022/23 – Month 3

## Appendix 1

Strategic Director portfolio responsibilities	Annual					Variance breakdown:	
	Controllable Budget (Net)	Planned use of reserves	Revised Budget	Forecast	Variance	Cost of Living Pressures	Business as Usual
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Child Protection & Family Support	42,884	-	42,884	43,206	322		322
Resources, Improvements & Partnership	19,529	54	19,583	19,857	274		274
Learning & Early Support & Schools	18,280	-	18,280	24,308	6,028	4,500	1,528
<b>Sub Total (Children &amp; Families)</b>	<b>80,693</b>	<b>54</b>	<b>80,747</b>	<b>87,371</b>	<b>6,624</b>	<b>4,500</b>	<b>2,124</b>
Customers and Communities	11,513	-	11,513	11,501	(12)		(12)
ASC - Older People and Physical Disabilities	11,760	-	11,760	10,766	(994)		(994)
ASC - Learning Disabilities and Mental Health	79,017	-	79,017	80,557	1,540		1,540
Adults Sufficiency	14,028	732	14,760	14,631	(129)		(129)
<b>Sub Total (Adults &amp; Health)</b>	<b>116,318</b>	<b>732</b>	<b>117,050</b>	<b>117,455</b>	<b>405</b>	<b>-</b>	<b>405</b>
Environmental Strategy & Climate Change	7,982	183	8,165	10,244	2,079		2,079
Highways & Streetscene	29,087	129	29,216	30,778	1,562	1,000	562
Culture & Visitor Economy	(2,206)	1,683	(523)	957	1,480	1,000	480
E&CC Management & Support	2,157	-	2,157	2,115	(42)		(42)
<b>Sub Total (Environment &amp; Climate Change)</b>	<b>37,020</b>	<b>1,995</b>	<b>39,015</b>	<b>44,094</b>	<b>5,079</b>	<b>2,000</b>	<b>3,079</b>
Skills & Regeneration	3,862	-	3,862	3,862	-		-
Homes & Neighbourhoods	(433)	433	-	-	-		-
Development	10,574	44	10,618	11,171	553		553
Management & Support	1,707	-	1,707	1,707	-		-
<b>Sub Total (Regeneration &amp; Growth)</b>	<b>15,710</b>	<b>477</b>	<b>16,187</b>	<b>16,740</b>	<b>553</b>	<b>-</b>	<b>553</b>
Strategy & Innovation	15,390	-	15,390	15,784	394		394
Public Health & People	277	427	704	2,704	2,000	2,000	-
Governance & Commissioning	14,500	-	14,500	14,446	(54)		(54)
Finance	8,472	-	8,472	8,472	-		-
<b>Sub Total (Corporate Strategy, Commissioning &amp; Public Health)</b>	<b>38,639</b>	<b>427</b>	<b>39,066</b>	<b>41,406</b>	<b>2,340</b>	<b>2,000</b>	<b>340</b>
Central	46,619	-	46,619	56,226	9,607	11,300	(1,693)
<b>General Fund Total</b>	<b>334,999</b>	<b>3685</b>	<b>338,684</b>	<b>363,292</b>	<b>24,608</b>	<b>19,800</b>	<b>4,808</b>
Drawdown from Reserves	-	-	-	(10,000)	(10,000)	(10,000)	-
<b>Revised General Fund Total</b>	<b>334,999</b>	<b>3,685</b>	<b>338,684</b>	<b>353,292</b>	<b>14,608</b>	<b>9,800</b>	<b>4,808</b>



## Appendix 2a

## General Fund Earmarked Reserves

	Reserves position as at 1st April 2022	Budget report Approved Movements	Revised reserves position at 1st April 2022	Planned Net Drawdown in-year	Unplanned use of Reserves (Forecast Variance)	Forecasted Reserves position as at 31st March 2023
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Statutory (School Reserves)</b>						
Schools Balances	(15,503)	-	(15,503)	-	-	(15,503)
Public Health	(1,442)	-	(1,442)	-	-	(1,442)
<b>Total Statutory (School Reserves)</b>	<b>(16,945)</b>	<b>-</b>	<b>(16,945)</b>	<b>-</b>	<b>-</b>	<b>(16,945)</b>
<b>Earmarked</b>						-
<b>Transformation/Development Funding</b>						
Ward Based Activity	(1,286)	-	(1,286)	120	-	(1,166)
Strategic Investment support	(4,500)	-	(4,500)	276	-	(4,224)
Waste Management	(2,000)	2,000	-	-	-	-
Mental Health	(639)	-	(639)	32	-	(607)
Inclusive Investment	(3,045)	-	(3,045)	159	-	(2,886)
Place Partnership Theme	(2,000)	-	(2,000)	-	-	(2,000)
Transformation	(4,166)	-	(4,166)	-	-	(4,166)
Place Standard	(1,000)	-	(1,000)	19	-	(981)
Local Welfare provision initiatives	(2,641)	2,641	-	-	-	-
Apprenticeship Levy	(2,915)	-	(2,915)	-	-	(2,915)
<b>Total Transformation/Development Funding</b>	<b>(24,192)</b>	<b>4,641</b>	<b>(19,551)</b>	<b>606</b>	<b>-</b>	<b>(18,945)</b>
<b>Revenue Grants/Other</b>						
Revenue Grants (various)	(18,468)	-	(18,468)	1,659	-	(16,809)
Rollover	(353)	-	(353)	319	-	(34)
Stronger Families Grant	(1,524)	-	(1,524)	-	-	(1,524)
Social Care Reserve	(1,285)	-	(1,285)	-	-	(1,285)
School PFI	-	-	-	-	-	-
Other	(3,645)	-	(3,645)	302	-	(3,343)

	Reserves position as at 1st April 2022	Budget report Approved Movements	Revised reserves position at 1st April 2022	Planned Net Drawdown in-year	Unplanned use of Reserves (Forecast Variance)	Forecasted Reserves position as at 31st March 2023
	£'000	£'000	£'000	£'000	£'000	£'000
Drawdown to offset 2022/23 cost of living pressures				5,000		5,000
<b>Total Revenue Grants/Other</b>	<b>(25,275)</b>	<b>-</b>	<b>(25,275)</b>	<b>7,280</b>	<b>-</b>	<b>(17,995)</b>
<b>Risk Reserves - Specific Purposes</b>						
Insurance	(1,900)	-	(1,900)	-	-	(1,900)
Property and Other Loans	(3,000)	1,000	(2,000)	-	-	(2,000)
Treasury Smoothing	(960)	-	(960)	-	-	(960)
<b>Total Risk Reserves - Specific Purposes</b>	<b>(5,860)</b>	<b>1,000</b>	<b>(4,860)</b>	<b>-</b>	<b>-</b>	<b>(4,860)</b>
<b>Risk Reserves - Budget Risks</b>						
Financial Resilience Reserves	(37,146)	-	(37,146)	-	14,608	(22,538)
Demand Reserve	(17,352)	-	(17,352)	9,313	-	(8,039)
<b>Total Risk Reserves - Budget Risks</b>	<b>(54,498)</b>	<b>-</b>	<b>(54,498)</b>	<b>9,313</b>	<b>14,608</b>	<b>(30,577)</b>
<b>Earmarked (COVID) Reserves</b>						
COVID Response - Unfunded Risks	(3,884)	8,168	4,284	105	-	4,389
COVID Response - Recovery Fund	(2,367)	-	(2,367)	-	-	(2,367)
COVID Response - Collection Fund (Risk)	(6,400)	4,116	(2,284)	-	-	(2,284)
COVID Response - Leisure Support (KAL)	-	(3,500)	(3,500)	-	-	(3,500)
COVID Grants (various)	(2,110)	-	(2,110)	694	-	(1,416)
COVID Business Grants Reserve	(284)	-	(284)	-	-	(284)
Extended Business Rate Relief Compensation	(11,915)	11,915	-	-	-	-
Tax Income Loss Compensation	(3,102)	1,334	(1,768)	-	-	(1,768)
<b>Sub Total Earmarked (Collection Fund)</b>	<b>(30,062)</b>	<b>22,033</b>	<b>(8,029)</b>	<b>799</b>	<b>-</b>	<b>(7,230)</b>
<b>Total Earmarked</b>	<b>(139,887)</b>	<b>27,674</b>	<b>(112,213)</b>	<b>17,998</b>	<b>14,608</b>	<b>(79,607)</b>
<b>GENERAL BALANCES</b>	<b>(9,962)</b>	<b>-</b>	<b>(9,962)</b>	<b>-</b>	<b>-</b>	<b>(9,962)</b>
<b>Grand Total</b>	<b>(166,794)</b>	<b>27,674</b>	<b>(139,120)</b>	<b>17,998</b>	<b>14,608</b>	<b>(106,514)</b>
<b>Total usable reserves (excluding schools and public health)</b>	<b>(149,849)</b>	<b>27,674</b>	<b>(122,175)</b>	<b>17,998</b>	<b>14,608</b>	<b>(89,569)</b>

## Glossary of Reserves

RESERVE	DESCRIPTION
<b>School Balances</b>	Statutory reserves relating to both individual schools balances/deficits carried forwards.
<b>Public Health</b>	Timing issues on Public Health grant spend commitments (Public health grant is statutorily ring-fenced)
<b>Ward Based Activity</b>	Set aside reflecting timing issues on ward-based activity spend commitments
<b>Strategic Investment Support</b>	To address the scale of development costs required to support the upscaling of capital investment activity and major project activity over the MTFP.
<b>Waste Management</b>	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.
<b>Mental Health (including Domestic abuse)</b>	To support a number of local area based mental health initiatives.
<b>Inclusive Investment Reserve</b>	Set aside for a range of targeted development activity that supports the Council's inclusive investment ambition.
<b>Place Partnership Theme</b>	To encourage Place specific local initiatives
<b>Transformation Reserve</b>	Set aside for strategic transformation developments over the next 12 to 24 months.
<b>Place Standard Reserve</b>	Set aside to support the resourcing of emerging Place Standard action plans.
<b>Local Welfare Provision Initiatives</b>	Set aside for a range of existing Local Welfare Provision measures to support some of the borough's vulnerable families and individuals in financial hardship
<b>Apprenticeship Levy</b>	Set aside to fund future payments into the Apprenticeship levy
<b>Revenue Grants</b>	Represents grants and contributions recognised in the Comprehensive Income and Expenditure Statement before expenditure has been occurred.
<b>Rollover</b>	To fund deferred spend commitments against approved rollover
<b>Stronger Families</b>	Set aside reflecting timing issues on expenditure commitments supporting a range of Stronger Families activity, funded from external grant.
<b>Social Care</b>	Set aside to cover phased rollout of a range of social care expenditure commitments as agreed at Cabinet, August 2018.
<b>Schools PFI Reserve</b>	Utilised to cover reduced DSG budget contributions to council services in 2020/21 and 2021/22
<b>Other Earmarked</b>	A range of smaller reserves earmarked for specific purposes.
<b>Insurance</b>	Mitigates against risk from increased liabilities and insurance claims.
<b>Property and Other Loans</b>	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.
<b>Treasury Smoothing Reserve</b>	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.
<b>Financial Resilience</b>	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.
<b>Demand Reserve</b>	Set aside to mitigate the impact/volatility of a range of potential demand risks on statutorily provided service activity
<b>COVID Response Reserve</b>	Specific reserve set aside to cover the costs of the Council's COVID response.
<b>COVID Grants (various)</b>	Represents specific COVID grants recognised in the Comprehensive Income and Expenditure Statement before expenditure was occurred.

RESERVE	DESCRIPTION
<b>COVID Business Grants reserve</b>	Reflects the balance of COVID Business Grants received and recognised in 2020/21 and 2021/22 before expenditure was incurred.
<b>Extended Business Rate Relief Compensation</b>	During 2020/21 and 2021/22, local authorities received S31 grants to offset the reliefs given to businesses during COVID. Under current collection fund accounting rules, the S31 grants received cannot be discharged against the Collection Fund deficit in-year. The additional s31 grants were therefore transferred into the extended business rates relief reserve, to be drawn down the following year against the rolled forwards collection fund deficit.
<b>Local Tax Income Loss Compensation</b>	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 in future years against the rolled forwards collection fund deficit.
<b>General Fund Balances</b>	General reserve set at £10m to support general working capital and cashflow requirements.

## Appendix 3

### HOUSING REVENUE ACCOUNT 2022/23 - MONTH 3

	Year to			Annual		
	Date			Revised Budget	Forecast	Variance
	Controllable Budget (Net)	Actuals	Variance			
£'000	£'000	£'000	£'000	£'000	£'000	
Repairs & Maintenance	7,466	7,269	(197)	28,495	29,403	908
Housing Management	6,392	7,010	618	42,318	41,188	(1,130)
Other Expenditure	233	(35)	(268)	26,692	26,692	(0)
<b>Total Expenditure</b>	<b>14,091</b>	<b>14,244</b>	<b>153</b>	<b>97,505</b>	<b>97,283</b>	<b>(222)</b>
<b>Rent &amp; Other Income</b>	<b>(21,792)</b>	<b>(21,724)</b>	<b>68</b>	<b>(94,803)</b>	<b>(94,306)</b>	<b>497</b>
Revenue Contribution to Capital Funding	0	0	0	0	0	0
Planned transfer from HRA Reserves	0	0	0	(2,702)	(2,702)	0
<b>Total</b>	<b>(7,701)</b>	<b>(7,480)</b>	<b>221</b>	<b>0</b>	<b>275</b>	<b>275</b>

### HRA RESERVES





	Balance at 31 March 2022	Approved Movement in Reserves	Balance at 31 March 2023
	£'000	£'000	£'000
Set aside for business risks	(4,000)		(4,000)
Forecast in Year Surplus/Deficit To support the Capital Investment Programme		275	275
Planned Drawdown from reserves		8,231	8,231
Set aside to meet investment needs (as per HRA Business Plan)	(44,834)	2,702	2,702
Working balance	(1,500)		(1,500)
<b>Total</b>	<b>(50,334)</b>	<b>11,208</b>	<b>(39,126)</b>

## Corporate Capital Budget Monitoring 2022/23 – Month 3



## Appendix 4




	Financial Outturn & Rollover Report Plan £'000	Budget Adjustment incl Re- profiling £'000	Qtr 1 Revised Budget £'000	Actuals to Date £'000	Forecast £'000	Variance £'000	Variance %
<b>General Fund</b>							
Aspire & Achieve	19,960	(1,450)	18,510	1,812	16,898	(1,612)	(9%)
Best Start	3,841	(500)	3,341	260	3,341	0	0%
Independent	8,708	0	8,708	63	8,582	(126)	(1%)
Sustainable Economy	179,699	(6,197)	173,502	13,666	173,328	(174)	0%
Well	8,036	(808)	7,228	657	7,145	(83)	(1%)
Safe & Cohesive	175	0	175	4	175	0	0%
Clean and Green	9,362	(500)	8,862	1,464	8,962	100	1%
Efficient & Effective	2,821	0	2,821	287	2,821	0	0%
<b>GENERAL FUND TOTAL</b>	<b>232,602</b>	<b>(9,455)</b>	<b>223,147</b>	<b>18,213</b>	<b>221,252</b>	<b>(1,895)</b>	<b>(1%)</b>
<b>Housing Revenue Account</b>							
Strategic Priorities	21,490	(2,662)	18,828	872	18,828	0	0%
Operational	19,733	(449)	19,284	4,184	19,284	0	0%
<b>HOUSING REVENUE TOTAL</b>	<b>41,223</b>	<b>(3,111)</b>	<b>38,112</b>	<b>5,056</b>	<b>38,112</b>	<b>0</b>	<b>0%</b>
<b>CAPITAL PLAN TOTAL</b>	<b>273,825</b>	<b>(12,566)</b>	<b>261,259</b>	<b>23,269</b>	<b>259,364</b>	<b>(1,895)</b>	<b>(1%)</b>


	£'000	£'000
<b>General Fund</b>		
<b>Aspire &amp; Achieve</b>		
Basic Need (BL)	(400)	
Capital Maintenance (BL)	(650)	
SEND (OP)	(400)	
<b>Best Start</b>		
Children with Disabilities (SP)	(500)	
<b>Sustainable Economy</b>		
Highways (BL) Woodhead Landslip	(6,182)	
Ward Based Activity	(53)	
<b>Clean &amp; Green</b>		
Waste Management Plant/Infrastructure (SP)	(500)	
<b>Well</b>		
Play Strategy (BL)	(809)	
<b>General Fund Total</b>		<b>(9,494)</b>
<b>Housing Revenue Account</b>		
<b>Independent</b>		
Housing Growth (SP)	(862)	
Council House Building (SP)	(1,800)	
Fuel Poverty (BL)	(449)	
<b>Housing Revenue Account Total</b>		<b>(3,111)</b>
<b>TOTAL CAPITAL PLAN RE-PROFILED</b>		<b>(12,605)</b>
<b>Funding:</b>		
Borrowing	(8,153)	
Grants	(2,363)	
Contributions/S106	75	
Earmarked Capital Receipts	(1,445)	
HRA Reserves	(719)	
<b>TOTAL FUNDING RE-PROFILED</b>		<b>(12,605)</b>





Risk No	Risk – Description of the risk	Management actions already in place to mitigate the risk and proposed actions with timeline	Trend	Risk Matrix Symbol
	<b>Community Impacts &amp; Risks</b>	<b>Delivering service that customers and citizens need</b>		
A1	<p>The risk that the Council’s incident management / emergency planning is insufficient to manage a serious incident or series of related incidents leading to short term or prolonged impacts on the Kirklees community and Council employees and operations.</p> <p>Potential risk causes include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• Weather related events</li> <li>• Industrial accident</li> <li>• Infectious disease outbreak</li> <li>• Terrorist attack</li> </ul>	<p>This position requires specific event related understanding, coordination and action and is often about dealing with areas of uncertainty. Effective business continuity and emergency planning (including mutual aid) is necessary.</p> <p>Mitigations need to relate to and consider:</p> <ul style="list-style-type: none"> <li>• Social and economic consequences (including appropriate council interventions therein).</li> <li>• Management of financial consequences</li> <li>• Recognition of longer-term impacts</li> <li>• Ensuring appropriate communication (to community and staff)</li> <li>• For service delivery, business continuity planning</li> </ul> <p style="text-align: right;"><i>Responsible for this chief executive and all strategic directors</i></p>	 5X4=20	
A2	<p>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.</p>	<ul style="list-style-type: none"> <li>• Disclosure &amp; Barring Service (DBS) checking, staff training, supervision, protection policies kept up to date and communicated.</li> <li>• 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</li> <li>• Active management of cases with media interest</li> <li>• Completion of the development of the Corporate Safeguarding Policy (approved by Cabinet March 2022)</li> <li>• Review of current practices following the child sexual exploitation in other authorities and the emerging requirements.</li> </ul>		











		<ul style="list-style-type: none"> <li>• Ensure that workloads are balanced to resources, and that this worked is prioritised when there are staff resource availability issues</li> <li>• Staff and skill development to minimise dependence on key individuals.</li> <li>• Use of agency staff and or contractors when necessary</li> <li>• Ideal manager training</li> <li>• Development of market sufficiency strategy; consider approaches to support the development of the available service offer both locally and regionally.</li> <li>• Ensure competence of the Safeguarding Boards and that they are adequately resourced to challenge and improve outcomes</li> <li>• Adults Safeguarding Board has own specific risk register</li> <li>• Effective listening to messages about threats from other parts of the council and partner agencies</li> <li>• Proactive recognition of Members role as “corporate parent”</li> <li>• Childrens Ambition Board to assist governance and quality improvement</li> <li>• Additional work to ensure that corporate safeguarding activities include appropriate control arrangements.</li> <li>• Ensure effective record keeping</li> <li>• Ensure routine internal quality assessment</li> <li>• Training to ensure that there is a proportionate reaction,</li> <li>• Recognise that referrals may have been suppressed because of lockdown and other coronavirus related concerns</li> </ul> <p style="text-align: right;"><i>Responsible for this risk – R Parry and M Meggs</i></p>	4x5=20	
<b>A3</b>	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"> <li>• Additional resources and expertise allocated to new and historical Child Sex Exploitation (CSE) and other legacy work, as required.</li> <li>• Risk matrix and risk management approach implemented with the police and partners.</li> <li>• Provision of support pathways to assist victims</li> <li>• Understand relationship with the Prevent strategy, and issues linked to counter terrorism</li> <li>• Ensure effective record keeping</li> </ul>	 4x4=16	

		<ul style="list-style-type: none"> <li>Learning from external reports on CSE issues re Oxford, Rotherham etc</li> </ul> <p style="text-align: right;"><i>Responsible for this risk –M Meggs</i></p>		
<b>A4</b>	<p>Failure to address matters of violent extremism and related safer stronger community factors, including criminal exploitation, (and with the potential of 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. National terrorism threat level raised as a consequence of Ukraine and Russia</p>	<ul style="list-style-type: none"> <li>Prevent Partnership Action Plan.</li> <li>Community cohesion work programme</li> <li>Local intelligence sharing and networks.</li> <li>Status as a Prevent Priority Area provides funding for a Prevent Coordinator Post and enables the development of bids for additional funding.</li> <li>Counter terrorism local profile.</li> <li>Awareness that some campaigns may give cause to action and reaction. (e.g. black lives matter, LGBTQ)</li> <li>Global events can create ongoing potential issues and tensions, (national risk status raised recently) which the council needs awareness and mitigations strategies.</li> <li>West Yorkshire Violence Reduction Unit will assist</li> <li>Local measures to ensure councillors are/feel protected (and staff and others) including access to relevant information.</li> <li>Protect and Prepare obligations to mitigate terrorism risk on publicly accessible locations (PAL)</li> <li>Assurance processes re ensuring appropriate understanding associated with the use of public and client access to the internet (terrorism and extremism related)</li> </ul> <p style="text-align: right;"><i>Responsible for this risk – R Parry and M Meggs (&amp; J Greenfield)</i></p>	<p style="text-align: center;">↑</p> <p style="text-align: center;">4x5=20</p>	
<b>A5</b>	<p>Failure to adequately address the challenges of climate change is a risk both to operational processes, as a result of severe weather events and the Council's ability to maintain services, and reputationally, to demonstrate</p>	<ul style="list-style-type: none"> <li>Investment in flood management, gritting deployment plans.</li> <li>Winter maintenance budgets are supported by a bad weather contingency.</li> <li>Operational plans and response plans designed to minimise impacts (e.g., gully cleansing for those areas which are prone to flooding.)</li> <li>Consultancy study advice on how the council might address global warming consequences of higher summer temperature (affecting road surfaces), and</li> </ul>	<p>As a long- term environmental trend</p> <p style="text-align: center;">↑</p> <p style="text-align: center;">4x5=20</p>	 

	<p>compliance with the Council’s own climate change commitments. Certain government grants require demonstration of climate commitments, impacting on funding available and statutory obligations relating to climate change are becoming more stringent.</p>	<p>more volatile weather conditions, (e.g., rainstorms) and heating and ventilation in new and refurbished property</p> <ul style="list-style-type: none"> <li>• Reconsideration of priorities and potential achievability within timescales</li> <li>• Monitoring of achievements/effective project planning and costing</li> <li>• Awareness of local consequences such as ensuring appropriate levels of energy efficiency in residential and commercial property, and the financial consequences</li> <li>• Lobbying for financial and other government support in relation to the costs of meeting obligations</li> <li>• WYMCA related projects will require assessment of carbon impacts</li> </ul> <p style="text-align: right;"><i>Responsible for this risk – C Parr</i></p>		
<p><b>A6</b></p>	<p>The impact of the “cost of living crisis” (specifically inflationary pressure leading to increased prices for food and fuel) on individuals, the community, partners and the business sector, and on their priorities, and their consequent demands for council service</p> <p>Understanding that impact on the voluntary sectors may reduce their ability to support communities, with a consequent impact on the council.</p>	<ul style="list-style-type: none"> <li>• Understand the impacts including those of rising prices-e.g. energy/ changed customer demand for paid for activity</li> <li>• Consider what types of support the council might provide</li> <li>• Engagement in resilience discussions with NHS partners</li> <li>• Secure funding as appropriate (e.g., consider extension of pooled funds</li> <li>• Understanding potential impacts on demand for council services</li> <li>• Strengthen partnership arrangements to ascertain whether other funding or cost reduction solutions can be introduced.</li> <li>• Understand if changes in the availability of council and / or community facilities is affecting Voluntary Organisations</li> <li>• Assess dependency on voluntary organising, and impacts that coronavirus has on their sustainability, and consider actions.</li> <li>• Understand the impact on demand and resources from the broader economic microsystem</li> <li>• Determine which of these are really adverse</li> </ul> <p style="text-align: right;"><i>Responsible for this risk – R Parry and M Meggs * all strategic directors</i></p>	<p style="text-align: center;">↑</p> <p style="text-align: center;">4x4=16</p>	<p style="text-align: center;"></p>

	<b>The finances of the Council</b>	<b>Keeping the Council solvent</b>		
<b>A7</b>	A failure to achieve the Council's savings plan impacts more generally on the council's finances with the necessity for unintended savings (from elsewhere) to ensure financial stability	<ul style="list-style-type: none"> <li>• Significant impacts on incomes and cost pressures on certain service areas</li> <li>• Established governance arrangements are in place to achieve planned outcomes at Cabinet and officer level</li> <li>• Escalation processes are in place and working effectively.</li> <li>• Alignment of service, transformation and financial monitoring.</li> <li>• Tracker developed which allows all change plans to be in view and monitored monthly</li> <li>• Monthly (and quarterly) financial reporting</li> <li>• Understand impacts of inflation (see A8) (and make adjustments within funds allocated)</li> </ul> <p style="text-align: right;"><i>Responsible for this risk - E Croston &amp; ET</i></p>	  4x5=20	
<b>A8</b>	Above inflation cost increases, impact on the council directly, and on the ability of contractors to deliver activities of the specified quality at the agreed price. (Noting inflation in costs of energy, food and construction, likely to be ongoing)	<ul style="list-style-type: none"> <li>• 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)</li> <li>• Renegotiate or re-tender contracts as appropriate.</li> <li>• Ensure that budgets anticipate likely cost impacts</li> <li>• Reduce extent or number of capital projects</li> <li>• Be willing to amend service or activity prices reflecting cost changes</li> <li>• Recognise that some changes such as the costs of energy are longer term (but with severe short-term impacts)</li> <li>• Seek additional funding because of government-imposed cost</li> <li>• Determine if increased costs such as energy make efficiency projects more financially attractive or reduce consumption by less use of heating.</li> <li>• Internal Board to ensure a corporate approach</li> </ul> <p style="text-align: right;"><i>Responsible for this risk - E Croston &amp; all strategic directors</i></p>	  5x4=20	



<p><b>A9</b></p>	<p>The council has significant financial risks related to</p> <ul style="list-style-type: none"> <li># Volumes (spending more than budget) of. <ul style="list-style-type: none"> <li>• Complex Adult Care services</li> <li>• Childrens Care Services</li> <li>• Educational high needs</li> </ul> </li> <li># Income impacts on commercial rents and other fees and charges.</li> <li># HRA Rent collection. (UC roll-out)</li> <li># Waste disposal and waste strategy</li> <li># Social care legislation impacts (care cap)</li> <li># Grant schemes, where the council takes on cost or outcome risk</li> </ul>	<ul style="list-style-type: none"> <li>• Monitor short term loss of income and any continuing additional costs (&amp; be sure they are all captured) and recognise these in budget plans</li> <li>• Scenario plan for changed level of demand, or customer tastes.</li> <li>• Scenario plan for recurrences of coronavirus or similar</li> <li>• Scenario plan for default by debtors</li> </ul> <p>Consider impact of changing “costs” to be levied on debtors who default- impact on collection funds, and on operational budgets in Exchequer</p> <ul style="list-style-type: none"> <li>• Seek to recover additional costs where budgets held by other parties or partners</li> <li>• Significant service pressures recognised as part of resource allocation</li> <li>• Responsibility for budgetary control aligned to Strategic and Service Directors.</li> <li>• Examine alternative strategies or amend policies where possible to mitigate growth in demand or reduce costs</li> <li>• Utilise supplementary resources to cushion impact of cuts and invest to save.</li> <li>• Assess grant related risks and seek to mitigate (with the grant regime)</li> <li>• Proactive monitoring as Universal Credit is introduced</li> <li>• Understand, scenario plan and monitor financial implications from Heath &amp; Social Care legislation being prompted by government</li> </ul> <p style="text-align: right;"><i>Responsible for this risk - E Croston &amp; ET</i></p>	<p style="text-align: center;"></p> <p style="text-align: center;">5x5=25</p>	<p style="text-align: center;"></p>
<p><b>A10</b></p>	<p>Making inappropriate choices in relation to lending or and borrowing decisions, leads to financial losses.</p>	<ul style="list-style-type: none"> <li>• Effective due diligence prior to granting loans and careful monitoring of investment decisions.</li> <li>• Effective challenge to treasury management proposals by both officers and members (Corporate Governance &amp; Audit Committee) taking account of external advice</li> </ul> <p style="text-align: right;"><i>Responsible for this risk - E Croston</i></p>	<p style="text-align: center;"></p> <p style="text-align: center;">2x5=10</p>	<p style="text-align: center;"></p>





<p><b>A11</b></p>	<p>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 building.</p>	<ul style="list-style-type: none"> <li>• Ensure adequacy of financial revenue reserves to protect the council financial exposure and managed effectively not to impact on the council essential services.</li> <li>• Consider risks and most cost-effective appropriate approach to responding to these (internal or external insurance provision).</li> <li>• Awareness of risk activity that is not insured or uninsurable.</li> </ul> <p style="text-align: right;"><i>Responsible for this risk - E Croston &amp; J Muscroft</i></p>	<p style="text-align: center;">   4x3=12 </p>	
<p><b>A12</b></p>	<p>Statutory obligations (eg in relation to social care) create additional resource requirements that are not covered by existing government / other funding allocations. 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. Ref inflation. 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 social care additional tax revenues initially.</p>	<ul style="list-style-type: none"> <li>• Monitor government proposals and legislation, and their impact on council and partner services.</li> <li>• Continue to lobby, through appropriate mechanisms, for additional resources e.g., Local Government Association (LGA)</li> <li>• Be aware of underlying issues through effective communication with citizens, partners, service providers and suppliers about likely impact on resources</li> <li>• Ensure that budgets anticipate likely impacts</li> <li>• Ensure adequacy of financial revenue reserves to protect the council financial exposure and managed effectively not to impact on the council essential services.</li> <li>• Lobby for appropriate shares of NI levies for local authorities- or similar funding.</li> <li>• Ensuring efficacy of social care levy if ever shared</li> </ul> <p style="text-align: right;"><i>Responsible for this risk - E Croston &amp; all strategic directors</i></p>	<p style="text-align: center;">   4x5=20 </p>	

	<b>Governance</b>	<b>Operating legally and ethically</b>		
<b>A13</b>	The councils arrangements to effectively determine policies, are inadequate, leading to the potential for failure or delay	<ul style="list-style-type: none"> <li>• Open policy development</li> <li>• Open decision making, including full consultation</li> <li>• Effective challenge (between officers, officers and members, and between member), with sufficient time for adequate consideration and scrutiny (e.g. timely publication of Key Decision Notices)</li> <li>• Proper recording of all decisions</li> <li>• Clarity of responsibility and understanding</li> </ul> <p style="text-align: right;"><i>Responsible for this risk – chief executive and all strategic directors</i></p>	  2x5=10	
	The councils arrangements to effectively implement policies and practices, are inadequate, leading to the potential for failure, error, illegality or delay	<ul style="list-style-type: none"> <li>• Open decision making, including full consultation</li> <li>• Proper recording of all decisions</li> <li>• Carefully following all rules and requirements, particularly those related to Financial Procedures Rules and Contract Procedure Rules</li> <li>• Doing basics well- strong training and effective assurance</li> <li>• Clarity of management responsibility and understanding</li> </ul> <p style="text-align: right;"><i>Responsible for this risk – chief executive and all strategic</i></p>	3x5=15	
<b>A14</b>	National legislation, especially that which is not fully funded, impacts on the councils current policies and strategies (Examples Waste Strategy, Social care reforms)	<ul style="list-style-type: none"> <li>• Horizon scanning and work to ensure that the local impacts of national legislation, or other changes are fully understood as soon as practical</li> <li>• Open consideration of options and how these may impact across communities, and impact on current activities</li> <li>• Financial assessments</li> </ul> <p style="text-align: right;"><i>Responsible for this risk – chief executive and all strategic directors</i></p>	  5x4=20	  
	<b>Resource Utilisation</b>	<b>Operating successfully and effectively</b>		
<b>A15</b>	Council supplier and market relationships, including contractor failure leads to.	<ul style="list-style-type: none"> <li>• Avoid, where possible, over dependence on single suppliers</li> <li>• Seek to build a panel of suppliers who are available and interested in delivering work to council</li> </ul>		

	<ul style="list-style-type: none"> <li>• loss of service,</li> <li>• poor quality service</li> <li>• an inability to attract new suppliers (affecting competition, and to replace any incumbent contractors who have failed)</li> <li>• complexities and difficulties in making decisions and arrangements in respect of significant and long running major outsource contracts, and their extension and renewal.</li> <li>• Inability to secure contractors at all, or to achieve a clear open competition</li> </ul> <p>(Recognising higher risk at times of inflation, especially against fixed price contracts)</p>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• Consideration of social value, local markets and funds recirculating within the borough</li> <li>• Understanding supply chains and how this might impact on the availability of goods and services</li> <li>• Be realistic about expectation about what the market can deliver, considering matter such as national living wage, recruitment and retention issues etc.</li> <li>• Develop and publish in place market position statement and undertake regular dialogue with market.</li> <li>• Effective consultation with suppliers about proposals to deal with significant major external changes</li> <li>• Early consultation with existing suppliers about arrangements to be followed at the end of existing contractual arrangements</li> <li>• Realign budgets to reflect real costs</li> <li>• Commission effectively</li> <li>• Ensuring adequate cash flow for smaller contractors</li> </ul> <p style="text-align: right;"><i>Responsible for this risk – J Muscroft</i></p>	<p>5x4=20</p>	
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<p><b>A16</b></p>	<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"> <li>• Thorough, understandable information governance policies and practices that are clearly communicated to workforce and councillors</li> <li>• Effective management of data, retention and recording.</li> <li>• Compliance with retention schedules.</li> <li>• Comply with new legislation around staff access to sensitive data.</li> <li>• Council has a Senior Information Risk Owner (“SIRO”) officer and a Data Protection Officer (DPO) supported by an Information Governance Board</li> <li>• Development of action plan to respond to GDPR requirements and resourcing requirements as appropriate</li> <li>• Recognition of increased risk from homeworking may increase risks or change their perspective (e.g., destruction of paper records, extra training)</li> <li>• Compliance with IT security policy.</li> <li>• Increased awareness of officers and members as to their obligations, responsibilities etc, through training</li> <li>• Recognising and understanding “cloud” based products and the advantages and risks that they provide</li> <li>• Business continuity procedures.</li> </ul> <p style="text-align: right;"><i>Responsible for this risk – J Muscroft &amp; Rachel Spencer Henshall</i></p>	<p style="text-align: center;">↔</p> <p style="text-align: right;">4x5=20</p>	
<p><b>A17</b></p>	<p>Cyber related threats affecting data integrity and system functionality/security</p>	<ul style="list-style-type: none"> <li>• Organised crime and state actors are predominant causes.</li> <li>• Impact mitigation important</li> <li>• Immutable back up equipment to at least preserve data</li> <li>• Thorough, understandable security policies and practices that are clearly communicated to workforce and councillors</li> <li>• Recognition of increased risk from homeworking which may increase or Change mitigations required (e.g., additional training)</li> <li>• Compliance with IT security policy.</li> <li>• Increased awareness of officers and members as to their obligations, responsibilities etc, through training</li> <li>• Recognising and understanding “cloud” based products and the advantages and risks that they provide</li> </ul>	<p style="text-align: center;">↑</p> <p style="text-align: right;">5x5=25</p>	

		<ul style="list-style-type: none"> <li>• Business continuity procedures.(in various scenarios) including recognising that some solutions may involve a return to paper based solutions and records</li> <li>• Proactive management of cyber issues, including additional web controls</li> </ul> <p style="text-align: center;"><i>Responsible for this risk – T Hudson, A Simcox &amp; Rachel Spencer Henshall</i></p>		
<b>A18</b>	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 particularly issues of fire safety)	<ul style="list-style-type: none"> <li>• Ensuring appropriate H&amp;S responses, including to infectious disease outbreaks (eg. Coronavirus), appropriately balancing statutory obligations, desirable positions and commerciality/business risk</li> <li>• New Fire Safety Policy approved and being implemented with improved monitoring of fire risk</li> <li>• Prioritised programme of remedial works to buildings to tackle fire safety and other issues</li> <li>• Review work practices to address H&amp;S risks</li> <li>• Monitor safety equipment</li> <li>• Improved employee training as to their responsibilities, as employees and (where appropriate) as supervisors. Improved employee work practices</li> <li>• Approval of additional resources to improve corporate monitoring regime.</li> </ul> <p style="text-align: center;"><i>Responsible for this risk – R Spencer Henshall</i></p>	  3x5=15	
<b>A19</b>	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"> <li>• Active site management</li> <li>• Routine servicing and cleansing regimes (including coronavirus compliance in both operational and managed tenanted commercial property)</li> <li>• Work practices to address risks from noxious substances</li> <li>• Property disposal strategy linked to service and budget strategy</li> <li>• Review of fire risks</li> <li>• Housing Building Safety Assurance Board established</li> <li>• Develop management actions, categorised over the short to medium term and resource accordingly.</li> <li>• Prioritisation of funding to support reduction of backlog maintenance</li> </ul>	  5x4=16	

		<ul style="list-style-type: none"> <li>Clarity on roles and responsibilities particularly where property management is outsourced</li> </ul> <p style="text-align: right;"><i>Responsible for this risk – C Parr/ D Shepherd</i></p>		
<b>A20</b>	<p>The risk of retaining a sustainable, diverse, workforce, including</p> <ul style="list-style-type: none"> <li>An appropriately skilled workforce to meet the demands of the council / government agenda</li> <li>aging and age profile</li> <li>encouraging people to enter hard to recruit roles (which often have low pay, or challenging hours or tasks)</li> <li>recognising that labour shortage affects a large part of economic activity</li> <li>and ensuring that the workforce is broadly content,</li> </ul> <p>without whom the council is unable to deliver its service obligations.</p>	<ul style="list-style-type: none"> <li>Effective Workforce Planning (including recruitment and retention issues)</li> <li>Modernise Human Resources policies and processes</li> <li>Increased accessibility to online training managers/ employees.</li> <li>Selective use of interim managers and others to ensure continuity of progress regarding complex issues</li> <li>Ensure robust change processes including Equality Impact Assessments (EIA's) and consultation.</li> <li>Understanding difficult to recruit areas</li> <li>Understand market pay challenges and considering changes to grading/je structure</li> <li>Promote the advantages of LG employment</li> <li>Emphasise the satisfaction factors from service employment</li> <li>Engage and encourage younger people through targeted apprenticeships, training, and career development (and recognising that young people's skills, knowledge, and expectations may be impacted by coronavirus)</li> <li>encouraging entrants to professional roles where pay is often below market levels.</li> <li>Ensuring awareness to ensure employees safety and health (including stress)</li> <li>Consider issues about a workforce reflective of the community, inclusion, diversity and coronavirus issues</li> </ul> <p style="text-align: right;"><i>Responsible for this risk – R Spencer Henshall</i></p>		

4x4=16

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

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

Code

Community	Finance	Employees	Environmental/ climate	Assets/ Property	Health & Safety	IT/Data	Goods/ supplies	Compliance/ Legal
