

Independent auditor's report to the members of Kirklees Council

Audit completion

Opinion on the financial statements

In our auditor's report, issued on 7 February 2025 for Kirklees Council (the 'Authority') for the year ended 31 March 2024, we reported an unqualified opinion on the Authority and Group's financial statements.

We explained that we could not formally conclude the audit and issue the audit certificate for the Authority for the year ended 31 March 2024, in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice, until we had:

- completed the work necessary in relation to the Authority's consolidation returns and received confirmation from the National Audit Office (NAO) that the audit of the Whole of Government Accounts (WGA) is complete for the year ended 31 March 2024. This work is now complete and the NAO has now concluded their work in respect of WGA for the year ended 31 March 2024 and confirmed that audit certificates held open in relation to this can be issued. We are therefore satisfied all audit work necessary has been completed.
- completed our consideration of two ongoing objections brought to our attention local authority electors (on the same issue) under section 27 of the Local Audit and Accountability Act 2014. These matters have now been dealt with.

Report on other legal and regulatory requirements – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

In our auditor's report for the year ended 31 March 2024 issued on 7 February 2025 we reported that we had nothing to report in respect of the above matter, except that we identified two significant weaknesses in how the Authority plans and manages its resources to ensure it can continue to deliver its services. We also identified one further significant weakness in how the body uses information about its costs and performance to improve the way it manages and delivers its services.

The first weakness was first raised on 14 July 2023 in relation to the Authority's medium-term financial planning arrangements, which risked depleting the Authority's reserves with inadequate savings schemes to balance the medium-term financial gap. Although the Authority had taken extensive action, demand pressures on the Authority in 2023-24 and 2024-25 remained with the Authority incurring expenditure above the budgeted level. For 2023-24, the balancing of the budget required a large, planned use of reserves and left the Authority needing to make significant savings or use reserves for 2024-25.

We recommended that the Authority should continue to build on its work to strengthen its financial position and mitigate risks to it by:

- taking action to deliver savings and to deliver spend as close to budget as possible in 2024-25
- reviewing pressures, assumptions and future savings levels in the MTFS
- reviewing the target level of reserves it wishes to achieve in future years of the MTFS.

The second weakness was first raised on 24 November 2023 and related to the Dedicated Schools Grant (DSG) deficit, which we noted was off track against the Safety Valve agreement with the Department for Education (DfE).

Although the Authority had renegotiated its Safety Valve agreement, it was off track in delivering this updated position, potentially leaving the Authority exposed to having to accommodate ongoing costs in the budget in the future, or having to meet the cumulative deficit in future years if the statutory override were removed. Since the Authority was off track against delivering its Safety Valve commitments, there existed a risk that Safety Valve funding could be paused or withdrawn, giving rise to an adverse financial impact.

We recommended that the Authority should take action to return its spending on DSG back in line with its renegotiated Safety Valve management plan with DfE.

The third weakness was first raised on 20 January 2024 and related to the Authority's self-referral to the Social Housing Regulator as it had identified a failure to meet the statutory health and safety requirements. The regulator's investigative work identified that a high number of fire risk assessments and remedial measures were overdue and that the Authority was not responding effectively or completing timely repairs in respect of damp and mould occurrences in its housing stock. The regulator considered the case a potential breach of part 1.2 of the Home Standard and concluded that the Authority did not have an effective system in place to allow it to meet its statutory health and safety responsibilities in relation to fire safety.

We recommended that the Authority should improve arrangements to ensure the issues raised by the Social Housing Regulator are addressed, including:

- fire remedial actions resulting from fire assessments
- repairs required to address damp and mould, and water quality testing.

No matters have come to our attention since that date that would have resulted in any additional exception reporting on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

Report on other legal and regulatory requirements – audit certificate

We certify that we have completed the audit of Kirklees Council for the year ended 31 March 2024 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Gareth D Mills

Gareth Mills, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Leeds

9 October 2026