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KIRKLEES COUNCIL

CORPORATE SCRUTINY PANEL

Tuesday 5th July 2022

Present: Councillor John Taylor (Chair)
Councillor Tyler Hawkins
Councillor Harry McCarthy
Councillor John Lawson

Co-optees Garry Kitchin
Kristina Parkes
James Ryan

In attendance: Cllr Paul Davies, Cabinet Member Corporate
Rachel Spencer-Henshall, Strategic Director, Corporate
Strategy, Commissioning and Public Health
Eamonn Croston, Service Director Finance
Sarah Brown, Acting Head of Welfare and Exchequer

Apologies: Councillor Steve Hall

1 Membership of the Committee

Apologies were received from Cllr Steve Hall.

2 Minutes of the Previous Meeting

That the minutes of the meeting held on the 21st March 2022 be noted.

3 Interests

No interests were declared.

4 Admission of the Public

All agenda items were considered in public session.

5 Deputations/Petitions

No deputations or petitions were received.

6 Public Question Time

No public questions were asked.

7 The role of scrutiny and the Corporate functions of the council

Rachel Spencer-Henshall, Strategic Director Corporate Strategy, Commissioning and Public Health attended the meeting to provide information on the areas of responsibilities that falls within the Strategic Directorate for Corporate Services and the areas of responsibility within the remit of the Corporate Portfolio holder. Ms

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Spencer-Henshall explained that presenting this information should assist the Panel when it comes to deciding on its work programme priorities for 2022/23.

In summary, the Panel was informed that the remit of the Corporate Scrutiny Panel is to 'scrutinise all matters in relation to Cabinet decisions, service provision (in particular those services that the relevant Cabinet Member is responsible for), relating to any matters relevant to the issues of corporate services, including Finance and other Support Services and activities in respect of any partner bodies within the portfolio'.

The Panel was provided with a breakdown of the areas covered by the Portfolio holder and advised that some of the Corporate Portfolio holder's areas of responsibilities sits within another Strategic Directorate as follows:

- Financial Management and Risk (Corporate)
- Performance and Intelligence (Corporate)
- IT (Corporate)
- Human Resources (Corporate)
- Industrial Relations (Corporate)
- Cost of living (Corporate)
- Communications (Corporate)
- Transformation (Corporate)
- Health and Safety (Corporate)
- Property/ Corporate Landlord (Growth & Regeneration)
- Civil contingencies (Growth & Regeneration)
- Access to Services (Adults & Health)
- Libraries (Adults & Health)

Ms Spencer-Henshall informed that Panel that Corporate Services includes, Governance, Commissioning, Procurement, Finance, Strategy and Innovation and People Services and, in addition, there are array of services that sits under these areas including Welfare and Exchequer which supports the public through finance.

The Panel was informed that in developing its work programme, this should be based on what has been looked at over the previous years and then having a conversation to identify issues that the Panel would want to scrutinise over the next 12 months, giving consideration to any key decisions within this portfolio and, the areas of the Corporate Plan which relate to this Panel.

Ms Spencer-Henshall informed the Panel that following a conversation with the Lead Member, and based on his steer, she had pulled together a draft work programme and this, in addition to the portfolio holder's priorities, should help guide the Panel's discussion when it comes to developing its work programme.

In response to the information presented, the Panel commented that the scope of this Panel shows that there will be areas to scrutinised that will not only be important to the council but also to the local community.

RESOLVED

That Rachel Spencer-Henshall be thanked for providing information on the areas of responsibilities that falls within the Strategic Directorate for Corporate Services.

8 Finance Update

Eamonn Croston, Service Director for Finance and Sarah Brown, Acting Head of Welfare and Exchequer attended the meeting to provide an update on the current financial issues impacting on the Council. Also in attendance at the meeting was Cllr Paul Davies, Cabinet Member for Corporate Services.

In summary, the Panel was informed that the finance report being presented, aims to set out the high level international, national, and local context impacting on the Council, particularly in relation to the unprecedented cost of living crisis.

Acknowledging that there are a number of new members on Corporate Scrutiny Panel, Mr Croston explained that throughout the year a number of finance reports are brought before the Panel and suggested that particularly for the new members, it might be beneficial to do a refresher on how Council finance works at a future meeting.

The Panel was informed that the appended report outlines the international and national factors in terms economic, societal, and cost-of-living impacts that are being felt globally, nationally, regionally, and locally. The approved budget plans were signed off at Budget Council on the 16th of February 2022, and eight days later, the Russian invasion of Ukraine on the 24th of February changed the context for many of the issues that are arising now.

Mr Croston explained that Panel members will be aware of some of the key headlines and the many and varied challenges that governments nationally and internationally are having to deal with. Included in the report, is an acknowledgement of the cost-of-living impact featuring heavily on residents, businesses, and communities and some of the measures that Kirklees Council and other Council's are putting in place targeted at helping the most vulnerable.

Support measures include:

- Local Welfare Provision annual revenue budget provision £1.1m
- Discretionary Housing payment support annual fund £500k
- Council Tax Reduction (CTR) main scheme; up to 80% annual means tested support for approximately 34,000 eligible households, worth £33m
- Holiday activities annual revenue budget children £250k
- Government business rates inflationary 'freeze' for all business for 2022/23 worth approximately £7m

The following were also part of the Chancellor's spring budget announcement:

- Additional Household Support Funding (£500m across UK)
- Government £150 energy rebate to 164,00 eligible households (Band A to D) estimated value £25m

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And further government support measures include:

- £650 for each household in receipt of welfare benefit
- £300 for each pensioner eligible for winter fuel payment
- £150 to those receiving non-means tested disability benefits
- £400 for every individual domestic electricity account

The Panel was informed that a number of key assumptions were incorporated into the budget plans for 2022/23 spend and funding future years are likely to be impacted on by current volatile global and national economic conditions. The reports sets out some of the inflationary economic impacts on the assumptions used by the Council, in terms of what had previously been set aside to support salary uplifts, fuel inflationary pressures and energy costs. There are also a range of service demand impacts to consider and the increasing demands on Councils, partner organisations and other support agencies.

In addition, the Bank of England is incrementally increasing interest rates. It will therefore be important to consider the consequential impact this might have on the council's current and future borrowing cost assumptions as there is an ambitious regeneration agenda within the multi-year capital plans; a substantial portion of which is currently funded by borrowing.

There are also a significant number of other sources of funding from central government and through West Yorkshire Mayoral Combined Authority, and those funding pots are also under pressure because of the inflationary impact on global supply chains, such as materials.

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

- With the current financial situation does it seem like the council will be running a budget deficit and will there be problems in the future that needs to be addressed immediately?
- It is understood that borrowing has an impact on the Council's revenue when it comes to servicing debt and presumably there is a tolerable figure which is subjective. What is that figure now and how is debt being serviced; and at what point does it become uncomfortable and unsustainable?
- The Council is facing a personnel problem trying to get new people to fill some of the roles where there have been longstanding vacancies, is there a line between being fiscally prudent in the money allocated for paying staff, while being competitive in the market with the money the private sector is offering?
- The £150 the government released to alleviate the cost-of-living crisis 1) how much is still to be paid 2) how is the digital divide being overcome for the people who are not on direct debit 3) how much does it cost to administer this scheme and has there been any help from central government with administrative costs?
- The approaching school holidays will be a tough time for parents who are struggling. What surveillance measures are being put in place for people who are in distress to be offered assistance before their circumstances become much worse?

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Sarah Brown explained that to date approximately 120,000 households had received their £150 government energy rebate and plans are in place to target a further 40,000 households as it needs to be completed by September 2022. Ms Brown further explained that a part of the monies allocated from central government was to help with the administrative burden.

Cllr Taylor asked Ms Brown to pass on sincere thanks to the team for their hard work and acknowledged that it was this team of staff who also during the pandemic worked tirelessly to give out the various grants.

The Panel commented that in terms of how the information was presented in the report, it would have been helpful to see clear information on what the Council has done and what it is doing in direct response to support people with the cost-of-living crisis.

Cllr Davies made reference to some of the support measure in place including the 'Bread and Butter' Scheme which gives people the opportunity to pay a small amount of money approximately £7.50 to receive full bags of shopping. Two pilots of these scheme has been run, one in Chickenley and the other in Dalton and they has gone well. Work is being undertaken to look at how to increase the capacity of the scheme with the aim of it becoming sustainable and self-funding.

RESOLVED

That Eamonn Croston, Sarah Brown and Cllr Paul Davies be thanked for providing an update on the current financial issues impacting on the Council.