

# LGA Corporate Peer Challenge

Kirklees Council

26-29 November 2024

Feedback report



**Corporate Peer Challenge**



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## 1. Introduction

Corporate Peer Challenge (CPC) is a highly valued improvement and assurance tool that is delivered by the sector for the sector. It involves a team of senior local government councillors and officers undertaking a comprehensive review of key finance, performance and governance information and then spending four days at Kirklees Council to provide robust, strategic, and credible challenge and support.

CPC forms a key part of the improvement and assurance framework for local government. It is underpinned by the principles of Sector-led Improvement (SLI) put in place by councils and the Local Government Association (LGA) to support continuous improvement and assurance across the sector. These state that local authorities are: Responsible for their own performance, Accountable locally not nationally and have a collective responsibility for the performance of the sector.

CPC assists councils in meeting part of their Best Value duty, with the UK Government expecting all local authorities to have a CPC at least every five years.

Peers remain at the heart of the peer challenge process and provide a 'practitioner perspective' and 'critical friend' challenge.

This report outlines the key findings of the peer team and the recommendations that the council are required to action.

## 2. Executive summary

After a period of political upheaval during the summer of 2024 the council is now more stable. The new leader of the council and the chief executive have a constructive working relationship, and cabinet and the executive leadership team (ELT) are working well together. Working relationships at the senior levels are based on cordiality and appropriate levels of challenge.

In August 2023 the council's finances were in the local and national media spotlights due to concerns about whether it would issue a S.114 notice. Although news about the council's finances have continued to attract attention since then, some of this is because of the actions the council has had to consider and act upon in order to



stabilise its finances and have included some difficult and high-profile decisions which have attracted local and national interest.

The council is tackling its financial issues in a thorough and strategic way and seeking external support, for example from external advisers to review the technical accounting approach to minimum revenue provision (MRP) and views to help it shape what it does next. The scale and public profile of the budget has meant that a lot of corporate focus has been on the short term, particularly on tackling its in-year budget positions, delivering on savings proposals for 2023/24 and 2024/25 and preparing savings proposals for 2025/26.

It can however point to some real successes in delivering both savings and improved outcomes, for example in both adults and children's social care. Some of this has been driven by cost, but there are also approaches to transformation and improvement which could be applied elsewhere across the wider organisation, that would help support better services for residents.

The council reports its performance using an array of graphics and data which show it is performing both against its own historic data, as well as to other councils, and national trends. The information is presented well and is accessible, and is timely, with links with budget reporting. There is an ambition to build on what the council is already doing well, to explore how to use data better and with more insight and analysis. This will help to improve decision making and targeting of resources for the longer term.

Not all councillors behave in ways which are expected of them and there needs to be a greater focus on achieving and maintaining standards in public life. Some councillors are new and are still learning their ways around how the council works. A minority of councillors behave discourteously and unprofessionally: this is unacceptable irrespective of the issue, circumstances or their duration on the council. All members should consistently work to the highest standards of behaviours, and accept and receive support, advice and feedback where it is offered from officers.

The council continues to face difficult decisions over the next few months and years, and must continue to address them, and maintain its grip for the foreseeable future.



The peer team gained the sense that the approach to the council's budget is improving and is normalising. The leadership is juggling the short- and medium-term challenges whilst looking to the longer term.

A change in political leadership inevitably brings new ideas and a different emphasis and interpretation of existing plans and new aims and ambitions. Some plans such as the council's regeneration plans were crafted and agreed pre-Covid, but the context has changed. The new local plan will also shape the built environment across the borough and brings new opportunities for investment and housing delivery. Revisiting big strategic plans in the context of the council's very significant budget pressures, alongside more discussion with partners, stakeholders and businesses about their aspirations for Kirklees might produce the same proposals or different ones.

A next step should be to accelerate thinking about a sustainable, longer term financial vision for the council. Such a vision should not be undertaken in isolation and it needs to be both ambitious and realistic. It needs to be joined up to more exploration of big ideas, such as what the council's future role should be; how and what it can provide for residents; and exploring with residents what communities and individuals can do for themselves.

### 3. Recommendations

There are a number of observations and suggestions within the main section of the report. The following are the peer team's key recommendations to the council:

#### 3.1 **Recommendation 1: Continue to keep a grip on the council's budget.**

The financial challenges continue to be significant and require ongoing focus to deliver planned savings and replenish reserves. A longer-term plan needs to be developed to deliver a more sustainable financial situation for the council.

#### 3.2 **Recommendation 2: Apply successes and learning from transformation across the council more widely**



There is a range of good projects and approaches from transformation but they tend to remain within services. There are successes in children's and adults social care and the learning from these approaches could be better understood by wider council services to help drive their improvement.

### **3.3 Recommendation 3**

The council has some large-scale regeneration plans agreed with delivery underway. Revisit the plans to ensure they are affordable, viable and deliverable in the current financial context. Part of this consideration should include the balance of housing provision.

### **3.4 Recommendation 4**

Explore Planning in a more expansive and strategic way, including the role it can play in delivering the housing aspects of the new local plan, nationally determined local targets and how the council will deliver much-needed new homes.

### **3.5 Recommendation 5**

Work more closely with businesses and economic partners to define potential growth, skills and investment opportunities in Kirklees.

### **3.6 Recommendation 6**

At the political level there has been some instability over the past 18 months. Given the position of no overall control, Members need to be mindful of their roles, responsibilities and work collaboratively to put communities and residents first. The council needs to keep working at good governance across a range of issues, including clarity of reports, member development programmes and councillors' behaviours.

### **3.7 Recommendation 7**

Considerable progress has been made in some service areas, with tangible



progress, for example in children's services. Maintain this focus so that performance continues to improve

### **3.8 Recommendation 8**

Use this peer challenge as an opportunity to pivot towards a longer horizon for key decisions.

## **4. Summary of peer challenge approach**

### **4.1 The peer team**

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected the focus of the peer challenge and peers were selected by the LGA on the basis of their relevant expertise. The peers were:

- Member peer, Cllr Chris Read, leader, Rotherham Council
- Member peer, Philip Broadhead, leader of the Conservative Group, Bournemouth, Christchurch and Poole Council
- Chief executive peer, Sam Plum, Westmorland and Furness Council
- Senior officer peer, Jill Travers, director of law and corporate services, Wirral Council
- Senior officer associate, Dipti Patel, former Corporate Director of Place, LB Harrow
- Senior officer associate, Neil Thornton, former director of resources/S.151
- Shadow officer peer, Nathan Koskella, policy adviser, Local Government Association
- LGA peer challenge manager, Judith Hurcombe

### **4.2 Scope and focus**

The peer team considered the following five themes which form the core components of all Corporate Peer Challenges. These areas are critical to councils' performance and improvement.

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1. **Local priorities and outcomes** - Are the council's priorities clear and informed by the local context? Is the council delivering effectively on its priorities? Is there an organisational-wide approach to continuous improvement, with frequent monitoring, reporting on and updating of performance and improvement plans?
  2. **Organisational and place leadership** - Does the council provide effective local leadership? Are there good relationships with partner organisations and local communities?
  3. **Governance and culture** - Are there clear and robust governance arrangements? Is there a culture of challenge and scrutiny?
  4. **Financial planning and management** - Does the council have a grip on its current financial position? Does the council have a strategy and a plan to address its financial challenges? What is the relative financial resilience of the council like?
  5. **Capacity for improvement** - Is the organisation able to bring about the improvements it needs, including delivering on locally identified priorities? Does the council have the capacity to improve?

As part of the five core elements outlined above, every Corporate Peer Challenge includes a strong focus on financial sustainability, performance, governance, and assurance.

#### 4.3 The peer challenge process

Peer challenges are improvement focused; it is important to stress that this was not an inspection. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared by reviewing a range of documents and information in order to ensure they were familiar with the council and the challenges it is facing. This included a position statement prepared by the council in advance of the peer team's



time on site. This provided a clear steer to the peer team on the local context at Kirklees Council and what the peer team should focus on. It was a well written and honest reflection of the challenges facing the council. Preparations included a comprehensive LGA Finance briefing (prepared using public reports from the council's website) and a LGA performance report outlining benchmarking data for the council across a range of metrics. The latter was produced using the LGA's local area benchmarking tool called LG Inform.

The peer team then spent four days onsite at Huddersfield during which they:

- Gathered evidence, information, and views from more than 35 meetings, in addition to further research and reading. Most of these meetings were face to face, and some were conducted via MS Teams.
- Spoke to more than 140 people including a range of council staff together with members and external stakeholders.
- Attended meetings at Dewsbury Town Hall.

This report provides a summary of the peer team's findings. In presenting feedback, they have done so as fellow local government officers and members.

## 5. Feedback

### 5.1 Local priorities and outcomes

Kirklees Council's vision and priorities are clearly set out in the council plan, which was most recently refreshed in March 2024. These priorities are underpinned by a clear range of annual deliverables and are reported to cabinet on a quarterly basis. They do however feel overshadowed by the council's large scale, immediate and ongoing budget pressures.

Performance in adults and children's services is good and the leadership of these services has been strong. The council has a strong story to share with others on what it has done to improve these services, including how it has delivered outcomes on a comparatively low-cost basis.

There is a good degree of self-awareness and identification of the issues that the



council is facing. The position statement prepared for the CPC was well written and feels like an accurate reflection of those challenges. Thorny issues are discussed and explored at the highest levels through cabinet and the executive leadership team and reflects this self-awareness. The decision to self-refer to the Housing Regulator is a good example of this self-awareness and a wider tendency towards openness about the risks the council faces.

Despite the challenges facing the council on its budget, there is also a willingness to look to the future. Some of this is driven by finances and practicalities about what is and is not affordable, and there is also an enthusiasm across pockets of the organisation to start to explore what the council's long-term role is, and what its relationships with residents could be. This may include some radical thinking about what the council should no longer do and what else it can encourage people to do for themselves. Some of that may include exploring what might currently feel like thinking the unthinkable, as well as being ambitious for a new relationship between the citizens of Kirklees and their council.

### **5.1.1 Performance**

The council can evidence its focus on outcomes through a range of achievements. These include sustained improvement in children's services resulting in a good inspection rating from Ofsted in July 2024. There are a low numbers of looked after children and external placements, and with low-cost bases in adults and children's social care, and no waiting lists for domiciliary care. As of November 2024, the council had yet to receive notification of inspection for its adults services from the Commission for Quality Care (CQC), although it was anticipating an inspection at some point during 2025. The council's own analysis of its housing performance has led to it self-referring to the Regulator of Social Housing.

The LG Inform headline report illustrates the council's comparative performance data and can be found here [Headline Report for Kirklees Metropolitan Borough Council - Bar Chart View | LG Inform](#). This shows the council's performance when compared to "family group" similar councils as:

- Better than average performance on uncollected council tax

- Lower than average numbers of young people not in education, employment or training (NEETs)
- Lowest expenditure per head on children's services for the family group
- Higher than average expenditure per head on housing and on highways and transport services
- Higher than average numbers of people on the housing waiting list
- Lower than average performance on household recycling and higher than average levels of residual household waste
- Average levels of expenditure per head of population on adult social care

Other successes for Kirklees include:

- The National Health Innovation Campus in Huddersfield, developed by the University of Huddersfield, aims to improve health outcomes
- Lobbying for the upgrade of the Trans-Pennine line between Manchester, Huddersfield, Leeds and York

There is clarity about the challenges facing the council and an ambition to be efficient and a modern deliverer of services. There is an established transformation programme in place, which reports into the executive leadership team quarterly. This includes challenge and consideration of progress and has helped to bring more grip on delivery. Its focus is wide and includes programmes for adult social care, special educational needs (SEND), homes and neighbourhoods, temporary accommodation, and access to services.

Performance overall is reported against the established strategic priorities set out in the council plan on a quarterly cycle. Information in the reports is presented clearly with a good use of graphics and benchmarking of comparative data, including trends.

The council is data rich although there are concerns about the variable quality of some of its performance data and how its reported. There is a clear ambition to build on the already solid approach to improve on analysis and intelligence, and to explore further how artificial intelligence can add value, and to do this well may require some



further capacity. Learning could be drawn in from services which have taken a successful transformative approach, for example in social care, as the council can evidence good leadership and service improvement in these areas.

In response to the last CPC in 2019 the council has, amongst other things, brought its housing function back in-house; lobbied for the establishment of a single Clinical Commissioning Group; developed a communication strategy; and worked to streamline its decision-making processes.

## **5.2 Organisational and place leadership**

Stakeholders and public sector partners speak of positive working relationships with the council. Externally of the council and internally there is strong support for the focus on regeneration and the scale of the council's ambition to improve its town centres.

Partners, particularly businesses, would welcome more opportunities to engage with the council at strategic levels, particularly on the delivery of priorities and outcomes for residents, communities and the economy. Consideration of how to do this is needed, so that everyone is as clear as they can be about the role and potential roles they can play in making Kirklees a better place.

The council has in place large scale ambitious regeneration programmes with significant external funding to both develop and enhance its major towns and villages. The Blueprints for both Huddersfield and Dewsbury details the ambition and outcomes to create thriving modern town centres which are now taking shape. The focus for Huddersfield is to enhance the cultural opportunities and creating business growth that benefits communities. It is essential that the council actively considers how it can integrate housing development through the regeneration of Huddersfield town centre to concentrate and address the increasing demand for housing needs alongside meeting the Local Plan housing delivery targets. In respect of Dewsbury there is an imperative to accelerate housing development delivering the 3,500 new homes and economic growth within its 10-year plan by 2029. Understanding the financial and market challenges will be pivotal for achieving the council's ambitions.

As a constituent member of the West Yorkshire Combined Authority (WYCA) the



council can do more to make the most of its assets and what it can deliver for the region. It could do this by showcasing and promoting Kirklees' location, heritage and connections to attract opportunities and funding, highlighting its destination for inward investment and business growth. The council may wish to refresh its economic strategy reflecting and integrating The West Yorkshire Plan and inward investment proposals through more engagement with business partners locally and regionally.

The business sector and local partners are extremely keen to collaborate and work with Kirklees Council, sharing their knowledge, skills and expertise to support growth and investment. The peer team felt that the council should therefore consider how to do this, and an option could be to create a formal business Partnership Forum/Board.

A review of the existing Kirklees local plan was undertaken in accordance with national planning guidance and reported to Cabinet in October 2023. It highlights a number of areas to be addressed, in particular, the absence of a five-year supply of housing, not meeting housing delivery targets, how to reflect the ambition of being net zero and climate ready by 2038, as well as addressing issues to achieve the twenty three thousand jobs target. The council has already committed to starting its review, including launching early engagement to shape the updated local plan with its vision & objectives; the main challenges and future opportunities in planning, critical to propel and meet the housing targets, promote development and economic growth and achieve net zero.

The council plays an active role in the West Yorkshire Mayoral Combined Authority. There is recognition of the opportunities and investment potential arising through being a good partner and having constructive working relationships in the region.

The senior political leadership team is in place and efforts are made to have a calm and consistent approach to working with members across the council. Working relationships between councillors and officers appear to be largely good and respectful, and at the most senior levels the collective working appears to be organised and structured, so that everyone knows what to expect.

The executive leadership team is also established and widely respected across the organisation. Council staff generally feel valued and there is a clear sense of



commitment to the council as an organisation, as well as to Kirklees as a place.

Investment has been made into communications both internally and externally. Internally this included staff initiatives to attract and retain staff and to motivate staff who have worked at the council for a long time.

Historically the council's approach to transformation appears to have been largely sat within services and regarded as a departmental approach and resource. Since the arrival of the new chief executive there is growing corporate ownership of what transformation is. This could be extended further by applying some of the learning from successes in social care to other parts of the council which need to deliver further improvement, for example in housing. Extending this learning as well as WHAT could also help to foster more of a "one council" approach to working to further improve services and realise savings in a more consistent way.

Further clarification is needed on what transformation means in Kirklees Council. This is common across local authorities where transformation can mean the approach that the council has taken to cut its budgets and services. In some places transformation means how the council is delivering services in a different or enhanced way which better meets the needs of its residents. It can also be a combination of both. Further articulation of what it means would be helpful so that staff can understand their roles and be encouraged to innovate further.

The new government announced new housing delivery targets in July 2024 of 1.5m new homes across the country, which in turn will bring increased pressures to deliver more new homes across Kirklees. Delivery against the local plan has not met the council's own targets, and the new local plan will have bigger targets. More leadership and strategic thinking is needed if these national and local targets are to be met, about what types of housing and where they will be built in Kirklees.

Elsewhere in this report reference is made to the council's capital plan and regeneration ambitions, and their affordability. The regeneration plans are bold and well defined. Any review of urban regeneration sites should consider new and different opportunities and whether considerable numbers of new homes could be delivered as part of a mixed-use approach to urban sites. Reprofiling of these plans



may help to deliver more than one strategic ambition for the council, as well as contribute to its financial sustainability.

There is an emerging economic strategy which at the time of the CPC was in its early stages. Conversations with partners and stakeholders early on in this process would be welcomed by them, so they can support the Kirklees brand and influence future growth and investment.

Partners in the public, voluntary and community sectors are keen to work more closely with the council, as are businesses. All are clear that they would value deeper working relationships to understand each other's plans and strategies, as well as how they can contribute to shared goals and ambitions.

Investment in internal and external communications has been increased. Communicating what the council delivers across the whole of its borough and addressing perceptions of where resources are distributed and whether these are fair or not have been an ongoing feature of local debate in Kirklees since the council's creation in 1974. Communications need to continue to try and address these perceptions and could be part of the broader debate about the council's relationship with its citizens.

### **5.3 Governance and culture**

Overall, the governance arrangements are working well. The cabinet is collegiate and is prepared to take tough decisions. Scrutiny is taken seriously and plays a robust, critical friend role to decision making, with a lot of emphasis and input into the pre-decision stage. The corporate governance and audit committee is engaged and is well supported. There are clearly differences in political approach and opinion which result in robust debate across the council's membership.

The senior officer team works with pace and focus and is widely observed by staff as showing good managerial leadership to the organisation. Partners praise the visibility of the executive leadership team. As might be expected in an era of change, and with some new appointments, there is an appetite from staff for that visibility to both increase and be sustained.



The political changes and budget pressures of the past two years have been challenging for the council. At times a minority of councillors have reacted in ways which have been difficult for the council's reputation, as well as for their fellow politicians and officers to accommodate. The council's monitoring officer has written to councillors to remind them of the expectations on them as agreed through the council's code of conduct and its constitution. Councillors should not have to be reminded on how to behave and need to be mindful of the reputational damage that poor behaviours can have on partners' willingness to work with the council. Everyone – members and officers – should remind themselves of the Nolan Principles of Public Life and strive to embody them [The Seven Principles of Public Life - GOV.UK](https://www.gov.uk/government/publications/the-seven-principles-of-public-life). As there are not any elections for 2025 this year could be used to embed good practice, maintain constructive political dialogue and remind councillors of their obligations through a focused programme of member development. As with many other councils there is often a lower than ideal uptake of councillors for the latter, despite officers' best efforts in making sessions accessible, at the right time and with the right content.

Good, clear and well written reports are essential for good decision making. How information is presented overall would benefit from an overhaul, particularly in helping the reader get the gist of a report and why particular reports are being presented to particular arenas. Which information is included and how it is included should also be revisited, to ensure that decision making is undertaken in the most transparent and accessible ways. This should include information about the chronology of previous decisions/processes to date, the alternative options considered and discarded, reflect external and internal advice/perspectives and ensure that risks are clearly explained.

Given the ongoing challenges facing the council's finances it will be important for members to retain strong oversight of the budget, performance and risk. Outside of the budget setting process how can cross-party oversight be maintained throughout the municipal year?

## 5.4 Financial planning and management

Kirklees Council's financial position has been managed over the past 14 years



through a combination of savings programmes, income generation and significant use of reserves. As with other metropolitan councils, the reduction in funding has been substantial: between 2011-2019 its budget reduced by £160m. The revenue budget for 2024/25 is £363.5m. The council continues to face rising costs with increasing demand, especially in social care, housing and SEND. The Housing Revenue Account has a budgeted deficit of £4.5m for the current financial year and a projected deficit of £4.7m for 2025/26. The dedicated schools grant (DSG) had an accumulated DSG deficit of £43.7m on 31<sup>st</sup> March 2024, and which is expected to increase by £20m during 2024/25.

The council's finances attracted national attention in the summer of 2023 when concerns were raised about it being at risk of a S.114 notice. Efforts to stabilise the finances appear to have worked so far, in that the council is more confident in its abilities to manage its future substantial funding gaps, although some of the steps it is taking through changes to services and closing some amenities also attract significant media and local interest. The council plan for 2024/25 was agreed in March. Its stated first priority is to "address our financial position in a fair and balanced way": members and officers know there is more to do in order to balance its budget for the medium and long term, and much of this will require difficult decisions and steadfastness to achieve.

If the current trajectory is adhered to, the overall amount of the council's reserves will have reduced by over £140.8m (70 per cent) between March 2021 and March 2027. Beyond the current financial year, the council's medium term financial plan has a significant identified shortfall of £40.9m by 2029/30. At 31<sup>st</sup> March 2025 the council is forecasting total useable reserves will be £56.6m, and the minimum, working balance is assessed at £15m, with a desirable working balance of £25m.

At the time of the peer challenge in November 2024 the council's second quarter monitoring report was available. This was forecasting a net overspend of £10m for the 2024/25 financial year, some of which related to slippage in the delivery of savings targets. The aim in part is to stem this gap through the use of budget contingencies and further use of reserves.

For 2023/24 the council met all of its in-year savings targets of £19.8m, although



£6.1m of this arose from a revised approach to the technical accounting adjustment of MRP. However, the quarter two monitoring report for 2024/25 shows difficulty in achieving these further savings targets, given that these are savings on top of previous years savings. The overall forecast for the delivery of in-year savings is at 79 per cent. The savings targets for 2024/25 and 2025/26 exceed 10 per cent of the council's net budget.

Measures taken during 2024/25 to contain expenditure so far include:

- The cessation of non-priority expenditure
- Stricter controls on recruitment, with all review by executive directors and the cross-directorate people panel for all recruitment requests
- Ongoing review of discretionary fees and charges with a view to full cost recovery
- Accelerating asset sales and seeking further options for asset disposal
- Reviewing the capital programme

Consideration should also be given to accelerating some decisions and implementing sooner what needs to stop if it has become unaffordable. This means stopping doing some things, reconfiguring services, ongoing and aggressive rationalisation and disposal of assets. It also means revisiting contracts and considering new ones which bring in opportunities for further cost control or reductions in expenditure and creating income.

There is an intention to “rebase” the revenue budget so that it more accurately reflects demand and the realities involved in delivering services according to the council's policy framework and known pressures. This “rebasings” if reflected in the budget for 2025/26 will require a considerable amount of effort, discipline and determination to achieve because the council's reserves are too low to keep bailing out overspending services.

Progress has been made with planning for the 2025/26 budget although the timing of the peer challenge meant that the proposals had not been approved by cabinet at that point. The draft budget proposals for 2025/26 were due to be published earlier



than in previous years, in early December 2024. Delivery of the 2025/26 budget will require achieving significant further savings from services, as well as use of reserves and funding increases to close the gap.

The capital plan is of a significant scale and magnitude of £1.4bn to 2032. The current year's capital programme is £278.7m of which £47.8m relates to the HRA. The bulk of the general fund programme is for regeneration, investment in transport connectivity, town centres and the cultural offer. Given the timing of the peer challenge, now would be a good time to revisit the scale of the programme to ensure it still fits with the council's overall aims and intentions, and to take a hard look at its affordability. Given the pressures on the revenue budget, the size of the capital plan means the cost of servicing the debt involved will put more pressure on the revenue budget. The council should consider the capital plan in the round and ask firstly, is it still affordable in its current context? Secondly, if it is fully delivered what contribution will the plan's projects will make to the sustainability of the council? How will its projects contribute to improving the council's overall tax base either through council tax or national non-domestic rates (business rates) growth?

Overall, the revenue budget position depends heavily on the identification and achievement of savings plans, one-off pots of funding and the use of reserves. This is a precarious and urgent position which members and officers are acutely aware of, and the need to go further and more quickly is reflected in the position statement. These issues must be addressed now and without delay: budget sustainability is the singular fundamental and most important issue facing Kirklees Council.

Further application of cost benchmarking will help the to gain a better understanding where more cost reductions can be made across the organisation.

Although the council's financial situation does not currently grab the headlines as much at the national level, and the organisation feels more confident about how it deals with its budget, the overall risks and challenges, which are substantial, have not gone away. The short, medium and long-term budget pressures are large scale and recurring, and need addressing without delay and without complacency.

The external auditors completed the audit of 2022/23 and issued their report in



January 2024. In November 2024 the draft audit report for 2023/24 was shared with the council. Kirklees is more up to date with its audits than many local authorities. The main issues flagged by the external auditor are on the financial sustainability of the council. The 2022/23 report also recommended that the council seeks a second co-opted member for its audit committee, consistent with CIPFA advice, and this was recommended by the committee to the full council in July 2024.

Internal audit reports regularly to the audit committee. An external assessment of the service in accordance with the Public Sector Internal Audit Standards took place in 2022/23 and the service was found to be “generally compliant”.

## **5.5 Capacity for improvement**

There are some good building blocks which underpin capacity for future improvement.

The leadership forum that some peer team members attended at Dewsbury Town Hall was well attended, and showed a good level of commitment to the council from managers. It reflected strong team collaboration and feedback from the senior leadership team.

A new approach to staff wellbeing and performance called ‘My Conversation’ replaces the previous staff appraisal process. This is based on a six-monthly conversation which is broad ranging and includes a focus on performance, learning and development, and health and wellbeing for employees.

Since Covid the development of the hybrid working policy and flexible working where possible has enabled rationalisation of office accommodation. Investment has been made in Civic Centre 1 to become a flagship office space which supports hybrid working.

Equality, Diversity and Inclusion (EDI) is taken seriously and is championed across the organisation. It has a high profile with clear political and managerial leadership endorsement. Councillors and officers are largely confident and comfortable about how they discuss and approach EDI in Kirklees. The inclusion and diversity strategy 2024-27 includes refreshed and relaunched values of kindness, inclusion and pride.



It has been communicated widely across the organisation and is closely linked to the High Five staff recognition programme.

There are equality and diversity networks across a range of protected characteristics. These are chaired by ambitious and energetic employees who are passionate about their networks and want to achieve more and are prepared to challenge the status quo. Each network has a sponsor at director level and participates in the Kirklees Leadership Forum. The chairs are keen to have more consistency of approach across the networks on matters such as budgets and what these can be used on. They are confident they can achieve more for their members through the networks internally on EDI and with communities.

The inclusive communities framework was developed with partners. Its aim is to help services plan and evaluate their work with communities.

Across the organisation and from members there is a degree of consensus for further widespread change and improvement, and this is a reflection of an overall ambition for the council, its services and the communities it serves. Some of this aspiration is stated through existing plans, such as the overall vision and priorities for Kirklees and how this will be delivered through the council plan. Some of the aspiration isn't yet worked through or determined and needs to be explored further. The desire for change also needs to be driven and balanced by the resources available and to bring more long-term sustainability to the council's finances.

The new political leadership, supported by the relatively new executive leadership team could use the time created through the fallow election year to explore and articulate a new programme of transformation for the council.

Now would be a good time to revisit the council's stated vision for the regeneration of Kirklees. In summer 2019 the overall vision was agreed and the blueprints for Huddersfield and Dewsbury were ratified by cabinet in 2020. But much has changed since then. Revisiting would help to check it is consistent with the political aspiration for the area, matched to what is known about the resources available. The timeline for this should stretch beyond the current short term budget setting cycle and focus towards the medium and long term.



In common with other metropolitan and upper tier councils there is clearly ongoing time and effort needed on the council's budget to ensure it is as robust as it can be for the future. Relative to the past two years the approach to the budget is calmer but the council knows it has much more to do.

Consideration needs to be given to whether the right resources are in the right places in order to achieve transformation it needs to be sustainable for the future and which it aspires to for its communities. The council knows it may not yet have all the skills it needs to achieve this. Continuing to bring transformation together at the corporate level and driving it more consistently and with rigour across the organisation has the potential to deliver more extensive outcomes.

## 6. Next steps

It is recognised that senior political and managerial leadership will want to consider, discuss and reflect on these findings. The LGA will continue to provide on-going support to the council. Following publication of CPC report you need to produce and publish an action plan within five months of the time on site, that is by 29 April 2025. As part of the CPC, the council are also required to have a progress review and publish the findings from this within twelve months of the CPC. The LGA will also publish the progress review report on their website.

The progress review will provide space for a council's senior leadership to report to peers on the progress made against each of the CPC's recommendations, discuss early impact or learning and receive feedback on the implementation of the CPC action plan. The progress review will usually be delivered on-site over one day.

The date for the progress review at Kirklees Council is during September 2025.

In the meantime, Mark Edgell, principal adviser for Yorkshire and the Humber, is the main contact between your authority and the Local Government Association. As outlined above, Mark is available to discuss any further support the council requires [mark.edgell@local.gov.uk](mailto:mark.edgell@local.gov.uk) 07747 636910.