

LGA Corporate Peer Challenge – Progress Review

Kirklees Council

23 September 2025

Feedback



Corporate Peer Challenge



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1. Introduction

The council undertook an LGA Corporate Peer Challenge (CPC) during November 2024 and promptly published the full report with an action plan.

The Progress Review is an integral part of the Corporate Peer Challenge process. Taking place approximately ten months after the CPC, it is designed to provide space for the council's senior leadership to:

- receive feedback from peers on the early progress made by the council against the CPC recommendations and the council's RAG rated CPC Action Plan.
- consider peers' reflections on any new opportunities or challenges that may have arisen since the peer team were 'on-site' including any further support needs
- discuss any early impact or learning from the progress made to date

The LGA would like to thank Kirklees Council for their commitment to sector led improvement. This Progress Review was the next step in an ongoing, open and close relationship that the council has with LGA sector support.

2. Summary of the approach

The Progress Review at Kirklees Council took place on 23 September 2025. This report provides an overview of the findings as of this date.

The Progress Review focussed on each of the recommendations from the Corporate Peer Challenge, under the following theme headings:

- overall progress since November 2024
- finance
- governance
- service delivery, transformation and continuous improvement

For this Progress Review, the following members of the original CPC team were involved:

- Lead Member Peer, Cllr Chris Read, Rotherham Council

- Chief Executive Peer, Sam Plum, Westmoreland and Furness Council
- LGA Officer Peer, Jill Travers, Wirral Council
- LGA Associate, Neil Thornton
- LGA Peer Challenge Manager, Judith Hurcombe

3. Progress Review - feedback

3.1. Progress since November 2024

The council's assessment is that it has made progress on all the eight recommendations arising from the CPC in November 2024. The documentation provided to the peer team as well as the engagement during the time spent onsite feels like an honest reflection of both the progress the council has made, as well as openness about the challenges ahead.

The council has actively considered the findings and feedback from the CPC and has made strides in delivering them as well as being transparent in its reporting of that delivery. Forty-two actions were identified in response to the CPC original report, and of these the council reports that 13 are complete, one is amber-rated and the remaining 28 are on track. An interim progress report on the council's response to the CPC was received by cabinet in July 2025.

Working relationships between the leader and cabinet, and the chief executive and senior management team have matured further and collectively they have brought stability, clarity, grip and more energy to the council. The peers noted greater confidence, tempered with realism, from the collective senior political and managerial team about how they will address current and future challenges.

3.2. Finance

Members and officers told the peer team that they are more confident about the council's revenue budget position and feel that the overall approach has consolidated further since the CPC of November 2024. This confidence is balanced by an acceptance that the budget situation overall is still strained and will require close and active attention for the medium term. At senior levels and across the organisation everyone knows there is more to do to improve budget stability, contain and actively

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manage risk, and keep an ongoing and tight grip on revenue budget expenditure. Since November 2024 the processes relating to monthly and quarterly budget reporting and monitoring have been reviewed, including the introduction of closer capital delivery monitoring from quarter two of 2025/26. Benchmarking data has been shared across services and has been incorporated into a revised budget savings template.

The council's net revenue expenditure for 2024/25 was £368.1 million against the agreed budget of £362.5 since 2022/23.

The Medium-Term Financial Strategy update to cabinet in September 2025 identifies revenue budget gaps of £18 million for 2026/27, with a total deficit of £56 million by 2030/31.

Quarter 1 of 2025/26 budget monitoring shows that there is pressure on demand-related budgets across children and families, adults and health, and place directorates. Overspends were reported of a total of £8.6 million, mainly due to a combination of demand-led pressures from adults and children's social care placements and reduced income received across all three directorates. However, these are partially mitigated by savings in corporate service budgets. The overall projected overspend at quarter 1 was £5.9 million and this was the lowest Q1 projection since Covid. Executive directors have been asked by cabinet to report on proposals to reduce the overspend.

A key part of maintaining the budget grip is to ensure the council meets its budget savings targets. The council achieved around 79 per cent of its planned revenue budget savings of £42.6 million during 2024/25. The budget savings target for 2025/26 is £26.8 million and at Q1 86 per cent is projected to be delivered by year end. Plans for an annual £2.5 million transformation fund has been created for each of the next five years to help services meet the savings targets and deliver ongoing change which will reduce pressure on the revenue budget for the longer term. How services are meeting savings targets is regularly reported to cabinet, and each project has a red, amber or green (RAG) rating showing progress. Cabinet in September 2025 received a report showing £9.2 million of savings (excluding the Housing Revenue Account) have been delivered by the end of June 2025, and the council at that point was expecting £25 million of the £26.8 million to be achieved by

the year end.

A key risk for the council's budget sustainability, alongside many of its peer authorities, would be any substantial changes to the Dedicated Schools Grant (DSG) policy at national level. The DSG deficit at the financial year end 2024/25 for Kirklees was £63 million and forecast to rise to £76.3 million by March 2026.

At 31 March 2025, unallocated reserves in the General Fund were £25 million. The council recognises that although this is above the assessed minimum level, it is still low relative to the overall revenue budget. There is a clear determination to build back reserves to £29 million by 2028/29 through contributions of £1 million per year. Cabinet in September 2025 discussed the budget strategy aim of adding to reserves, as well as removing the use of the VRP (Voluntary Revenue Position) reserve to support the base budget by 2028.

The General Fund capital programme totals over £1 billion over 5 years. This represents significant investment across the district in a number of significant regeneration schemes as well funding baseline capital expenditure to support the delivery of services. The programme is underpinned by a combination of significant grants, receipts contributions of around £600 million, and borrowing of £400 million. Since the CPC feedback the council has revisited its long-term capital expenditure plans:

- in July 2025 the capital programme was reprofiled with £100 million of expenditure extended further into the long term
- in September 2025 the cabinet approved the release of agreed expenditure for the next phase of the Our Cultural Heart regeneration programme for Huddersfield town centre. This includes the museum and art gallery, and the wider public realm. A review is underway of phase 5 of the Cultural Heart programme in order to revisit value for money aspirations and outcomes for residents, businesses and the local economy
- a 10-year regeneration plan is being developed for Dewsbury town centre
- an assets disposal board has been created and the Capital Assurance Board works alongside this

- a review has been completed of the governance of the capital programme, and a clearer remit for the Capital Assurance Board has been introduced

3.3 Governance

An updated member-officer protocol was also agreed in May 2025. The council continues to place emphasis on good governance, and the traction of the revised protocol is reported to the standards committee twice per year. Overall, there has been a reduction in the number of complaints about councillor behaviour over the past year as reported to members of the Standards Committee on 24 September 2025. Increased co-operation and interaction between political parties is showing signs of benefitting the council's ability to achieve for its communities.

A new member development framework has been drafted in anticipation of new councillors being elected in May 2026 after the all-out elections. This will include support around the use of social media.

New report writing guidance has been refreshed and report templates have been changed with the purpose of helping officers present information clearly to councillors. Online training courses support this ethos, and governance officers have been attending leadership team meetings across the council to promote good governance.

3.4 Service delivery, transformation and continuous improvement

Since the main CPC the council has revisited its internal and external communication and branding. In April 2025 the Our Council culture refresh initiative was launched, setting out seven principles for the council's operating culture. The "our" branding is being applied widely and is replacing the "We're Kirklees" logos and language, for example the council plan for the current financial year is called Our Council Plan, and the workforce survey was called Our Conversation. Feedback from employees suggests that this development has been well received.

The staff survey Our Conversation undertaken in summer 2025 shows increased participation from employees, rising from 13 per cent in 2022, and 24 per cent in 2024 to 39 per cent in 2025. Key headlines arising from the survey were of participants reporting good levels of satisfaction with their roles, identifying with the

council's values and culture, and the efforts made to support wellbeing. However, there are also concerns about levels of trust and leadership of the organisation.

The transformation reserve is explicitly linked with quarterly service performance reporting, with the focus being on better outcomes, as well as delivering value for money. A forward plan is being developed to provide more shared learning opportunities across the organisation, supported by a resource for tools, guidance and frameworks to help bring about effective and sustained change across the council. These are positive developments which will help the wider organisation share its successes on change. Several people were keen to tell the peer team of the added value and welcome support they receive from the corporate transformation team.

A clear aspiration from the council's political leadership is for the organisation to get better at getting the basics right, so that services are delivered in a way which residents need and expect. A customer and access change programme is underway to improve service design and communication, as well as reduce failure demand and avoidable contact, with the aim of improving outcomes as well as managing costs.

Quarterly high-level meetings are now taking place between businesses and senior managers, with the intention of improving communication between the council and key local economy stakeholders. Events have included investment conferences, partnership events and focused discussions with business leaders, and a business summit is planned for autumn 2025.

Consideration is being given to the relationship between housing and broader regeneration, including increasing the amount of residential provision in the borough's town centres, and will be linked to the local plan update. The new housing strategy is on target for approval in spring 2026.

The Regulator for Social Housing issued a notice in March 2024 after the council self-referred. Steady progress is being made on agreed targets to improve performance on fire safety, damp, mould and condensation, and the council is aiming for the notice being lifted by the end of the 2025 calendar year. The Regulator is expected to undertake a full inspection in Kirklees during 2026.

4. Final thoughts and next steps

The LGA would like to thank Kirklees Council for undertaking an LGA CPC Progress Review.

We appreciate that senior managerial and political leadership will want to reflect on these findings and suggestions to determine how the organisation wishes to take things forward.

Under the umbrella of LGA sector-led improvement, there is an on-going offer of support to councils. The LGA is well placed to provide additional support, advice and guidance on a number of the areas identified for development and improvement and we would be happy to discuss this.

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