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KIRKLEES COUNCIL

OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE

Friday 13th December 2024

Present: Councillor Cahal Burke (Chair)
Councillor Itrat Ali
Councillor Zarina Amin
Councillor Andrew Cooper
Councillor Jo Lawson

28 Membership of Committee

All members of the Committee were in attendance.

29 Minutes of Previous Meeting

RESOLVED -

That the minutes of the meeting of the Committee held on 20th September 2024 be approved as a correct record.

30 Declaration of Interests

No interests were declared.

31 Admission of the Public

All items were considered in public session.

32 Deputations/Petitions

No deputations or petitions were received.

33 Public Question Time

No public questions were received.

34 Corporate Financial Monitoring - Quarter 2 Report 2024-2025

Kevin Mulvaney, Service Director Finance presented the Corporate Financial Monitoring Report for Quarter 2 2024-2025, with reference to the report submitted to Cabinet on 10th December 2024.

The report set out:

- The revenue headlines
- Revenue monitoring, with a breakdown across each directorate;
- Key pressures on each directorate and mitigating actions
- Analysis of Reserves
- Housing Revenue Account position, variances and revenue pressures
- Direct Schools Grant headlines including pressures and mitigations
- Collection Fund
- Position in respect of the Capital Budget and monitoring for each directorate.

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- The Medium Term Capital Plan;
- Prudential and treasury management indicators; and
- An update on savings delivery across all directorates and the Housing Revenue Account (HRA).

The following points were highlighted:

- The projected outturn of £9.95 million overspend in respect of the Council's General Fund, which equated to approximately 2.6% of the General Fund Budget.
- Services had been reminded of the need to balance their budgets and controls remained in place in respect of recruitment and spend.
- The Finance Team were reviewing the balance sheet items, including earmarked reserves, grant reserves and any balances not used for some time, to try and bring in appropriate one-off income to the revenue account.
- An overview of the key pressures in each directorate, noting that many of these were addressed within the 2025/25 budget proposals.
- The position in terms of reserves; noting that if the budget could not be balanced at year end there would need to be a further call on reserves.
- The projected overspend of £3 million on the HRA, the majority of which related to the calculation for depreciation, and the key pressures on this budget and the position on reserves.
- The Capital Plan which had been re-profiled for this year, with further reprofiling being anticipated.
- The cost of borrowing remained high.

The Portfolio Holder for Finance and Regeneration, Councillor Graham Turner, was also present for the item.

Questions and comments were invited from Committee Members, with the following issues being covered:

- The conditions for the 'safety valve agreement', associated with the Dedicated Schools Grant deficit, were still in place as agreed under the previous Government. The high needs block deficit had risen to £43 million in 2023/24 and was projected to rise to £65 million this year, in line with projections. The Council was in regular contact with the Department for Education (DfE) and they had acknowledged the pressures local authorities faced. The DfE had recognised the positive progress being made by Kirklees, including two new specialist schools, which would help reduce the deficit. The Government had placed £1 billion into the 2025/2026 budget for the sector and the Council had committed £10 million towards the safety valve agreement, with the 2025/2026 budget proposals including the first contribution of £2.15 million.
- A question was asked regarding the Extended Producer Responsibility (EPR) scheme. The Council had been notified by Defra of an indicative allocation of £6 million funding for 2025/26 to recognise the cost to the authority of the collection, management, recycling and disposal of packaging waste. The level of funding in the future would be dependent on the volumes of packaging both locally and nationally and it was anticipated that the value would reduce.

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- This funding was generated from organisations that created this waste who paid a levy into a central Government fund which was then distributed to local authorities. The draft budget proposal in relation to smaller bins had not resulted from this funding allocation and these proposals were still under consultation.
- The Council budgeted for a level of voids and turnover of housing stock and this was typically 1%, in line with other local authorities. Anything above the 1% target would result in a loss of income. There was regular communication with the relevant Portfolio Holder on how the number, and the length of time they were empty, could be reduced.

RESOLVED -

- (1) That the Service Director, Finance and the Portfolio Holder for Finance and Regeneration be thanked for attending the meeting to update the Committee.
- (2) That it be noted that financial monitoring reports would continue to be submitted to the Committee on a regular basis throughout 2025.

35 Council Plan and Performance Update - Quarter 2 Report 2024-2025

A presentation was given by Andy Simcox - Service Director, Strategy and Innovation, in respect of the Quarter 2 2024-2025 Council Plan and Performance Update, with reference to the report submitted to Cabinet on 10th December 2024.

He explained that:

- The purpose of the report was to update the Executive Leadership Team, Executive Board, Cabinet and scrutiny in respect of progress and activities related to the Council's four key priorities, as detailed in the Council Plan.
- The report included those actions delivered in quarter 2 and those planned for the next quarter. It also provided an update in respect of key council measures for 2024/2025 and included an appendix that contained updates against other measures.
- This was the second iteration of the report for 2024/25 and reflected the structural changes agreed at Personnel Committee on 2nd July.
- Benchmarking data was included where possible.

RESOLVED -

- (1) That the Service Director, Strategy and Innovation be thanked for attending the meeting and providing an update in relation to the Council Plan and Corporate Performance for Quarter 2, 2024/2025
- (2) That it be noted that the quarterly reports would be submitted to the Committee on a regular basis during 2025 and Lead Members will identify any issues that they consider might require further scrutiny by their respective Panel.

36 Corporate Risk - Quarter 2 Report - 2024-2025

Kevin Mulvaney, Service Director for Finance and Andy Simcox, Service Director for Strategy and Innovation presented the Quarter 2 2024-2025 Corporate Risk Report, with reference to the report submitted to Cabinet on 10th December 2024.

RESOLVED -

- (1) That the Service Director, Finance and Service Director Strategy and Innovation be thanked for attending the meeting and providing an update in relation to the Corporate Risk - Quarter 2 Report 2024-2024.
- (2) That it be noted that the quarterly reports would be submitted to the Committee on a regular basis during 2025 and Lead Members will identify any issues that they consider might require further scrutiny by their respective Panel.

37 Opportunities - Partnership and Funding

A presentation was given by Stephen Bonnell, Head of Policy Partnerships and Corporate Planning and Paul Mitchell, External Funding and Resource Officer in respect of activities associated with identifying and pursuing partnership and funding opportunities that supported the Council priorities.

The following key areas were outlined:

- Constant monitoring took place in respect of opportunities for funding, collaborative working or associated with wider social or economic changes such as new technologies.
- Services worked closely with a wide range of partners, nationally, regionally and locally, including local community groups. The Council had a close working relationship with the West Yorkshire Combined Authority, for example on infrastructure projects.
- The importance of information sharing and communication at an early stage,
- The approach was shaped around the Council Plan priorities and those within the partnership strategies.
- Monitoring of a range of other information including best practice and benchmarking.
- An explanation of what constituted 'external funding' the various routes by which it was accessed and why it was needed
- The External Funding Framework, which set out the guiding principles to encourage a consistent and strategic approach including, the need for early consideration of funding when designing projects and services.
- The wide range of central support available to services, including support with identifying and assessing funding opportunities, bid development, communication, and the maintenance of comprehensive records including a tracking spreadsheet.
- Ongoing external development work.
- Successes and challenges.

Questions and comments were invited from Committee Members, with the following issues being covered:

- Tools and resources were now in place to minimise the possibility of missed opportunities, including a comprehensive search and alert tool, 'Grant Finder'.

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- The significant work going into sourcing funding via the appropriate channels was acknowledged. In respect of support to try and ensure the success of bids, such as training and development of staff and working with partner agencies to ensure those involved had the necessary skills, training workshops were undertaken in respect of the 'Grant Finder' tool so that it could be used to the maximum effect to identify funding opportunities. In terms of developing bids and applying for funding, this support was currently undertaken on an ad-hoc basis on request but there were plans to include such support more formally within the training suite in the future.
- Third party and community groups often found submitting effective bids could be challenging. In response to a question about whether the Council would be able to work with such groups it was explained that the Third Sector Team provided support to Voluntary and Community Sector (VCS) organisations in applying for funding and that support could also be accessed through partners such as Third Sector Leaders (TSL). It was also noted that the Third Sector Team was now part of the same service which would strengthen collaborative working.
- In respect of engagement and collaborative working it was queried whether Kirklees worked with other local authorities on projects, particularly where a project might overlap boundaries, as this could be more effective. It was advised that, to date, this had been undertaken with West Yorkshire Combined Authority led bids where it was a collaborative effort to access funding from Central Government, however the need to do this was understood and it would be considered in the future where it was possible.
- In a similar way to the Council's Risk Register it was considered that an Opportunities Register could demonstrate the work to actively seek opportunities and measure how effectively opportunities were picked up within each directorate and perhaps the tracking spreadsheet might do this and assist with learning. There was an expectation upon all senior officers to understand good practice and have awareness of what other local authorities were doing on an ongoing basis and to be able to bring that evidence into cases for service development or savings opportunities.
- It was suggested that consideration could be given to the use of Municipal Climate Bonds, which had been adopted by a number of other local authorities.
- Enabling others to take advantage of opportunities was an important and positive role of the Council, such as assisting local organisations with seed funding and the use of crowdfunding platforms such as 'Spacehive'. However, it should be noted that the proportion of fees for this platform was high in comparison to others.
- Ward budgets could also be used to draw in additional funding from private organisations to support community projects and Community Plus also provided funds to support small groups in the community. It was important that such seed funding was available so that such groups could be continued to be supported in the future.
- The Committee was advised that a piece of 'mapping' work was being undertaken to identify the different pots of money and the different teams across the Council that supported such community groups, to try and avoid duplication. The view was expressed that ward councillors were well placed to have the relevant background knowledge of the community groups in their area but the limited ward budget had affected their input.

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- In respect of issues with staff capacity and skills and assessing the cost benefit associated with missed opportunities, the tracking spreadsheet captured opportunities which the Council had applied for, or were considering but also why a particular funding opportunity had not been progressed. The 'Go/No Go' process was an in-depth assessment used to decide if an opportunity was right for Kirklees and if the necessary resources were available to deliver a strong application and to deliver the project.
- The Local Government Minister had committed to publishing the Devolution White Paper prior to Christmas and this would provide more information about future funding arrangements. Although it was at an early stage the indications had been of a more targeted approach to funding for areas of deprivation and those most in need.
- In relation to the culture of the organisation, reference was made to a previous scheme that had encouraged Kirklees employees to put forward ideas. This could be considered, and it was noted that the team also looked at what other authorities were doing as well as ideas from 'think tanks' and arising from relevant research. The framework aimed to embed a 'think funding' mindset within the organisation and a communications initiative was planned in the near future to further promote this principle. Services were encouraged to be creative in this area and innovation was also a key element.
- In terms of Councils sharing services and staff and potential efficiencies, the possibility of shared services would be a consideration from a transformation perspective and would be discussed with services where appropriate.

RESOLVED -

- (1) That the Head of Policy Partnerships and Corporate Planning, Service Director, Strategy and Innovation and the External Funding Officer be thanked for attending the meeting and providing an update in relation to partnership and funding opportunities.
- (2) That, to support the 'think funding' mindset, Lead Members ensure that external funding possibilities are considered, where appropriate and relevant to the issues being considered by their respective Panels.

38 Work Programme 2024-2025

The latest version of the Committee's Work Programme for 2024-2025 was submitted and noted.