



## **Cumbria County Council**

**SUMMONS AND AGENDA**  
**for the Meeting of the**  
**County Council**  
**on Thursday, 23 June 2022**

*This agenda is available on request in alternative formats.*



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Serving the People of Cumbria

# CUMBRIA COUNTY COUNCIL

## MEETING OF THE COUNTY COUNCIL

To: **ALL MEMBERS OF THE COUNTY COUNCIL**

You are hereby summoned to attend the meeting of Cumbria County Council to be held at the Council Chamber, County Hall, Kendal LA7 9RQ, on Thursday 23 June 2022 at 10.00 am

Yours sincerely



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**John Metcalfe**  
**Chief Executive**

Cumbria House  
Carlisle  
CA1 1RD

*Wednesday, 15 June 2022*

### GROUP MEETINGS

<b>GROUP</b>	<b>DATE AND TIME</b>	<b>VENUE</b>
<b>Labour</b>	<b>Monday 20 June 2022 10am</b>	<b>Conference Room A – Cumbria House</b>
<b>Liberal Democrat</b>	<b>Monday 20 June 2022 10am</b>	<b>Remote via Teams</b>
<b>Conservative</b>	<b>Monday 20 June 2022 10am</b>	<b>Remote via Teams</b>

# AGENDA

## **PART 1: ITEMS LIKELY TO BE CONSIDERED IN THE PRESENCE OF THE PRESS AND PUBLIC**

### **1 ROLL CALL OF MEMBERS**

### **2 DECLARATIONS OF INTEREST**

To disclose any disclosable pecuniary interests relating to any item on the agenda.

Members are asked to refer to the Monitoring Officer for advice in relation to the declaration of interests at meetings of the full Council. A complete list of declarations notified to the Monitoring Officer by **5.00 pm on Monday 20 June 2022** will be circulated at the meeting. If any member wishes to correct or add to the circulated list, guidance on what constitutes a disclosable pecuniary interest is set out below.

***NB The following is a summary of what constitutes a disclosable pecuniary interest. Please seek advice from the Monitoring Officer.***

Members must disclose any disclosable pecuniary interest they have in any item on the agenda which comprises

- 1 Details of any employment, office, trade, profession or vocation carried on for profit or gain.
- 2 Details of any payment or provision of any other financial benefit (other than from the authority) made or provided within the relevant period in respect of any expenses incurred by you in carrying out duties as a member, or towards your election expenses. (This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
- 3 Details of any contract which is made between you (or a body in which you have a beneficial interest) and the authority
  - (a) Under which goods or services are to be provided or works are to be executed; and
  - (b) Which has not been fully discharged.
- 4 Details of any beneficial interest in land which is within the area of the authority.
- 5 Details of any licence (alone or jointly with others) to occupy land in the area of the authority for a month or longer.

- 6 Details of any tenancy where (to your knowledge)
- (a) The landlord is the authority; and
  - (b) The tenant is a body in which you have a beneficial interest.
- 7 Details of any beneficial interest in securities of a body where
- (a) That body (to your knowledge) has a place of business or land in the area of the authority; and
  - (b) Either –
    - (i) The total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or
    - (ii) If that share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

In addition, you must also disclose other non-pecuniary interests set out in the Code of Conduct where these have not already been registered.

#### **Note**

**A “disclosable pecuniary interest” is an interest of a councillor or their partner (which means spouse or civil partner, a person with whom they are living as husband or wife, or a person with whom they are living as if they are civil partners).**

### **3 EXCLUSION OF PRESS AND PUBLIC**

To consider whether there are any items on the agenda in respect of which the press and public should be excluded during consideration of the item.

### **4 PUBLIC PARTICIPATION**

To receive petitions or questions from the public under the Public Participation Scheme for the Council. This item is time limited to 30 minutes.

### **5 PRESENTATION - CHIEF CONSTABLE**

Chief Constable Michelle Skeer to give members the annual presentation from the Constabulary.

## **6 MINUTES**

To confirm as a correct record the minutes of the meeting of the Council held on 28 April 2022 (copy enclosed)

**(Pages 9 - 24)**

## **7 ANNOUNCEMENTS AND COMMUNICATIONS**

To receive any announcements from the Chair, Leader, Members of the Cabinet or the Chief Executive

## **8 MINUTES OF THE CABINET**

### **(A) Cabinet Minutes - 21 April 2022**

The minutes of the meetings of the Cabinet held on 21 April 2022 are enclosed (copy attached)

The Leader will ask members if they have any questions on the minutes taking each page in turn. Members should state clearly the minute number of the item concerned.

**(Pages 25 - 32)**

### **(B) Cabinet Minutes - 9 June 2022**

The minutes of the meetings of the Cabinet held on 9 June 2022 are enclosed (copy attached)

The Leader will ask members if they have any questions on the minutes taking each page in turn. Members should state clearly the minute number of the item concerned.

**(Pages 33 - 40)**

## **9 APPOINTMENT OF RETURNING OFFICER**

To consider a report from the Leader of the Council (copy enclosed)

**(Pages 41 - 48)**

## **10 CHANGES TO OFFICER DELEGATIONS IN THE CONSTITUTION**

To consider a report from the Leader of the Council (copy enclosed)

**(Pages 49 - 88)**

**11 APPOINTMENTS TO COMMITTEES - CUMBRIA POLICE AND CRIME PANEL**

To consider a report from the Leader of the Council (copy enclosed)

**(Pages 89 - 92)**

**12 CODE OF CONDUCT**

To consider a report from the Leader of the Council (copy enclosed)

**(Pages 93 - 96)**

**13 AMENDMENTS TO THE CAPITAL PROGRAMME**

To consider a report from the Deputy Leader of the Council (copy enclosed)

**(Pages 97 - 104)**

**14 TREASURY MANAGEMENT ANNUAL REPORT 2021/22**

To consider a report from the Deputy Leader of the Council (copy enclosed)

**(Pages 105 - 124)**

**15 QUESTIONS**

To consider questions from Members, in accordance with Council Procedure Rule No 11.2 to 11.5 to the Leader, a Member of the Executive or the Chair of any Committee.

**16 SCRUTINY UPDATE REPORT**

To consider a report from the Chair of Scrutiny Management Board (copy enclosed)

**(Pages 125 - 134)**

**17 MINUTES OF COMMITTEES**

To receive reports from Committees of the Council and receive questions and answers in accordance with Council Procedure Rules 11.1 to 11.5.

**(A) Audit and Assurance Committee**

To receive the draft minutes of a meeting of the Audit and Assurance Committee held on 24 March 2022 (copy enclosed)

**(Pages 135 - 146)**

**(B) Cumbria Pensions Committee**

To receive the draft minutes of a meeting of the Cumbria Pensions Committee held on 18 March 2022 (copy enclosed)

**(Pages 147 - 158)**

**(C) Workington Harbour Management Committee**

To receive the draft minutes of a meeting of the Workington Harbour Board held on 22 April 2022 (copy enclosed)

**(Pages 159 - 162)**

**(D) Standards Committee**

To receive the minutes of a meeting of the Standards Committee held on 22 April 2022 (copy enclosed)

**(Pages 163 - 166)**

**18 URGENCY PROVISIONS**

To consider a report from the Leader of the Council (copy enclosed)

**(Pages 167 - 172)**

**19 NOTICE OF MOTIONS**

To consider notice of motions for up to a specified period of one hour.

**20 SPEECHES**

To hear speeches (not exceeding five minutes each) for up to a specified period of 30 minutes, from individual members, of which at least 24 hours' notice has been given to the Executive Director – Corporate, Customer and Community Services.

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## COUNTY COUNCIL

Minutes of a Meeting of the County Council held on Thursday, 28 April 2022 at 10.00 am at Council Chamber - County Offices, Kendal

### PRESENT:

Councillor Mr A Connell (Chairman)

Mr T Allison	Mr D English	Mr M Mitchelson
Mr AL Barry	Mrs S Evans	Mr FI Morgan
Ms C Bell	Miss HJ Fearon	Mrs M Rae
Mr J Bell	Miss D Garton	Mrs S Sanderson
Mrs PA Bell	Mr D Gawne	Mr P Thornton
Mr RW Betton	Mr KR Hamilton	Mrs C Tibble
Mr RK Bingham	Dr S Haraldsen	Mr CP Turner
Mr J Bland	Mr M Hawkins	Mrs H Wall
Mrs C Bowditch	Mr C Hogg	Mr R Watson
Mr A Bowness	Mr N Hughes	Mr WJ Wearing
Mr M Brereton	Mr A Kennon	Mr C Weber
Mrs A Burns	Mr J Lister	Mr CJ Whiteside
Mrs HF Carrick	Mr KA Little	Mrs EL Williamson
Mr F Cassidy	Dr K Lockney	Mrs J Willis
Mr W Clark	Mr T Lywood	Mr D Wilson
Mr SB Collins	Mr J Mallinson	Mr M Wilson
Mr GD Cook	Mr AJ Markley	Mr AW Wonnacott
Mr N Cotton	Ms C McCarron-Holmes	Mr MH Worth
Mr P Dew	Mr W McEwan (Vice-Chair)	Mr R Worthington
Mr R Dobson	Mr A McGuckin	Mr SF Young
Mr GM Ellis	Mr P McSweeney	

There were 63 members present at the start of the meeting.

### 1 ROLL CALL OF MEMBERS

Apologies for absence were received from Mr MS Barbour, Mr B Berry, Ms C Driver, Ms D Earl, Ms J Filmore, Mr HGG Graham, Mrs BC Gray, Mr K Hitchen, Mr MA Johnson, Mr AWC Lamb, Lord R Liddle, Mrs EA Mallinson, Mr NH Marriner, Mr GRPM Roberts, Mr B Shirley, Mr DE Southward, Mr S Stoddart, Mr D Whipp, Mr T Wentworth Waites and Mr S Wielkopolski

### 2 ELECTION OF CHAIRMAN

The Chairman asked for nominations for the Office of Chair of the Council. Mr Thornton moved that Mr Connell be elected as Chairman for the ensuing year. This was seconded by Mr Young.

With only one nomination being received and with the agreement of the Council, it was

**RESOLVED** that Mr A Connell be elected as Chairman of the Council for the ensuing year

There then followed a swapping of the Badge of Office and chains, and the Declaration of Acceptance of Office was signed by Mr Connell, and he then took the Chair.

*Mr Connell in the Chair.*

After thanking the outgoing Chairman, Mr Connell spoke about his pride and honour at being elected as Chairman of Cumbria County Council.

The Group Leaders congratulated Mr Connell on his election.

### **3 ELECTION OF VICE CHAIRMAN**

The Chairman sought nominations for the Office of Vice Chair of the County Council.

With Mr Hamilton proposing and Mr Thornton seconding Mr McEwan as Vice Chair, and there being no other nominations, it was

**RESOLVED** that Mr W McEwan be appointed as Vice Chair of the County Council for the ensuing year

Mr McEwan signed the Declaration of Acceptance of Office.

### **4 DECLARATIONS OF INTEREST**

Mr T Allison declared a pecuniary interest in Agenda Item No 18 – Notice of Motion, as he has a holiday home located within the Lake District National Park.

Mr K Little declared a pecuniary interest in Agenda Item No 13 – Update report of the Cumbria Fire Local Pension Board 2021/22, as he was in receipt of a Fire Service Pension.

### **5 EXCLUSION OF PRESS AND PUBLIC**

**RESOLVED**, that the press and public be not excluded from discussions on any items on the agenda today.

### **6 PUBLIC PARTICIPATION**

There were no public questions, statements or petitions on this occasion.

## **7 MINUTES**

**RESOLVED,** that the minutes of the previous meeting held on 10 February 2022 be agreed with the following amendment:-

Minute No 73 – Draft Revenue Budget 2022/23 and Medium Term Financial Plan 2022-27 and Draft Capital Programme 2022-27 – add Mr G Roberts into the list of names of the members that voted ‘for’.

## **8 ANNOUNCEMENTS AND COMMUNICATIONS**

The Chair started his announcements by mentioning how deeply shocked and saddened he was by the situation in Ukraine. The thoughts of all of the members remained with the people of Ukraine and all those impacted.

He thanked Cumbria Fire and Rescue Service crews who had hosted several car washes in aid of the Ukraine Humanitarian Appeal to help raise vital funds for the people of Ukraine, and said that currently the Service had raised over £10,000 for the appeal.

Secondly, he formally welcomed the new Chief Executive, John Metcalfe, to his first meeting of Full Council here in Cumbria. He also took this opportunity to thank John Readman for all his hard work whilst undertaking the role in the interim period.

Lastly, he reminded members that Dawn Roberts, the Executive Director of Corporate Customer and Community Services, had been appointed as the new Chief Executive of Dumfries and Galloway Council, and would leave the Council in June.

The Cabinet Member for Highway and Transport made an announcement about the Bus Improvement Bid. Cumbria had been notified recently that the bid had been unsuccessful. There had been 41 unsuccessful councils and only 31 successful.

## **9 ELECTION OF CHAIR AND VICE CHAIR OF SCRUTINY MANAGEMENT BOARD**

**RESOLVED,** that Mr W Wearing be elected as Chairman of Scrutiny Management Board, with Mr M Wilson elected as Vice Chair.

## **10 CONSTITUTION OF STANDING COMMITTEES**

Members considered a report which dealt with the constitution of the Council's committees and other member bodies and asked members to appoint chairs and vice chairs of various committees and other bodies. In addition, the Council was asked to confirm the Scheme of Delegation as set out in the Constitution.

The Leader of the Council presented a report which dealt with the constitution of the Council's committees and other member bodies and asked members to appoint chairs and vice chairs of various committees and other bodies. In addition the Council was asked to confirm the Scheme of Delegation as set out in the Constitution. The schedule of appointments had been circulated to members in advance of the meeting.

The Local Government and Housing Act 1989 and the Local Government (Committees and Political Groups) Regulations 1990 made provision for the allocation by the Council of places on its committees to political groups represented on the Council.

Appendix 1 set out the committees and sub-committees to which these principles applied and the proposed allocations to each group based on those principles.

Members noted that there was currently 1 vacancy in the Longtown division which was previously held by the Conservatives. As this vacancy arose before the Structural Changes Order came into effect there was no provision for a by-election to be held to fill this vacancy and it would remain vacant until 1 April 2023 when the County Council would cease to exist.

At its Annual Meeting, the Council must appoint at least one scrutiny committee. Scrutiny committees were required to be politically balanced. The Constitution provides for the appointment of three Scrutiny Advisory Boards, a Cumbria Health Scrutiny Committee, an overarching Scrutiny Management Board and a committee to scrutinise the Local Enterprise Partnership. It was the intention that County Council members appointed to the LEP scrutiny Committee shall be the same members as those appointed to the Scrutiny Management Board.

Certain Council bodies were not ordinary committees of the Council and not subject to the requirements of political proportionality. Under the Constitution the full Council made appointments to these bodies and Members were recommended to make appointments to these bodies as indicated in Appendix 1.

The Council appoints the Chair and Vice Chair of each Scrutiny Advisory Board. Appointments were subject to specific rules set out in the Constitution. Under the Council's Rules of Procedure, nominations were based on the principle of an allocation which was proportionate to the number of seats each political group had on the Council as a whole and in accordance with a weighting system described in the Constitution.

The Council was asked to approve the recommendations in this report so that its committees and sub-committees and other bodies were constituted for the municipal year 2021/22, so that the Council was represented on the outside bodies to which the Council appoints and that the Council had in place an approved Scheme of Delegation to Officers.

Members asked for an explanation about the nominations for the Cumbria Police and Crime Panel, which was provided by the Interim Chief Legal Officer.

The Leader moved that all of the recommendations be agreed 'en bloc' with the exception of the appointment to the Cumbria Police and Crime Panel, as there were 2 nominations which would be put to a vote. This was AGREED.

There then took place a vote for the nominations Mr Bill McEwan and Mr Mike Johnson. The votes were cast as follows:-

Bill McEwan	36
Mike Johnson	22

Therefore it was agreed that Mr McEwan be the County Council appointee on the Cumbria Police and Crime Panel.

**RESOLVED,** that the Council:

- (1) Approve the size (where optional) and terms of reference of ordinary committees of the Council and the allocation of committee places to political groups. The size and allocation of committee places to political groups as set out in Appendix 1. No changes are recommended to the terms of reference.
- (2) Approve nominations to sit on each committee and other Council bodies, as indicated in Appendix 1 of the report;
- (3) Appoint the Chair and Vice Chair of the member bodies set out in Appendix 2 of the report;
- (4) Appoint the Chair and Vice Chairs of the Overview and Scrutiny Advisory Boards as set out in Appendix 3 of the report;
- (5) Approve appointments to certain bodies for the period until 1 April 2023, in accordance with the allocations set out in Appendix 4 of the report, including Mr B McEwan as the appointed member of the Cumbria Police and Crime Panel;
- (6) Approve the appointment of the Leader of the Council to the Cumbria Leadership Board and the appointment of the Deputy Leader and Cabinet Member for Finance as the named substitute;
- (7) Appoint the Chair of the Pensions Committee (and the Vice Chair to act in the absence of the Chair) to represent the Council on behalf of the Cumbria Local Government Pensions Scheme (LGPS) on the Border to Coast Pension Partnership Joint Committee;
- (8) Confirm the Council's Scheme of Delegation to Officers (Part 3 of the Constitution) (as attached at Appendix 5).

## **11 MINUTES OF THE CABINET**

### **(A) Cabinet Minutes - 3 February 2022**

**RESOLVED,** that the minutes of Cabinet held on 3 February 2023 be noted.

### **(B) Cabinet Minutes - 17 March 2022**

On Minute No 213 – Response to the Police and Crime Commissioner’s Public Consultation on the Potential Transfer of Fire Governance Mr Whiteside asked the Leader if he would give clarification regarding the financial argument. If it was not possible to identify the overheads involved, how was the Council able to say that it would be financially worse if the fire service was rolled in with the police and crime commissioner than if it formed into an independent fire authority.

The Leader responded to say that Cumbria Fire and Rescue Service (CFRS) was an integral part of Cumbria County Council, and full Council was the ‘Fire Authority’. With this came the ability to spread the central overheads and so CFRS benefitted from buying in to all the back office services. One of the difficulties with the proposal from the Police and Crime Commissioner was that the Fire Service would lose the ability to take advantage of this going forward. This would have an effect on the budget as to buy these services in would be costly.

On the same minute Mr Turner asked the Leader why the Cabinet’s consideration of the consultation had been left so late that no proper scrutiny could take place or call in, if needed.

The Leader replied to say he would need to investigate this and said a written response would be provided.

On the same minute Dr Haraldsen asked the Leader what Cabinet’s intention was on the question of different brands and cultures. If it was not accepted that there was a close association with fire and police, was the County Council wrong to invest in the blue light hub. He asked whether the Leader believed the fire service had more in common with police than libraries?

The Leader responded to say that the Blue Light Hub was an efficient use of resources as the location of emergency services was in a shared location. The hub was only about sharing the operation of services and not the governance behind the organisations involved, which all operated under different governance regimes.

The Cabinet Member said that currently CFRS were welcomed in homes in the communities to install fire alarms and other trusted services, and the officers were trusted by the public. Sadly, she felt people often had a different view when a Police Officer knocked on the door. However, the Police were working hard on changing this perception.

Also on this minute Mr Morgan asked the Cabinet Member for Customers, Transformation and the Fire Services whether she shared his concerns about the proposal of the PCC to take over our Fire and Rescue Service, for the implications for wider council services – given the integral part CFRS played within Cumbria

County Council, and the vital and trusted role it had within communities: contributing to everything from emergency planning and response, to safeguarding some of our most vulnerable residents.

The Cabinet Member replied to say that CFRS was an integral part of Cumbria County Council and played a vital role in the communities. It has a trusted brand within these and she felt this brand may change if the services moved under the umbrella of the Police and Crime Commissioner. She felt that the two new unitary authorities would be the right place for this decision to be made.

With reference to Minute No 222 – Award of a Framework Contract for Supported Living for People with a Learning Disability, Mental Health Issues, Autism or a Physical or Sensory Impairment Mrs Bowditch asked the Cabinet Member for Health and Care Services what assurances there were to ensure social care support for people with neurodiversity issues, in the light of increased costs and continued social care cuts by the Government.

The Cabinet Member replied to say that Cumbria County Council would continue to support and assess needs for people with neurodiversity issues and would work with the agencies that supported these people. Cumbria County Council would also continue to press the Government for funding.

**RESOLVED,** that the minutes of Cabinet held on 17 March 2022 be noted.

## **12 PUBLIC HEALTH ANNUAL REPORT 2020/21**

Members had before them a report from the Director of Public Health, which was the seventh Annual Report to be presented to council following the transition of Public Health responsibilities to the Council from NHS Cumbria.

The statutory responsibilities of the DPH were designed to match exactly the corporate public health duties of their local authority. The exception is the annual report on the health of the local population where the DPH had a duty to write a report, whereas the authority's duty was to publish it.

The Director of Public Health's Annual Report was therefore intended to give an independent, expert view of the key issues affecting Public Health in the area with recommendations as to how these may be tackled.

The Director of Public Health then gave members a presentation, which inevitably focused on Covid 19, and included:-

- Key statistics
- Excess deaths
- Cumulative case rates
- Age standardised mortality
- Mortality by deprivation
- Wider health impacts
- Community response and resilience

- Track and trace
- Vaccinations
- What next.....

The Chair thanked the Director of Public Health for his informative presentation and opened the floor up to questions.

Mr Whiteside commented that hospitals were still under extreme pressure and only last week one of the hospitals serving Cumbria had to declare OPEL 4, indicating the highest level of system pressure, partly due to covid and partly due to the public delaying contact with health services because of the situation which resulted in more serious health conditions. He asked the Director of Public Health whether people were still being encouraged to take up vaccinations.

The Director of Public Health said yes people were still being encouraged to take up the vaccine.

Mrs Williamson thanked the Director of Public Health for his leadership during the pandemic, which was exemplary. She asked the Director to join her in thanking all of the volunteers that helped during the crisis.

The Director paid tribute to all the volunteers that had helped during the pandemic.

Mr Hughes asked what effect the ending of free lateral flow testing had on the health of the population, and also the effect on NHS staff, and also what the effect might be now free lateral tests were no longer available.

The Director responded to say that inevitably when free testing was no longer available the number of people taking the tests would decline. The cost of free testing was huge and had to stop at some point as it was unsustainable. However, testing was still taking place in hospitals and care homes.

Mr Hawkins asked the Director for his view on the resilience of the county if another pandemic came along.

The Director responded to say that there would be lessons learned from the covid pandemic and this process was still underway. However, his view was that Cumbria was in a much better place to be able to rapidly mobilise should another pandemic happen.

Mr Brereton said the availability of the vaccine had been the major factor in bringing down the number of covid related deaths. What message should members be giving to the residents and colleagues about vaccines now. Young people were the most resistant to getting vaccinated, how do we encourage them to take it up.

The Director said encouraging young people to take up the challenge was extremely challenging. There were still over 50,000 people that had not yet had a first vaccine, and it was difficult to encourage them to take this up. Although young people were not as vulnerable it was still important to keep trying to encourage them.

Mr McGuckin asked whether any review would be carried out into the impact of the pandemic on health inequalities.

The Director noted that this would be likely to be covered by the Inquiry that had been announced and that many public health researchers would be likely to investigate this in the coming years.

Mr Collins asked the Director about disinformation that circulated during the pandemic, and felt that all organisations involved needed to be better able to critique data to counteract the disinformation.

The Director of Public Health replied to say that the County Council tried to counteract this disinformation continually by being open and honest with the public, but it is difficult to stop when social media was involved.

Dr Haraldsen felt the pandemic may have a huge effect on youngsters going forward and he was aware that speech and language services seemed to have suffered greatly with the effect of covid. He was also concerned about the take up of vaccines, not just covid but other preventable diseases too. He asked the Director whether there were any lessons to be learned about the uptake of vaccines.

The Director said that vaccine scepticism had always existed and would continue to exist and the County Council would continue to speak in support of vaccinations.

Mr Morgan said there had been so many deaths in areas of deprivation and he asked if all the information gathered during the pandemic, and its aftermath, would be forwarded on to the public enquiry.

Many members spoke about the inequalities of health in areas of deprivation and their concerns about how the pandemic had affected these communities, and hoped there would be lessons learned from this.

Finally, members thanked the Director of Public Health for the work he, and his team, had done during the pandemic. The Director had become a 'trusted brand' for Cumbria, and everyone knew his name. The work undertaken had been exemplary, under extreme pressure, and asked that their thanks be recorded to the Director for this.

The Director thanked members for their support and said this would not have been as successful without the assistance and support of all of the officers in his team.

The meeting then broke for lunch at 1pm and reconvened at 1.30pm.

### **13 UPDATE REPORT OF THE CUMBRIA FIRE LOCAL PENSION BOARD - 2021/22**

Mr K Little declared a pecuniary interest in this item as he was a recipient of a Fire Service Pension. He took no part in the meeting during discussion of this item.

County Council considered a report from Cabinet Member for Customer, Transformation and Fire and Rescue, which presented an update on the Annual Report of the Cumbria Fire Local Pension Board 2021/22.

The Cumbria Fire Local Pension Board was required to report on its activities to the Council, and the Annual Report of the Cumbria Fire Local Pension Board 2021/22 detailed developments of the Board and its activities during the year.

Where the Cumbria Fire Local Pension Board was concerned that due consideration had not been given to matters of non-compliance, the Board may submit a report for consideration by the Audit and Assurance Committee as the body designated by the Scheme Manager with the capacity to investigate such matters on its behalf. There had been no matters raised with the Audit and Assurance Committee.

**RESOLVED,** that members note the 2021/22 Annual Report of the Cumbria Fire Local Pension Board.

#### **14 SCRUTINY UPDATE REPORT**

The Chair of Scrutiny Management Board presented a report which detailed the Scrutiny Annual Report 2021/22 and updated members on the work of Scrutiny and any issues and developments that had occurred since the last meeting of Full Council.

The Scrutiny Annual Report 2021/22 provided a summary of the Scrutiny activity carried out over the last 12 months including the ongoing Covid-19 pandemic and its impacts, the beginning of the implementation of Local Government Reorganisation and the ongoing pressures and challenges faced by the Council's services. Alongside this, members retained a focus on other key issues important to the residents of Cumbria. Members were asked to note the Annual Report.

The current Scrutiny Work Programme, which Members were asked to note, was under ongoing review and regularly updated to reflect new and emerging issues.

The Chair of Scrutiny Management Board took members through matters which had been considered by the Scrutiny Boards since the last meeting of Council, and also detailed the recent Task and Finish reviews undertaken.

One of the members asked the Chair of Scrutiny Management Board whether he agreed that now was the time that the legal advice in relation to Local Government Reorganisation be released to all members.

The Chair of Scrutiny Management Board said it was not his decision to take on whether the information should be disclosed. However, he would welcome the full legal advice being released to all members.

**RESOLVED,** that

- (1) Members note the Scrutiny Annual Report 2021/22 attached as Appendix 1 of the report;
- (2) Members note the work programme presented as Appendix 2 and recent activity undertaken by Scrutiny set out in the report.

## **15 QUESTIONS**

Ms McCarron-Holmes asked the Cabinet Member for Highways and Transport about the recent train stoppages from Carlisle down the coast line, particularly during the Easter holidays, with coach replacement services, and whether the Transport Minister had at any time recently given any indications that Government would address this important rail link.

The Cabinet Member replied to say that he was notified each week about cancellation of trains. Ongoing line maintenance was one of the major reasons for train cancellation. Cumbria County Council was working with Rail Northern to produce a programme of repairs on this line.

Mr Lister asked the Chair of the Communities and Place Scrutiny Advisory Board whether given the number of urgent cabinet meetings, he felt that a decision around the future of fire governance warranted an extra cabinet meeting, which would have allowed for the relevant scrutiny to have taken place.

The Chair of the Scrutiny Advisory Board responded to say that he was not responsible for arranging the Cabinet meetings. As soon as he became aware of the consultation he had called a Communities and Place Scrutiny Advisory Board meeting.

Mr Cotton asked the Leader of the Council how many Cumbrian homes had expressed an interest in sponsoring a Ukrainian person and/or family fleeing the war in their country, and how many Homes for Ukraine Scheme applications had been submitted by Cumbrian residents.

The Leader responded to say the Scheme for Homes for Ukraine was very different to the scheme for refugees. Members of the public had been asked to express an interest individually to the Government for the Homes for Ukraine Scheme, and not through the Council. This made it more difficult for Statutory Authorities to ensure services were in place to support these individuals. However, he understood there were approximately 190 Cumbrian sponsors for families under the Homes for Ukraine Scheme, with 554 individuals and 208 children aged between 0-16, but he was not aware of how many of these had yet arrived in Cumbria.

Mr M Wilson asked the Leader what impact the proposed changes to local Health Systems have on local democracy, and the ability to have a say in local health provision.

The Leader replied to say that current health reforms were the largest reforms of the NHS and the changes were significant. In the latest reform the Clinical Commissioning Groups would disappear to be replaced by the Integrated Care Partnerships. Along with the current local government reform the reform would be extremely complex. However, the effect on democracy was not yet known, but it was unlikely that the representative on the Boards would be from Cumbria, they were more likely to be from the North East.

Mr D Wilson asked the Cabinet Member for Highways and Transport for an update on the progress of Millom and Haverigg flood alleviation project.

The Cabinet Member replied to say he would provide a written response.

Mrs Williamson asked the Leader of the Council whether he had any idea of the long-term plan of Government for the Household Support Grant.

The Leader replied to say the recent announcement made by the Chancellor was welcomed, with over £500m nationally devolved to local authorities. However, he did not feel this would be enough to resolve the scale of the cost of living crisis, and the County Council would be monitoring the use of the money and the demand for the funds.

Mr Dobson was concerned about the continuing uncertainty over the future of the Fire and Rescue Service consequent upon Local Government Reorganisation. The Police and Crime Commissioner carried out a public consultation about his proposal and the consultation ended on the 21 March. He asked the Cabinet Member for Customers, Transformation and Fire Services how many people expressed the view that this was an unwise and probably expensive proposal.

The Cabinet Member replied to say that the outcome of the consultation would be published after the local elections.

Mr Whiteside asked the Cabinet Member for Highways and Transport about the instance where 20 pupils in St Bees were left wandering in the village when school bus contractors would not allow them onto the bus. Some walked from St Bees to Egremont and he asked the Cabinet Member whether he felt this was a failure of safeguarding, and whether he would be speaking to the contractor about this.

The Cabinet Member responded to say that those involved were between the ages of 11-17, and that 10 to 15 of those were not entitled to get onto the bus. However, a full investigation was taking place and he would provide a full copy of the report once available.

Mrs Bowditch asked the Leader what support the County Council could expect from Government to support communities in dire need of help with the costs of living which was increasing way beyond the means of many hard working people, families and pensioners.

The Leader replied to say that this was a worrying issue and linked directly with the question from Mrs Williamson about the Household Support Grant. He was concerned that there still seemed to be little understanding of what was about to

happen. The situation was very serious and he felt the Government would need to mobilise resources quickly to resolve this.

Mr Turner asked the Cabinet Member for Highways and Transport to investigate as a matter of urgency complaints about contract holders who supply SEND transport. There were allegations of dangerous and poor driving being made by parents. The parents had complained to the provider who had refused to take action against the driver. The County Council had a duty of care to these children.

The Cabinet Member replied to say he was aware of the incident and a full investigation was currently taking place. He would provide the member with a full copy of the report once it was available.

Mr Hughes asked the Chair of Communities and Place Scrutiny, what effect the successive funding reductions had had on Cumbrian roads.

The Chair said that the reductions in funding had had a big impact over a number of years. The Government had made a number of announcements over the past few years but these had to be spent on very specific things. The Chair wondered whether it was a valid reason to spend the Pot Hole funding announced recently on preventing potholes rather than repairing them. One of the main issues for Cumbria County Council was the formula used for allocating highways funding.

Mr McGuckin asked the Cabinet Member for Highways and Transport, given the failure to obtain any Bus Improvement Grant, whether it was likely the County Council would receive funding for successful bids into the Levelling Up Fund.

The Cabinet Member said the County Council's Cabinet had agreed to submit a bid for funding from the Government's Levelling Up Fund to help meet the shortfall in money needed to improve and maintain the county's network of roads.

The council had identified critical routes that the bid for funding was likely to be focussed on which if successful would be delivered before March 2025. This was likely to include structural maintenance on the A595 corridor, including surfacing, safety, and drainage improvements to improve connectivity.

Mr Brereton said everyone was disappointed not to receive any funding for rural bus services and he asked the Cabinet Member for Highways and Transport whether there was a chance of other possible avenues of subsidy monies to help with bus services, following withdrawal of services in Bowness and Solway.

The Cabinet Member responded to say the County Council was aware that Stagecoach were planning changes to their bus services but have stated they will let those affected communities know about this. The County Council was looking to commence a pilot scheme for rural buses in Wigton and he would keep members informed about this. Unfortunately, during the covid pandemic many people stopped using bus services and have yet to return.

## **16 MINUTES OF COMMITTEES**

### **(A) Workington Harbour Management Committee**

Mr Dobson asked the Cabinet Member for Highways and Transport with reference to Para 46 Port Manager's report which stated "Members were informed of an incident that had taken place and where significant amount of learnings had come from the investigation. These learnings included a change in the decision making process in adverse weather conditions and the addition of a formalised dynamic risk assessment." He asked the Cabinet Member to for an explanation.

The Cabinet Member gave a detailed explanation about what had taken place.

**RESOLVED,** that the Minutes of the Workington Harbour Management Committee meeting held on 28 January 2022 be received and noted.

## **17 URGENCY PROVISIONS**

The Leader of the Council presented a report, the purpose of which was to notify members of any urgent decisions taken in the period since the last County Council meeting.

Four relevant decisions had been taken since the last meeting and the details of those decisions were set out at Appendix 1. In all cases, the decisions were treated as urgent decisions as the requirements to advertise for at least 28 days prior to a key decision being taken could not be complied with.

With reference to the decision of the Award of Contract for Mobilisation Works on the Carlisle Southern Link Road, the Leader informed members that the decision taken by Russia to invade Ukraine had meant the decision to award a contract had been postponed.

**RESOLVED,** that the report be received and noted.

## **18 NOTICE OF MOTIONS**

Mr T Allison declared a pecuniary interest in this item, as he has a holiday home located within the Lake District National Park. He left the room at this point.

Mr Lywood presented the following motion to Council:

Right now within the Lake District National Park some villages had only 20% of their dwellings occupied permanently. The other 80% were either holiday lets or second homes. Within my ward of Keswick the figure was now nearly 40%. One in two houses sold goes to owners who do not dwell in the house on a permanent basis. The guts of our communities were being ripped out. Holiday lets produced income

and brought tourists for our economy but the proportions had become so huge that our young people could no longer afford to live here and the community was fast dwindling.

One seemingly outrageous loophole was that where we all pay council tax roughly 90% of all holiday lets pay neither council tax nor business rates. Once a dwelling became a holiday let it changed its status into a business and should pay business rates.

Holiday lets automatically get 'small business rate relief' which took the business rates to zero so effectively subsidising holiday lets to the detriment of the local community and local rented accommodation.

The Lake District National Park had recently committed to a Partnership Plan, which would see them lobbying and influencing for the abolition of the 'small business rate relief' for furnished holiday lets. This would not entirely stop the proportional increase of holiday lets but it would at least ensure that they do not get a free ride in terms of rates as those who occupy them still use our roads, streetlights, police, fire service and all the services council tax and rates pay for. The small business rate relief system was intended for small shops and start-ups not for what was effectively an investment.

I call upon this council to support the lobbying that the Lake District National Park had already committed to, and in turn to:

1. Write to all Cumbrian MPs and elicit their support.
2. Write to the Chancellor asking him to close this loophole.
3. Write to the Local Government Minister to highlight the damage that disproportionate numbers of holiday lets bring onto our communities and
4. Contact all Cumbrian parish councils to lobby their support.

The people who live in the Lake District National Park were not an add on or like some quaint population of indigenous peoples to be seen as fodder for the economic imperatives of tourism – they were both a crucial part of each and every business and industry in the Lake District and form individual communities. Yet they were being wiped away, and all of us with opportunity should use it to speak up, before it is too late and our Lake District became a sterile holiday park, with workers transported in and no local community to speak of.

This change in small business rate relief will not stop the move to holiday lets but it will stop our rate system from actively encouraging it!

Mr Clark spoke to second the motion.

All members were supportive of the motion, with no members speaking against it.

Therefore, upon conclusion of the debate it was

**RESOLVED**, that the motion be unanimously **AGREED**.

## **19 SPEECHES**

Mrs Williamson made a speech on 'To freeze or to starve'.

Mr M Wilson made a speech on 'Anti-social behaviour and role of the police'.

The meeting ended at 3.15 pm

## CUMBRIA COUNTY COUNCIL

**Minutes** of a Meeting of the **Cabinet** held on **Thursday, 21 April 2022**  
**at 10.00 am at Cumbria House, Botchergate, Carlisle CA1-1RD**

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### **PRESENT:**

Mr SF Young (Leader)  
Mrs PA Bell  
Mrs A Burns  
Ms D Earl  
Mr KA Little  
Mrs S Sanderson  
Mr DE Southward  
Mrs C Tibble

Officers in attendance:

Chief Executive, Executive Director (People) and Acting Chief Executive, Executive Director - Corporate, Customer and Community Services, Director of Finance (Section 151 Officer), Deputy Chief Fire Officer, Chief Legal Officer, Assistant Director for Highways and Transport, Leadership Support Officer - Labour Group, Leadership Support Officer - Liberal Democrat Group, Professional Lead - Democratic Services and Communications Manager

The Leader welcomed Mr John Metcalfe, the newly appointed Chief Executive to his first Cabinet meeting.

### **PART 1 ITEMS CONSIDERED IN THE PRESENCE OF THE PUBLIC AND PRESS**

#### **223 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Mr P Thornton and Mrs J Willis.

#### **224 DISCLOSURES OF INTEREST**

There were no disclosures of interest made on this occasion.

## **225 EXCLUSION OF PRESS AND PUBLIC**

**RESOLVED**, that the press and public be not excluded from any items on the agenda today.

## **226 MINUTES**

**RESOLVED**, that the minutes of the meeting held on 17 March 2022 be agreed and signed by the Chair.

## **227 STATEMENTS BY THE LEADER OF THE COUNCIL AND CABINET MEMBERS**

There were no statements made at this meeting.

## **228 PUBLIC PARTICIPATION**

There were no public questions, petitions or statements made at this meeting.

There were no referrals from local committees or scrutiny committees to this meeting.

## **229 AWARD OF A NEW PROFESSIONAL SERVICES FRAMEWORK (4)**

Cabinet members considered a report from the Executive Director – Economy and Infrastructure, which asked members to award a framework agreement for the supply of professional services to the Council and other specified users over a period of 4 years.

The existing professional services framework (PSF3) provided a range of consultancy support to the Council's capital programme as well as a facility for other framework users, including District Councils, to award consultancy contracts. Due to the success of the Council in achieving funding for large capital schemes, the existing framework was reaching the limit of its advertised spend and a new professional service framework had been tendered pending award.

The framework structure was as follows:

- A four-year multi-disciplinary framework.
- A forecast value of up to £30million.

- A structure comprising separate lots by discipline for:-
  - Lot 1 Architecture
  - Lot 2 Civils and Structural Engineering
  - Lot 3 Building Surveying
  - Lot 4 Growth and Infrastructure

The Council and other framework users, including District Councils, required professional consultancy support to deliver capital programmes of work. The award of this framework allowed the Council, and other framework users, to deliver at the scale of previous years which was essential to the delivery of the Council Plan and the resulting benefits.

**RESOLVED**, that Cabinet agrees to award the Framework Agreement for The Provision of Professional Consultancy Services within Cumbria (Professional Services Framework 4) and appoint the suppliers identified as follows:-

**Lot 1a – Architecture**

AHR Building Consultancy Ltd  
 Align Property Partners Limited  
 Architects Plus (UK) Limited  
 Baker Hicks Limited  
 Day Cummins Limited  
 Farrell & Clark LLP  
 Tetra Tech Limited

**Lot 1b – Architecture**

Align Property Partners Limited  
 Architects Plus (UK) Limited  
 Day Cummins Limited  
 Tetra Tech Limited

**Lot 2a – Civils and Structural Engineering**

Baker Hicks Limited  
 Lynas Engineers Limited  
 Mott MacDonald Limited  
 Pell Frischmann Consultants Ltd  
 Tetra Tech Limited  
 Waterman Infrastructure & Environment Ltd  
 Wilde Consultants Ltd  
 WSP UK Ltd

## **Lot 2b – Civils and Structural Engineering**

AECOM Limited  
Jacobs U.K. Limited  
Mott MacDonald Limited  
WSP UK Ltd

## **Lot 3a – Building Surveying**

AHR Building Consultancy Ltd  
Align Property Partners Limited  
Carter Jonas LLP  
Day Cummins Limited  
Tetra Tech Limited  
WSP UK Ltd

## **Lot 3b – Building Surveying**

Align Property Partners Limited  
Day Cummins Limited  
Tetra Tech Limited  
WSP UK Ltd

## **Lot 4a – Growth and Infrastructure**

AECOM Limited  
Mott MacDonald Limited  
Pell Frischmann Consultants Ltd  
Tetra Tech Limited  
WSP UK Ltd

## **Lot 4b – Growth and Infrastructure**

AECOM Limited  
Jacobs U.K. Limited  
Mott MacDonald Limited  
WSP UK Ltd

## **230 COPELAND LOCAL PLAN 2021-2038 CONSULTATION RESPONSE**

Members had before them a report from the Executive Director – Economy and Infrastructure which sought the approval of Cabinet of Cumbria County Council’s representations to Copeland District Council’s Local Plan 2021-2038 Publication Draft Consultation.

Copeland Borough Council had issued the Publication Draft of the Copeland Local Plan 2021-2038 for public consultation between 10 January and 18 March 2022. Copeland Borough Council had agreed a further extension for the County Council to respond to the consultation.

The planning system in England was 'plan led', whereby there was a statutory duty for all local planning authorities to prepare a Local Plan for their area.

When adopted the Copeland Local Plan (2021-2038), which covered the district of Copeland outside the Lake District National Park (which was covered by its own local plan), would:-

- identify how much development should take place and where it should go
- provide guidance for high quality development and the infrastructure required to support them
- allocate sites for housing, regeneration, and employment
- identify areas which should be protected from development
- include policies to be used when determining planning applications.

Under the 'Duty to Co-operate' the Government required that district councils worked with the County Council during the development of their Local Plan. This was to ensure that Cumbria County Council's interests as a planning authority and infrastructure and service provider were appropriately considered in the development of policy.

The consultation on the Publication Draft (Regulation 19) was the final opportunity for representations relating to a Local Plan (Regulation 20) to be made before the Local Plan was submitted to the Secretary of State (Regulation 22), who would appoint an independent inspector whose role was to determine whether the Local Plan was legally compliant and met the tests of 'soundness' through an Examination in Public (EiP) (Regulation 24).

Cumbria County Council's representations to the Copeland Local Plan 2021-2038 Publication Draft Consultation built upon Cumbria County Council's responses to previous consultations, and were aligned with the Cumbria Transport Infrastructure Plan (CTIP) which had been adopted by Cumbria County Council as the new Local Transport Plan for Cumbria.

Copeland Borough Council intended to submit their Local Plan to the Planning Inspectorate in May 2022, with the intention of adopting the Plan in early 2023. Given that further updates may be required in advance of submission, it suggested that timescales for adoption of the Local Plan were reviewed and that consideration was given to the

programme in the context of Local Government Reform, particularly in relation to decision making.

On the whole the County Council was supportive of the proposed Local Plan and although some further amendments and updates to the evidence base were suggested, it was considered that, fundamentally, the Local Plan would:-

- support inclusive growth and decarbonisation;
- support attractive places and town centres,
- support economic growth including the clean energy sector;
- create or enhance nature, wildlife and green spaces;
- promote the Borough as a thriving visitor attraction whilst safeguarding its heritage and landscape.

The Cabinet Member for Environment took Cabinet through some of the key issues raised by Cumbria County Council to assist in developing a sound Local Plan including:-

- IDP – Highway
- IDP - Education
- IDP - Flood Risk
- Viability Assessment
- Whitehaven Relief Road
- Housing
- Highways and Transport
- Strategic Employment Sites

The risk to Cumbria County Council of not submitting representations to the Copeland Local Plan Publication Draft Consultation was that it would miss the opportunity to influence the content of the Local Plan and secure the necessary infrastructure to support new development. It would also mean that Cumbria County Council would not fulfil its obligations as a consultee and requirement under the 'Duty to Co-operate'.

Although Cabinet had some concerns about the deliverability of the proposals in the plan, members supported the development of the Local Plan and hoped it would be progressed as quickly as possible.

The Cabinet Member for Environment asked that thanks be recorded for the Cumbria County Council officers that had supported and advised Copeland Borough Council during the production of the plan.

**RESOLVED**, that Cabinet approves Cumbria County Council's representations to the Copeland Local Plan 2021-2038 Publication Draft Consultation as set out in Appendix 1 and 2 of the report.

## **231 CONSULTATION ON THE POTENTIAL CLOSURE OF ST JOSEPH'S CATHOLIC SCHOOL, COCKERMOUTH**

Cabinet considered a report from the Executive Director – People (Deputy Chief Executive) which sought a decision on the formal closure of St Joseph's Catholic Primary School, Cockermouth.

A public consultation exercise on closure was undertaken between 20 September and 29 October 2021. The outcome of this consultation was reported to the County Council Cabinet on 27 January 2022, and subsequently approved the publication of formal closure notices.

Closure notices were published on 24 February 2022 triggering a 4-week representation period. Cabinet must make a decision on the proposal within 2 months of the end of the representation period.

The governing body of St Joseph's School had approached Cumbria County Council to carry out a public consultation around the proposed closure of the school, as numbers had fallen at the school from over 75 pupils in 2017/18, to 4 children on the January 2022 pupil census.

The school was contacted on 22 March and confirmed that there were no children on site, including in the private nursery. A single Year 6 child remained on the school roll, but they were in attendance at an Alternative Provision.

There were currently three primary schools in Cockermouth, the other two being Fairfield Primary and All Saints' CE Primary. Between them there were 105 Reception class places on offer. Closure of St Joseph's would remove 15 Reception places.

The school governors had tried unsuccessfully to appoint a headteacher over the course of several months. Only a practising Catholic could be considered for the post.

Alternatives to closure, such as a shared headteacher, federation or academisation, had also been explored.

Budgets for running costs (staff salaries, heating, lighting, etc.) were devolved to schools largely on the basis of pupil numbers. Many of these costs were fixed regardless of how many children were in the school and a lower number of children would produce a lower budget, meaning less money to support teaching and learning. The recent low numbers meant that the school budget was expected to fall into deficit and, as funding allocations were based on a national formula, the County Council was unable to provide additional financial support.

The school was rated 'Requires Improvement' by Ofsted.

A public consultation exercise on closure was undertaken between 20 September and 29 October 2021. Taking into account the outcome of this consultation, the Cabinet approved the publication of formal closure notices on 27 January 2022.

Notices were published on 24 February 2022, triggering a representation period which ended on 24 March 2022.

No responses were received during the representation period.

The Cabinet Member for Schools and Learning said the school was, according to Ofsted, failing to provide the standard of service expected of it, meaning that those children attending were not in receipt of the level of education and care they should expect.

Whilst the budget was currently in surplus, the exceedingly low numbers at the school meant it was forecast to be in deficit by 2023/24 and this could eventually fall on the DSG for repayment.

**RESOLVED,** that Cabinet approves the formal closure of St Joseph's Catholic Primary School, Cockermouth. Closure will take effect on 31 August 2022.

The meeting ended at 10.20 am

## CUMBRIA COUNTY COUNCIL

**Minutes** of a Meeting of the **Cabinet** held on **Thursday, 9 June 2022**  
**at 10.00 am at Cumbria House, Botchergate, Carlisle**

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### **PRESENT:**

Mr SF Young (Leader)  
Mrs PA Bell  
Mrs A Burns  
Ms D Earl  
Mr KA Little  
Mrs S Sanderson  
Mr DE Southward  
Mrs C Tibble  
Mrs J Willis

Officers in attendance:

Chief Executive, Executive Director (People), Executive Director - Corporate, Customer and Community Services, Executive Director - Economy and Infrastructure, Chief Fire Officer, Chief Legal Officer, Group Finance Manager - Corporate Accounting, Leadership Support Officer - Labour Group, Leadership Support Officer - Liberal Democrat Group, Professional Lead - Democratic Services and Communications Manager

### **PART 1 ITEMS CONSIDERED IN THE PRESENCE** **OF THE PUBLIC AND PRESS**

#### **1 APOLOGIES FOR ABSENCE**

An apology for absence was received from Mr P Thornton.

#### **2 DISCLOSURES OF INTEREST**

There were no disclosures of interest made on this occasion.

#### **3 EXCLUSION OF PRESS AND PUBLIC**

**RESOLVED**, that the press and public be not excluded from any items on the agenda today.

#### **4 MINUTES**

**RESOLVED**, that the minutes of the meeting held on 21 April 2022 be agreed and signed by the Chair.

#### **5 STATEMENTS BY THE LEADER OF THE COUNCIL AND CABINET MEMBERS**

The Cabinet Member for Environment announced that Cumbria County Council had been awarded a Carbon Literacy Organisation Bronze Award by The Carbon Literacy Trust.

Carbon Literacy was an awareness of the carbon costs and impacts of everyday activities, and the ability and motivation to reduce emissions on an individual, community and organisational basis.

Staff and Elected Members had been undertaking this training, provided by Cumbria Action for Sustainability (CAfS), which helped to increase knowledge and understanding of the issues and challenges of climate change, and also gave the Council real tools to take positive action to tackle the climate emergency.

The County Council had a longstanding commitment to tackling climate change, and this Carbon Literacy training enabled us to further reduce our carbon footprint both as an organisation and as individuals.

Cumbria County Council was now working towards the silver accreditation, which required amongst other things for 15% of the workforce to be certified as carbon literate.

#### **6 PUBLIC PARTICIPATION**

There were no public questions, petitions or statements made at this meeting.

There were no referrals from local committees or scrutiny committees to this meeting.

#### **7 2021/22 REVENUE AND CAPITAL BUDGET MONITORING REPORT PROVISIONAL YEAR END RESULTS**

Members had before them a report from the Director of Finance (Section 151 Officer), which set out the Council's provisional year-end outturn position for 2021/22.

The Leader took Cabinet through the key messages contained within the report.

Since setting the Budget in February 2021, the Council had continued to face significant financial uncertainty relating to: the response to and recovery from the COVID-19 pandemic; the impact of Brexit and global adverse events including the Russian invasion of Ukraine. Collectively this global uncertainty was resulting in significant inflationary pressures on goods, services and utilities, resulting in a cost of living crisis in the United Kingdom and worldwide. This was expected to continue throughout 2022/23 and beyond. It was important that the Council continued to provide vital local services during this period of sustained uncertainty whilst carefully managing its overall expenditure within its approved resources.

Whilst the COVID-19 pandemic had had a significant impact on the Council's financial position there had also been adverse pressures in its underlying budget position arising from non-COVID-19 related issues driving demand and cost of service provision as well as non-delivery of approved MTFP savings.

However, these had been offset by the achievement of in year mitigations and/or one off underspending in other service areas to achieve an overall underspend position for the whole Council at year-end.

Although the financial position for 2021/22 was favourable it was recognised that the underspends were in the majority one offs and yet the underlying financial pressures were not.

A recommendation had been agreed by Cabinet in the Q3 budget monitoring report (17 March 2022) that any further budget underspends at year-end, would be transferred to the Financial Volatility Reserve. As part of year-end processes, reassessment of the anticipated financial risks that were likely in 2022/23 had been undertaken including an assessment of the extraordinary inflationary pressures. Due to the significant inflationary pressures and the wider cost of living crisis it was considered prudent to make specific financial provisions for these items alongside the contribution to the Financial Volatility Reserve. The proposed transfer to reserves, subject to the recommendations being approved, were summarised as:

- £4.500m to the Inflation Risk Reserve to partially mitigate the forecast pressures in 2022/23 from rising inflation;
- £2.000m to a Cost of Living Reserve to be utilised during 2022/23 to support individuals through the cost of living crisis. This supports the emerging risk that has been highlighted in the 2021/22 Q4 risk register;

- £1.849m to the Financial Volatility Reserve.

The Leader then proposed an amendment to recommendations c) and d) in the report, as follows:-

- c) Approve the following transfers to earmarked reserves:
- £0.500m to the Schools Maintenance Earmarked Reserve to address essential maintenance and to assist in mitigating inflationary pressures in 2022/23, the balance on this earmarked reserve (after approving recommendations c and f) would be £1.262m;
  - £4.000m to the Inflation Risk Reserve, the balance on this reserve (after approving recommendations c and f) would be £5.054m.
- d) Approve the transfer of £2.000m to a newly created Cost of Living reserve to be utilised in 2022/23 as follows:
- 0.500m additional support via the Council's Ways to Welfare fund to further support people during this difficult period, providing grants of up to £100 for individuals and families who are experiencing financial difficulty.
  - £0.500m to support the Council's school clothing grant budget on a one off basis for 2022/23 only to provide parents of children in receipt of free school meals a contribution to the cost of school uniforms at an increased rate of £50 for children in primary school and £100 for those in a secondary school.
  - £0.500m to support the enhanced free school meals offer including funding the shortfall in free school meal voucher provision for the summer 2022 school holidays.
  - £0.500m for direct community support – to be used to provide support directly to individuals in need, including: direct food purchase.

The Leader said the demand on the Ways to Welfare Fund had already outstripped the resource available, and foodbanks and the Citizen's Advice Bureaux were seeing increased numbers of people seeking help.

Cabinet was very supportive of the proposed amendments to the recommendations especially with the increased cost of living, the increase in energy prices and the increase in inflation being felt by all.

**RESOLVED,** that Cabinet

- (1) Note the revised provisional outturn Revenue Budget of £411.109m as a result of the previously agreed transfers to and from reserves (set out in Appendix 1) and before the recommended transfers to reserves set out in 3, 4, 5, 6, and 7 below;
- (2) Note the provisional outturn Revenue Budget year-end position of an underspend of (£8.349m), which is an increased underspend of (£8.179m) from Q3;
- (3) Approve the following transfers to earmarked reserves:
  - £0.500m to the Schools Maintenance Earmarked Reserve to address essential maintenance and to assist in mitigating inflationary pressures in 2022/23, the balance on this earmarked reserve (after approving recommendations c and f) would be £1.262m;
  - £4.000m to the Inflation Risk Reserve, the balance on this reserve (after approving recommendations c and f) would be £5.054m;
- (4) Approve the transfer of £2.000m to a newly created Cost of Living reserve to be utilised in 2022/23 as follows:
  - 0.500m additional support via the Council's Ways to Welfare fund to further support people during this difficult period, providing grants of up to £100 for individuals and families who are experiencing financial difficulty.
  - £0.500m to support the Council's school clothing grant budget on a one off basis for 2022/23 only to provide parents of children in receipt of free school meals a contribution to the cost of school uniforms at an increased rate of £50 for children in primary school and £100 for those in a secondary school.
  - £0.500m to support the enhanced free school meals offer including funding the shortfall in free school meal voucher provision for the summer 2022 school holidays.
  - £0.500m for direct community support – to be used to provide support directly to individuals in need, including: direct food purchase
- (5) Note that the remaining underspend of £1.849m has been transferred to the Financial Volatility Reserve, as approved by Cabinet at Q3. The total transferred to the Financial Volatility Reserve in 2021/22 is £3.219m. The balance on the Financial Volatility Reserve at 31 March 2022 is £19.179m;

- (6) Approve the additional Directorate contributions to Earmarked Reserves totalling £3.976m which have been requested as part of the year-end processes, as set out in Appendix 5. These transfer to reserves are already included in the reported (£8.506m) underspend position;
- (7) Note performance in delivering a total of £24.364m (81%) against the approved savings for 2021/22 of £30.018m have been delivered during 2021/22;
- (8) Note the General Fund balance at 31 March 2022 of £25.056m; which is unchanged from the balance at 31 March 2021;
- (9) Note that total spend of Contain Outbreak Management funding is £9.891m from a total grant award of £14.014m, with the remaining £4.123m carried forward into 2022/23. Further information is set out in Appendix 6 and paragraph 32 of the report;
- (10) Note the updated Fees and Charges Schedule for 2022/23 (changes set out in Paragraph 36 and Appendix 7);
- (11) Note the Capital Programme provisional outturn of £88.645m compared to a proposed budget (excluding Accountable Bodies) of £122.153m, representing a net underspend of £33.508m (27%) as set out in table 19 of the report;
- (12) Note the slippage of (£34.181m) and accelerated spend of £1.173m. Council agreed that slippage and accelerated spend in the 2021/22 Capital Programme can be carried forward to 2022/23, in the Budget Report approved by Council on 10 February 2022, so no further approval is required for the purposes of this report;
- (13) Approve the addition of £11.032m to the Capital Programme 2021/27 for existing schemes, as detailed in paragraph 51 financed from external grants and contributions;
- (14) Approve the addition of £0.200m to the Capital Programme 2021/27 for new schemes, as detailed in paragraph 52 funded from external grants and contributions;
- (15) Approve the addition of £0.371m to the Capital Programme 2021/27 for existing schemes, as detailed in paragraph 54 of the report financed from internal contributions;
- (16) Approve the virements set out at paragraph 55, these changes have no impact on the overall value of the Capital programme;

- (17) **RECOMMEND** to Council, the addition of £4.676m to the Capital Programme 2021/27 for new schemes, as detailed in paragraph 52 of the report financed from previously approved un-allocated prudential borrowing;
- (18) **RECOMMEND** to Council, the addition of £2.201m to the Capital Programme 2021/27 for existing schemes, as detailed in paragraph 53 of the report financed from previously approved un-allocated prudential borrowing;
- (19) **RECOMMEND** to Council, the virement of £1.368m between the Additional Inflation Risk allowance and A595 Grizebeck scheme, as detailed in paragraph 56 of the report.

## **8 CORPORATE PERFORMANCE MONITORING REPORT – QUARTER 4 2021/22**

Members had before them a report from the Director of Finance (Section 151 Officer) which provided Cabinet with an update on corporate performance, measured against the new Council Plan Delivery Plan agreed in March 2022.

There had been some significant challenges to be reported this quarter, as the omicron covid variant continued to have a direct impact on staffing levels across services, and local government reorganisation preparations were increasing, placing more challenges on council officers.

Overall 36 of the 63 indicators had been met, or on track and 8 were rated red. The red rated indicators would be the focus for Cabinet during the next quarter.

**RESOLVED**, that Cabinet note the overall performance relating to delivery of the four Council Plan outcomes and context indicators for the quarter ending 31 March 2022.

## **9 REVIEW OF APPOINTMENTS TO CABINET WORKING GROUPS, OTHER BODIES AND OUTSIDE BODIES**

Cabinet considered a report from the Executive Director – Corporate, Customer and Community Services, which asked members to consider appointments to cabinet working groups and other bodies, and on outside bodies.

Appointments to Cabinet Working Groups, other bodies and outside bodies were carried out to ensure that the Council engaged effectively in

outside and other bodies and that membership of Cabinet working groups was appropriate.

Cabinet annually reviewed its appointments to Cabinet working groups, other bodies and outside bodies, including bodies that the County Council was required to establish by law.

Executive Directors had been consulted as to the recommendations to be made to Cabinet for appropriate outside bodies for the year 2022/23.

The Leader asked Cabinet to note that one body had been removed from the list this year, which was the Cabinet Working Group on Transport. This was set up last year as a time limited working group and had already reported back to Cabinet, so appointments were no longer needed.

**RESOLVED,** that

- (1) Cabinet approve the list of outside bodies at Part D of Appendix 1 as the bodies to which a representative will be appointed in 2022/23, and appoint the members to each outside body as set out in Part D of Appendix 1;
- (2) Cabinet agree the proposed membership as set out in Appendix 1 Parts A – C of cabinet working groups and other bodies to this report be approved;
- (3) the Monitoring Officer be authorised to make changes to the list of outside bodies and the appointed members as set out in Appendix 1 – Part D – Cabinet appointments to outside bodies as required in consultation with the Leader of the Council.

The meeting ended at 10.40 am

<b>COUNTY COUNCIL</b>
<b>Meeting date: 23 June 2022</b>
<b>From: Leader of the Council</b>

## **APPOINTMENT OF RETURNING OFFICER**

### **1.0 EXECUTIVE SUMMARY**

- 1.1 *This report recommends to Council that the Chief Executive (Head of Paid Service) is appointed to the role of Returning Officer following a recommendation by the Chief Officers Committee.*

### **2.0 STRATEGIC PLANNING AND EQUALITY IMPLICATIONS**

- 2.1 *There are no direct Strategic Planning or Equality implications arising from this report.*
- 2.2 *The Council is required to appoint a Returning Officer. The decision of Council will ensure that it meets this statutory obligation.*

### **3.0 RECOMMENDATIONS**

- 3.1 That Council approves the RECOMMENDATION from the Chief Officers' Committee that:
1. The role of Returning Officer be included in the designations of the Chief Executive (Head of Paid Service) with effect from 24 June 2022.

### **4.0 BACKGROUND**

- 4.1 At a meeting on 25 May 2022, the Chief Officer Committee removed the role of Returning Officer from the responsibilities carried out by the post of Executive Director Corporate, Customer and Community Services with effect from 24 June 2022. This was due to the resignation of the current post holder and review of arrangements for her post following her departure from the Council on 24 June 2022.

- 4.2 The statutory role of Returning Officer is a legal requirement for all Councils under the Representation of the People Act 1981. The Act requires that every non-metropolitan county council shall appoint an officer of the council to be the returning officer for elections of councillors of the county.
- 4.3 The Council has discretion on which officer to appoint as Returning Officer. On 19 May 2016, the Chief Officer Committee approved the role profile and job specification for the post of Corporate Director – Resources and Transformation. This post was held by Dawn Roberts and later went on to become the post of Executive Director Corporate, Customer and Community Services. The role profile included the responsibility to act as the County’s Returning Officer in elections. Prior to this decision, the County’s Returning Officer had been the Chief Executive.
- 4.4 The responsibility to act as the County’s Returning Officer was no longer included in the Chief Executive/Head of Paid Service role profile following the earlier decision of Council which confirmed the recommendation made by the previous Chief Officer Committee.
- 4.5 It is now timely to consider whether the role should sit within the responsibilities of the post of Executive Director Corporate Customer and Community given the resignation of the current postholder and the decision taken by Chief Officer Committee to adopt a distributed leadership model amongst existing Assistant Directors to fill the duties of the post up to 1 April 2023. This is an important statutory role and whilst the new incumbents could gain any experience that was currently lacking in this area, due to the possibility of an election arising from the notice of vacancy which arisen from a recent member resignation, it is imperative that clarity is provided around the role.
- 4.6 The current Chief Executive is experienced as a Returning Officer and is supportive of the role being included in the terms and conditions of his employment.

#### **5.0 OPTION 1: REALLOCATE THE FUNCTION OF RETURNING OFFICER AND INCLUDE IN THE ROLE OF CHIEF EXECUTIVE**

- 5.1 This would provide certainty that the statutory function of Returning Officer is carried out by the Chief Executive who is experienced in carrying out the role.

#### **6.0 OPTION 2: APPOINT AN ALTERNATIVE OFFICER TO THE ROLE OF RETURNING OFFICER**

- 6.1 This may result in the statutory role being carried out by someone without any prior experience as a Returning Officer.
- 6.2 There is no alternative officer who would be suitable to carry out the role identified within existing Council Officers.

## 7.0 FINANCE

7.1 There are no financial implications as there is no change in the grading of the Chief Executive post being proposed.

## 8.0 LEGAL

8.1 The function of Returning Officer is a statutory role which requires all non-metropolitan County Councils to appoint an officer of the Council to be the returning officer for elections of councillors of the County. This is contained in s.35 (1) of the Representation of the People Act 1983.

8.2 It is a function of full Council in the Constitution at Part 2 (2A) 2.1 to confirm the appointment of the Returning Officer.

## 9.0 RECOMMENDATIONS

That Council:

9.1 Review and approve, the revised role profile for the role of Chief Executive incorporating the designation of Returning Officer so that the role of Returning Officer be included in the designations of the Chief Executive (Head of Paid Service) with effect from 24 June 2022.

**Catherine A Parkinson**  
**Interim Chief Legal Officer/Monitoring Officer**

### APPENDICES

Appendix 1 Proposed Role profile for the Chief Executive

### IMPLICATIONS

Staffing: The paper proposes options for the role of returning officer

Financial:

Property:

Electoral Division(s): All

Executive Decision

Yes	No
-----	----

Key Decision

Yes	No
-----	----

If a Key Decision, is the proposal published in the current Forward Plan?

Y or N
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Is the decision exempt from call-in on grounds of urgency?

No
----

If exempt from call-in, has the agreement of the Chair of the relevant Overview and Scrutiny Committee been sought or obtained?

N/A
-----

Has this matter been considered by Overview and Scrutiny?  
If so, give details below.

No
----

**PREVIOUS RELEVANT COUNCIL OR EXECUTIVE DECISIONS**

None

**CONSIDERATION BY OVERVIEW AND SCRUTINY**

Not considered

**BACKGROUND PAPERS**

None

Report Author

Catherine A. Parkinson Chief Legal Officer & Monitoring Officer

[Catherine.parkinson@cumbria.gov.uk](mailto:Catherine.parkinson@cumbria.gov.uk)



**Post:** Chief Executive  
**Responsible to:** The County Council

### Job purpose:

- To lead the corporate and strategic management of the council, under the supervision of the Leader of the Council on behalf of the County Council
- Lead Cumbria County Council's **Corporate Management Team**.
- To fulfil the statutory role of **Head of Paid Service**
- To fulfil the statutory role of **Returning Officer** for the County Council elections.
- To support the elected leadership to achieve the Council's vision and ambitions for the organisation.
- Enhance the performance of the council and Cumbria by working with **partner organisations**.
- Build the reputation of Cumbria County Council with **Cumbrian residents and stakeholders**.
- Champion Cumbria as a place to live, work and do business.
- Lead the delivery of the Council's values and behaviours

### Principal accountabilities

#### Corporate Leadership

- Provide ownership of corporate leadership plans and ambitions.
- Lead the development of change management and leadership capacity across the County Council
- Support all county councillors in carrying out their roles
- Inspire a sense of purpose in, and ownership of, our corporate leadership plans and ambitions.

- Raise the profile of the Council across the county and that of Cumbria across the North West region, nationally and internationally.
- Act as principal adviser to the Council on general policy matters, supporting our elected leadership by developing and implementing strategies for achieving our vision and ambitions.
- Ensure support for all councillors to provide modern and effective democratic arrangements which meet the requirements of the government and the people of Cumbria and encourage democratic engagement, interest and support for the county council and its wider community leadership ambitions.
- Promote equal opportunities with our communities and our staff through personal example, open commitment and clear action.
- Fulfil the responsibilities of a Chief Executive as set out in the corporate Health and Safety Policy.
- Undertake the role of Emergency Controller as a regional government official should circumstances require it.
- Act as Clerk to the Lieutenancy and Secretary to the Lord Chancellor's Advisory Committee for Cumbria Justices of the Peace, and the Lord Chancellor's Advisory Committee for Cumbria on General Commissioners of Income Tax.
- Ensure value for money services by championing the voice of the customer and leading by example to achieve the most efficient service design and delivery.
- Undertake such other duties as may be determined within the general scope and commensurate with the grade of the post.

#### Partner organisations

- Provide a leading force in developing partnerships, networks and relationships with stakeholders across Cumbria and beyond, to deliver value for money and ease of access to services for our customers.

## Behaviours

**Provide a leadership example by role modelling the Council's corporate behaviours:**

- Take **responsibility** for our actions
- Demonstrate a **positive**, flexible attitude
- Act with **honesty** and respect for others
- Communicate in a **clear** and constructive way
- Be committed to 'One Team'.

## Person specification

Requirements (based on role profile)	Essential	Desirable
<i>Part 1 (to be demonstrated on the application form and by certificates)</i>		
<b>Qualifications</b>	Management qualification at degree level or equivalent.	An appropriate professional qualification.
<b>Experience</b>	Extensive management experience at 'Board' or very senior level in a large, complex and democratically accountable organisation.	Understanding of local government reform / re-organisation.
	Evidence of developing and delivering a high performance culture and achieving significant change management programmes.	
	Direct involvement in leading the development of policy in a politically sensitive organisation.	
	A successful track record in developing effective working alliances between managers and politicians, together with a proven ability to network with partners and the Council.	
	Substantial experience of raising the profile of an organisation and developing external partnerships, with other organisations and stakeholders, to deliver key strategies and programmes.	
	Substantial experience of cross sector and partnership working	
	Experience of customer engagement and advocacy in continually improving services.	
	A proven track record in delivering efficiencies and ensuring value for money services.	

Requirements (based on role profile)	Essential	Desirable
<i>Part 2 (to be demonstrated at interview and other assessment techniques)</i>		
<b>Knowledge</b>	Substantial knowledge of local authority and wider public sector strategies and initiatives.	
<b>Skills / Behaviours</b>	Acute political awareness.	
	Demonstrable abilities in strategic thinking and planning solutions, showing an understanding of and responsiveness to the needs of communities.	
	Ability to lead, motivate, inspire and empower others, by example.	
	Demonstrable ability as a forward-thinker with an innovative approach, able to conceive, develop and implement new initiatives, and manage change.	
	First-class presentational skills.	
	Be committed to working as part of 'one team'.	
	Ability to work under exceptional pressure.	
	An excellent, persuasive, clear and constructive communicator at all levels.	
	Ability to make decisions and take responsibility for actions	
	Excellent interpersonal skills: a strong networker able to build relationships with mutual confidence, honesty and respect.	
<b>Other</b>	Ability to travel across Cumbria.	
	Flexible approach to working hours.	

<b>COUNTY COUNCIL</b>
<b>Meeting date: 23 June 2022</b>
<b>From: Leader of the Council</b>

**CHANGES TO OFFICER DELEGATIONS IN THE CONSTITUTION**

**1.0 EXECUTIVE SUMMARY**

- 1.1 *This report recommends a number of changes to the Constitution arising from the decision of the Chief Officer Committee to adopt a Distributed Leadership Model for the replacement of the role of Executive Director Corporate Customer and Community Services.*
- 1.2 *The report also seeks to update Council on the reallocations put in place by the Chief Executive and minor amendments to the Constitution made by the Monitoring Officer to reflect current roles and seeks approval to the arrangements that have been put in place.*

**2.0 STRATEGIC PLANNING AND EQUALITY IMPLICATIONS**

- 2.1 *There are no direct Strategic Planning or Equality implications arising from this report.*

**3.0 RECOMMENDATIONS**

- 3.1 That Council notes the amendments to the Constitution made by the Monitoring Officer under her delegated powers to update the constitution to reflect current roles [Appendix 1]
- 3.2 That Council notes the detail of the reallocation of the functions as set out in the distributed leadership model [Appendix 4]
- 3.3 That Council notes and approves the continuation of the reallocation of all of the functions arising from the decision to adopt a Distributed Leadership Model for the replacement of the role of Executive Director Corporate Customer and Community Services up to 1 April 2023 [Appendix 2]
- 3.4 That Council approves the consequential amendments to the Constitution arising from the decision to adopt a Distributed Leadership Model for the replacement of the role of Executive Director Corporate Customer and Community Services up to 1 April 2023 [Appendix 3].

## 4. BACKGROUND

- 4.1 At a meeting on 25 May 2022, the Chief Officer Committee approved the adoption of an internal distributed leadership model to fill the vacancy created by the resignation of the Executive Director Corporate Customer and Community Services from 11 July 2022.
- 4.2 This approach requires the four designated Assistant Directors within the CC&CS Directorate to take a greater role in strategic and corporate management of that directorate until the County Council is dissolved on 31 March 2023. A model has been developed which sets out the new responsibility prescribed statutory roles which were previously the responsibility of the Executive Director CC&CS. The power to make the necessary changes to the terms and conditions of employment for these amended temporary roles are delegated to the Chief Executive.
  - 4.2.1 The Assistant Director Organisational Change will become the Council's Senior Information Risk Owner (SIRO);
  - 4.2.2 The Assistant Director Customer and Community Services will become the Council's Scrutiny Officer;
- 4.3 All employed Assistant Directors within CCC&S Directorate, namely the: Assistant Director Customer and Community Services, the Assistant Director Organisational Change, the Assistant Director Strategic Commissioning and the Assistant Director Workforce and Organisational Development will be given the full range of powers currently delegated to the Executive Director CCC&S in the Constitution to enable them on a monthly rotating basis to have the powers necessary to discharge the Council's functions and decisions to ensure efficient management of the services, contracts and staff for the CCC&S Directorate. This will be the case across all functional areas currently delegated to the Executive Director CCC&S.
- 4.4 Whilst in practice, the functions will be split, based on area of specialism [see Appendix 4] by delegating all functions to all Assistant Directors within the Directorate, save for those statutory responsibilities at 4.2 above which must be delegate to a named individual, it will be possible for them to rotate the shared leadership responsibility on a monthly basis and ensure that there is always available leadership and any periods of absence due to holiday, sickness or vacancy in one Assistant Director post can be easily accommodated and business continuity is preserved for the Directorate without further recourse to Council.
- 4.5 It is critical to the continued effective functioning of the Council that all Key Decisions can continue to be made whilst the Assistant Directors are undertaking these additional responsibilities of the Executive Director role.
  - 4.5.1 Key Decisions are those decisions which are significant in terms of expenditure or savings if it relates to a matter which exceeds £500,000 in value, except those decisions taken by:
    - (i) the Chief Executive or Assistant Director - Finance under delegated authority in connection with treasury management;

(ii) the Corporate Director - Children and Families Services or the Corporate Director - Health Care and Community Services under delegated authority in relation to care plans for individual children and young people or adults;

OR

Are decisions which are significant in terms of its effect on communities living or working in an area comprising two or more electoral divisions if it would change, or proposes changes to, the way in which services are used or provided. Significant in this context means important or far reaching.

4.6 In order to enable Key Decisions to be taken in the functional areas covered by the CCC&S Directorate it is therefore necessary to change the Constitution to enable the Assistant Directors undertaking the additional responsibilities to also take Key Decisions. If this change was not made then responsibility for those decisions would fall to the Chief Executive.

#### **5.0 OPTION 1:**

5.1 Council can approve the recommendations in this report which will ensure that all necessary functions are appropriately allocated, and the business of the Council can continue to be delivered efficiently and lawfully.

#### **6.0 OPTION 2:**

6.1 Council could decide not to approve the recommendations in this report which would require officers to report back to Council after 6 months. This option may create uncertainty in leadership of the Directorate.

#### **7.0 FINANCE**

7.1 The 2022/23 budget for Corporate, Customer & Community Services (CC&CS) includes £0.184m (including on costs) for an Executive Director post. There is 9 months remaining of the current budget for the Executive Director post which equates to £0.138m which would be available to fund this option. The cost of implementing this distributed leadership model for the directorate for the remainder of this financial year is £0.037m, which is within the available budget.

#### **8.0 LEGAL**

8.1 Under paragraph 9.5 (d) of Part 3A of the Constitution, the Chief Executive has delegated authority to allocate or re-allocate responsibility for functions in the Scheme of Delegation to Officers provided that any changes applicable for a period of more than six months must be reported to Council as a change to the Scheme of Delegation.

8.2 Under paragraph 15.8 (b) of Part 3A of the Constitution, the Chief Legal Officer (Monitoring Officer) has delegated authority to make minor amendments to the Constitution, including to update the Constitution in

accordance with changes to legislation, provided that the amendment does not materially change any principles previously approved by the Council.

- 8.3 All other changes to the Constitution must be approved by Council under 4.2 (a) of Part 1 of the Constitution.

## **9.0 RECOMMENDATIONS**

- 9.1 That Council notes the amendments to the Constitution by the Monitoring Officer under her delegated powers [Appendix 1]
- 9.2 That Council notes the detail of the reallocation of the functions as set out in the distributed leadership model [Appendix 4]
- 9.3 That Council notes and approves the continuation of the reallocation of all of the functions arising from the removal of the post of Executive Director Corporate, Customer and Community Services up to 1 April 2023 [Appendix 2]
- 9.4 That Council approves the consequential amendments to the Constitution arising from the removal of the post of Executive Director Corporate, Customer and Community Services [Appendix 3].

**Catherine A Parkinson**  
**Interim Chief Legal Officer/Monitoring Officer**

## **APPENDICES**

- Appendix 1 Decision of the Monitoring Officer, amendments to the Constitution
- Appendix 2 Memorandum from the Chief Executive confirming reallocation of functions
- Appendix 3 Amended Constitution with proposed changes highlighted
- Appendix 4 Detail of the Distributed Leadership Model

## **IMPLICATIONS**

Staffing: There are no staffing implications that are the responsibility of Council.

Financial:

Property:

Electoral Division(s): All

Executive Decision

Yes	No
-----	----

Key Decision

Yes	No
-----	----

If a Key Decision, is the proposal published in the current Forward Plan?

Y or N
--------

Is the decision exempt from call-in on grounds of urgency?

No
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If exempt from call-in, has the agreement of the Chair of the relevant Overview and Scrutiny Committee been sought or obtained?

N/A
-----

Has this matter been considered by Overview and Scrutiny?  
If so, give details below.

No

**PREVIOUS RELEVANT COUNCIL OR EXECUTIVE DECISIONS**

None

**CONSIDERATION BY OVERVIEW AND SCRUTINY**

Not considered

**BACKGROUND PAPERS**

None

**Report Author**

**Catherine A. Parkinson Chief Legal Officer & Monitoring Officer**

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## **Officer Decision Record – Non Key Decision**

**Title of Report: Proposed amendments to the Constitution to reflect current management structure including change of References from Corporate Director to Executive Director**

**Decision of: Interim Chief Legal Officer and Monitoring Officer**

**Cabinet Member: Leader of the Council**

---

### **1) What is the decision about? (Brief Summary)**

This decision makes changes to the Constitution to reflect the current management structure within the Council, which was introduced in 2018. This includes changing references in the Constitution from Corporate Director to Executive Director and updating references to specific job titles.

### **2) Recommendation**

To make the changes to the Constitution marked up in the Appendix to this report.

### **3) Background to the proposals**

On 30 April 2018 the Chief Executive exercised her power under the scheme of delegation set out in Part 3 of the Constitution to re-allocate the functions of senior officers. As part of this re-allocation the role of Corporate Director was removed from the Council's structure and replaced by the role of Executive Director. Three Executive Directors were appointed: Executive Director - People, Executive Director – Corporate, Customers and Community Services and Executive Director – Economy and Infrastructure. In addition, the role of Assistant Director – Finance was replaced by the role of Director of Finance and the role of Assistant Director – Corporate Governance was replaced by the role of Chief Legal Officer.

These changes were confirmed by the Council at a meeting on 5 September 2018. On 15 November 2018 a revised scheme of delegation was approved by Council which reflected these changes. However, all references to Corporate Directors and to the previous roles in the Constitution were not updated. In order to ensure that the Constitution reflects the current management structure it is recommended that all consequential changes are made to the Constitution including removing all references to Corporate Directors and replacing them with references to Executive Directors.

The Constitution in Appendix 1 to this report sets out the changes which are necessary to reflect the current management structure.

4) **Reasons for decision**

The changes proposed are those which are necessary to reflect the reshaping of the Extended Leadership Team which occurred in 2018.

5) **What options have been considered?**

The changes proposed are only those necessary to reflect the agreed reshaping of the Extended Leadership Team. No alternative options have been considered.

6) **What risks have been identified?**

The changes proposed are only those which are necessary to reflect the agreed reshaping of the Extended Leadership Team. Failure to make these changes would mean the Constitution would not reflect the current management structure.

7) **What resources will be needed/how will the proposal be funded?**

None. (Not referred to Finance – changes to the Constitution made by the Monitoring Officer are not referred to Finance).

8) **What Legal considerations are relevant to the decision?**

Part 3A of the Constitution provides at paragraph 15.8(b) that minor amendments to the Constitution may be made by the Chief Legal Officer (Monitoring Officer) provided the amendment does not materially change any principles previously approved by Council.

**Decision**

Signature of the decision record authorises the implementation of the recommendations in Section 2.

**Signature of decision maker:**



**Name: Catherine A. Parkinson**

**Post title: Interim Chief Legal Officer (Monitoring Officer)**

**Date: 09/06/2022**

**Delegated authority to make the decision:** see Legal comments above.

## MEMORANDUM

**From: The Chief Executive**

**To: Assistant Director Strategic Commissioning  
Assistant Director Customer and Community Services  
Assistant Director Workforce and Organisational Development  
Assistant Director Organisational Change**

### RE-ALLOCATION OF FUNCTIONS

I am writing to confirm my decision and notify you of a re-allocation of functions set out in Part 3A of the Constitution. The re-allocation will take effect from 11 July 2022 until further notice.

I make this re-allocation of responsibility using my authority under Part 3A Section 9.5 (d) of the Constitution which provides that the Chief Executive has delegated authority to:

*“allocate or re-allocate responsibility for functions in the Scheme of Delegation to Officers provided that any changes applicable for a period of more than six months must be reported to Council as a change to the Scheme of Delegation.”*

The Assistant Director Organisational Change will become the Council’s Senior Information Risk Owner (SIRO).

The Assistant Director Customer and Community Services will become the Council’s Scrutiny Officer

The Assistant Director Organisational Change, the Assistant Director Customer and Community Services, the Assistant Director Strategic Commissioning and the Assistant Director Workforce and Organisational Development will all assume responsibility for the full range of powers necessary to discharge the Council's functions, including taking decisions which are not specified in the Constitution or in law as having to be taken by elected members, implementing decisions and undertaking efficient management of the services, contracts and staff for which they are responsible in the following functional areas:

- (a) strategic commissioning;
- (b) procurement and contract management;
- (c) corporate governance;
- (d) organisational change;
- (e) corporate people management;
- (f) policy and scrutiny;
- (g) information and communications technology;

- (h) facilities management;
- (i) digital technology and the Service Centre;
- (j) business support;
- (k) corporate health and safety;
- (l) community services, including libraries;
- (m) the Registration Service.

In exercising these powers any of the Assistant Directors can act independently and is not required to consult with any of the other Assistant Directors. In exercising the power to award community investment grants they will consult with the relevant local member(s) and the Chair and Vice Chair of the relevant local committee. The Assistant Directors will have the power to take Key Decisions in the functional areas listed above.



**SIGNED:**

**JOHN METCALFE - CHIEF EXECUTIVE**

**DATED: 09 June 2022**



# Constitution

June 2022

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# Part 2: Guide to Decision Making

## 1. Principles of Decision Making

- 1.1 All decisions of the Council will be made in accordance with the following principles:
- (a) Proportionality (i.e. the action must be proportionate to the desired outcome);
  - (b) Due consultation and the taking of professional advice from Officers;
  - (c) Respect for human rights;
  - (d) A presumption in favour of openness and reasonableness
  - (e) Clarity of aims and desired outcomes; and
  - (f) An explanation of what options considered and the reasons for the final decision.

## 2. Types of Decision

- 2.1 The County Council's decision making structure is summarised below.

### **Decisions that can only be made by Full Council**

- 2.2 Decisions relating to the functions listed in Part 2A of this Constitution will be made only by the Council.

### **Key Decisions**

- 2.3 A key decision is significant in terms of expenditure or savings if it relates to a matter which exceeds £500,000 in value, except those decisions taken by:
- (i) the Chief Executive or Director of Finance under delegated authority in connection with treasury management;
  - (ii) the Executive Director – People under delegated authority in relation to care plans for individual children and young people or adults;

### OR

Significant in terms of its effect on communities living or working in an area comprising two or more electoral divisions if it would change, or proposes changes to, the way in which services are used or provided. Significant in this context means important or far reaching.

Examples would include proposals for changing the character of a school, closing down or opening Council services, and major changes in transport arrangements affecting an area. This is not an exhaustive list of, and in considering whether a decision is a 'key decision', for the purposes of the Regulations the Council seeks to apply the principle that the public in the area affected should not be taken by surprise by the proposed decision.

- 2.4 A decision taker may only make a key decision in accordance with the requirements of the Access to Information Procedure Rules set out in Part 5D of this Constitution (paragraphs 13-17).
- 2.5 Generally, key decisions will only be made by the Cabinet, a committee of the Cabinet, a joint committee, a Local Committee or a Executive Director, the Chief Executive, the Director of Finance or the Chief Fire Officer. No officer other than an Executive Director, the Chief Executive, the Director of Finance or the Chief Fire Officer can take a key decision. For the avoidance of doubt if an Executive Director is not able to take a decision and the decision cannot wait then the Chief Executive may take the decision instead. Key decisions relating to the functional areas allocated to the CCCS Assistant Directors under the Scheme of Delegation in Part 3A can be made by the CCCS Assistant Directors.

#### **Decision Making by the Council**

- 2.6 The Council meeting will follow the Council rules set out in Part 5A of this Constitution when considering any matter.

#### **Decision Making by the Cabinet**

- 2.7 The Cabinet will follow the Cabinet Procedure Rules set out in Part 5B of this Constitution when considering any matter.

#### **Decision Making by Scrutiny Advisory Boards and the Health Scrutiny Committee**

- 2.8 Scrutiny Advisory Boards and the Health Scrutiny Committee will follow the Overview and Scrutiny Procedure Rules set out in Part 5C of this Constitution when considering any matter.

#### **Decision making by Other Committees established by the Council**

- 2.9 Local and Other Committees will follow those parts of the Council rules set out in Part 5A of this Constitution as apply to them (paragraph 23).

# **PART 3A: Scheme of Delegation to Officers**

## **1. Introduction**

- 1.1 This Part of the Constitution sets out the powers of officers of the Council to discharge the functions of the Council, including making decisions.
- 1.2 The Constitution sets out which decisions have to be made by the full Council, a Committee of the Council or by the Cabinet. All other functions of the Council are delegated to officers.
- 1.3 Officers acting under delegated powers can exercise the full range of powers necessary to discharge the Council's functions, including taking decisions, implementing decisions and managing the services, contracts and staff for which they are responsible.

## **2. Basis of Delegation**

- 2.1 All functions of the Council, except those decisions that are specified as member decisions in the terms of reference of the full Council, a Committee or the Cabinet, or which by law have to be made by members, are delegated to officers.
- 2.2 In addition to this Scheme of Delegation, the full Council, Committees and Cabinet may delegate powers to officers, unless their terms of reference prohibit further delegation. Such delegations include the full range of powers to discharge the function, unless the decision of the member body limits these powers.
- 2.3 In this Scheme of Delegation, executive powers have been delegated to officers by the Leader of the Council under the Local Government Act 2000. Non-executive powers are delegated by the Council under section 101 of the Local Government Act 1972.
- 2.4 Where a power has been delegated to an officer the person or body that has delegated the function is not prevented from exercising the function.
- 2.5 Where a power is delegated to an officer "in consultation" with a member or another officer, the law requires that the discretion of the officer is not fettered. This means that the decision must be taken by the officer alone, and must not be a joint decision with the member or other officer, or a decision by a member in consultation with the officer.
- 2.6 The exercise of delegated powers by officers is subject to some qualifications. These are set out in the section Exercise of Delegated Powers, below.

### **3. Further Delegation by Officers**

- 3.1 Except where the law or this Constitution requires a function to be discharged personally by a specific officer, or by an appointed deputy, any power delegated to the Chief Executive, an Executive Director, the Chief Fire Officer, the Director of Finance, the Chief Legal Officer or the Director of Public Health may be delegated by them to another officer, orally or in writing.
- 3.2 In the absence or the incapacity or the vacancy of the post of an Executive Director, an Assistant Director in his or her directorate may discharge any functions within the Assistant Director's area of responsibility.
- 3.3 Except where otherwise provided by law, when an officer exercises powers delegated to him or her by another officer, he or she does so in the name of the person who has delegated the power, who will remain ultimately responsible for ensuring the power has been exercised at the appropriate level by a suitably qualified and competent officer.
- 3.4 Any officer who is empowered by further delegation to take a decision may refer the decision to the person that delegated the power.

### **4. Referral of Decisions to Members**

- 4.1 This Scheme of Delegation empowers officers to take decisions that are not specified as decisions of the full Council, a Committee or Cabinet. However:
- (a) the Leader of the Council may decide that any Key Decision that an officer proposes to take, must be taken by the Cabinet.
  - (b) any officer who is empowered by this Scheme of Delegation or by a member body to take a decision may refer the decision to an appropriate member body.
- 4.2 Officers should note that members are only empowered by law to take certain staffing decisions. These are set out in the terms of reference of the full Council, Chief Officers Committee and Staffing Committee. 4.1 (b) above does not operate so as to permit officers to refer decisions to members that members are not by law able to take.

### **5. Exercise of Delegated Powers**

- 5.1 When exercising delegated powers, officers must:
- (a) comply with the law, the Council's Constitution and the Council's properly approved policies and procedures (in this order of priority) when discharging functions of the Council;
  - (b) comply with any limitations or restrictions on their delegated powers contained in any Part of the Constitution;

- (c) seek appropriate legal, finance and other specialist advice. Officers must have regard to any advice received;
- (d) consult the Chief Legal Officer and (except in the case of a decision of the Director of Finance) the Director of Finance before taking a delegated Key Decision;
- (e) consult the Chief Legal Officer before approving any settlement agreements with employees;
- (f) be satisfied before taking a decision, that they are authorised to take the decision and make and retain an appropriate record (in accordance with corporate procedures) of the decision and their authority to take it;
- (g) unless permitted by the Chief Executive during a civil emergency, not commit the Council to a course of action that will result in a financial obligation beyond the approved budget (revenue or capital) of their Directorate or the Council;
- (h) not delegate powers to the Council's contractors, consultants or other third parties except where authorised in the Scheme of Delegation.

## **6. Key Decisions**

- 6.1 Only the Chief Executive, Executive Directors, the CCCS Assistant Directors, the Director of Finance and the Chief Fire Officer have the power to take delegated Key Decisions.
- 6.2 An officer cannot delegate the power to take Key Decisions.
- 6.3 Each of the officers specified in paragraph 6.1 has power to take a Key Decision relating to the functional area of another officer, if delay in taking the decision, owing to the absence of that officer, would seriously prejudice the Council's or the public interest.
- 6.4 A Key Decision taken by an officer is subject to the rules of call in. *[insert link]*.

## **7. Proper Officers**

- 7.1 Appendix 1 of this Part sets out the officers appointed as "proper officers" for certain statutory functions.
- 7.2 An officer who is appointed as a "proper officer" must carry out functions personally, subject to any statutory provision for the appointment of one or more deputies.

## Delegations to Officers

### 8. General Powers of the Chief Executive, Director of Finance, Executive Directors and the Chief Fire Officer

- 8.1 The Chief Executive, Executive Directors, the Director of Finance and the Chief Fire Officer each have a general power to:
- (a) discharge the Council's functions, including taking decisions that are not specified in the Constitution or in law as having to be taken by elected members, implementing decisions, undertaking efficient management of the services, contracts and staff for which they are responsible;
  - (b) exercise any function specified as being the responsibility of their post (and any function for which they have been allocated or re-allocated responsibility by the Chief Executive) in any Part of the Constitution;
  - (c) commence, defend, settle or involve the Council in any potential or actual civil or criminal proceedings arising within their functional area in consultation with the Chief Legal Officer.
  - (d) sign any document in relation to their functional area with the exception (unless otherwise provided in this Scheme of Delegation) of certificates under the Local Government Contracts Act 1997, the Council's Accounts, and Contracts and Deeds where specific provisions are made in the Contract Procedure Rules.
- 8.2 Any Executive Director, the Director of Finance and the Chief Fire Officer may be appointed by the Chief Executive to deputise in her/his absence and in the absence of the Deputy Chief Executive, and when so appointed is authorised to exercise all the powers of the Chief Executive (including those of the Head of Paid service).

### 9. The Chief Executive

9.1 The Chief Executive is the Council's Head of Paid Service appointed in accordance with section 4 Local Government and Housing Act 1989 and has all the powers of the Head of Paid Service.

9.2 The Chief Executive is the returning officer for county elections appointed in accordance with section 5 of Representation of the People Act 1983.

9.23 The Chief Executive is appointed as the "proper officer" for the specified statutory functions set out in Appendix 1 of this Part.

9.43 The Chief Executive has power to exercise any function of the Head of Paid Service contained in any other Part of this Constitution.

9.54 The Chief Executive has power to exercise any function of the Council which is not specified in the Constitution or in law as a function that must be exercised by elected members, except the statutory functions of the Monitoring Officer.

9.65 The Chief Executive has specific powers to:

- (a) take any action and incur expenditure and delegate responsibility to take action and incur expenditure in the event of a civil emergency;
- (b) take any decision where any delay incurred in taking the decision would seriously prejudice the Council's or the public interest to the extent that it is appropriate to exercise emergency powers. In exercising this power, the Chief Executive must consult with the Leader of the Council or in his/her absence, the nominated deputy, unless the delay caused by doing so would itself be likely to result in danger to life or property. The Chief Executive will report any such decision to the next meeting of Council;
- (c) appoint proper officers of the Council and where there is no proper officer appointed for a specified function, the Chief Executive shall be the "proper officer" unless prohibited by law, until an appointment has been made;
- (d) allocate or re-allocate responsibility for functions in the Scheme of Delegation to Officers provided that any changes applicable for a period of more than six months must be reported to Council as a change to the Scheme of Delegation.

## **10. The Executive Director – People (Deputy Chief Executive)**

10.1 The Executive Director – People is the Council's:

- (a) Director of Adult Social Services appointed in accordance with Section 6 (A1) Local Authority Social Services Act 1970.
- (b) Director of Children's Services appointed in accordance with Section 18 Children Act 2004 and designated person for the purposes of Section 22 of the Children Act 1989.

10.2 The Executive Director - People has been appointed as the Deputy Chief Executive and may exercise all the powers of the Chief Executive (including those of Head of Paid Service) during the absence or incapacity of or during the vacancy of the post of, Chief Executive.

10.3 The Executive Director - People has the full range of powers necessary to discharge the Council's functions, including taking decisions which are not specified in the Constitution or in law as having to be taken by elected members, implementing decisions and undertaking efficient management of the services, contracts and staff for which he/she is responsible in the following functional areas:

- (a) adults' services;
- (b) children and young people's services;
- (c) education and skills;
- (d) public health (except the statutory functions of the Director of Public Health);
- (e) the provision of residential and day services to children and adults including those provided by Cumbria Care ("Provider Services");
- (f) integration of health and social care services;
- (g) any other services allocated to the Executive Director by the Chief Executive.

10.4 The Executive Director – People has specific powers to:

- (a) determine, in consultation with the relevant Cabinet Portfolio Holder whether to undertake a consultation on a school organisation proposal where the Council is the proposer, provided that, decisions relating to school organisation must be referred to Cabinet for determination;
- (b) determine, following consultation with the Chair of the Holehird Trust grant applications for sums of less than £500, which cannot reasonably be deferred to the next meeting of the Trust, reporting all grants approved under this paragraph to the next meeting of the Trust;
- (c) nominate local authority governors to maintained schools in consultation with the relevant local member or the Chair and Vice Chair of the relevant Local Committee.

## 11. The Executive Director – Corporate, Customer and Community Services

~~11.1 The Executive Director – Corporate, Customer and Community Services is the returning officer for county elections appointed in accordance with section 5 of Representation of the People Act 1983.~~

~~11.2 The Executive Director – Corporate, Customer and Community Services is appointed as the "proper officer" for the specified statutory functions set out in Appendix 1 of this Part.~~

~~11.13 The Executive Director – Corporate, Customer and Community Services The Assistant Director – Organisational Change is the Council's Senior Information Risk Owner (SIRO).~~

~~11.24 The Executive Director – Corporate, Customer and Community Services The Assistant Director – Customer and Community Services is the Council's Scrutiny Officer.~~

~~11.35 The Executive Director – Corporate, Customer and Community Services The CCCS Assistant Directors each have~~ the full range of powers necessary to discharge the Council's functions, including taking decisions which are not specified in the Constitution or in law as having to be taken by elected members, implementing decisions and undertaking efficient management of the services,

contracts and staff for which ~~he/she is~~ they are responsible in the following functional areas:

- (a) strategic commissioning;
- (b) procurement and contract management;
- (c) corporate governance;
- (d) organisational change;
- (e) corporate people management;
- (f) policy and scrutiny;
- (g) information and communications technology;
- (h) facilities management;
- (i) digital technology and the Service Centre;
- (j) business support;
- (k) corporate health and safety;
- (l) community services, including libraries;
- (m) the Registration Service;
- (n) any other services allocated to the Executive Director by the Chief Executive.

~~11.45.4~~ In exercising these powers any of the CCCS Assistant Directors can act independently and is not required to consult with any of the other Assistant Directors.

~~11.5~~ The Executive Director – Corporate, Customer and Community Services Before exercising the power to award community investment grants the relevant CCCS Assistant Director will consult with the relevant local member(s) and the chair and vice-chair of the relevant local committee in exercising the power to award community investment grants.

## **12. The Executive Director – Economy and Infrastructure**

12.1 The Executive Director – Economy and Infrastructure has the full range of powers necessary to discharge the Council's functions, including taking decisions which are not specified in the Constitution or in law as having to be taken by elected members, implementing decisions and undertaking efficient management of the services, contracts and staff for which he/she is responsible in the following functional areas:

- (a) highways;
- (b) transport;
- (c) traffic;
- (d) parking and parking enforcement;
- (e) rights of way;
- (f) common land;
- (g) control of development, including minerals and waste;
- (h) nationally significant infrastructure planning;
- (i) development management;
- (j) economic development;
- (k) trading standards;
- (l) weights and measures;
- (m) regulation of sports grounds;
- (n) Waste Authority functions;

- (o) Flood Authority functions;
- (p) land and property;
- (q) the environment;
- (r) the Port of Workington;
- (s) implementation of the approved Capital Programme;
- (t) any other services allocated to the Executive Director by the Chief Executive.

12.2 The Executive Director – Economy and Infrastructure has the specific powers to:

- (a) appoint members of the Cumbria Valuation Tribunal, in consultation with the President of the Tribunal, the Council's main political group leaders and Chairs of the relevant local committees;
- (b) authorise the issue of notices under Sections 14(2) (a) and (b) of the Road Traffic Regulation Act 1984 in circumstances where in the opinion of the Executive Director it is necessary for the restrictions or prohibitions sought to come into force without delay;
- (c) make Traffic Regulation Orders which involve the introduction of charging for on-street residents permits following a decision by the appropriate member body to introduce charges;
- (d) approve local impact reports in relation to nationally significant infrastructure projects under the Planning Act 2008, in consultation with the relevant Cabinet Portfolio Holder.

12.3 The Executive Director - Economy and Infrastructure has power to determine the following town and country planning applications:

- (a) any application for planning permission (not being an application submitted by the Council or the Council and a third party, or by an employee or a member of the Council) that:
  - (i) falls below the threshold of an Environmental Impact Assessment; and
  - (ii) is in accordance with the provisions of the Development Plan; and
  - (iii) has not been recommended for refusal by a Town or Parish Council; and
  - (iv) is not contrary to substantive written representations received; and
  - (v) has not attracted a request for determination by committee in accordance with the provisions of Part 6G of the Constitution;
- (b) any application for a certificate of lawfulness made under sections 191 and 192 of the Town and Country Planning Act (not being an application submitted by an employee or a member of the Council);

- (c) any application that is not defined in the relevant regulations as an application for planning permission, including submissions under conditions and non-material amendments.

In paragraph 12.3 “Substantive” means representations that are capable of being material planning considerations.

12.4 The Executive Director – Economy and Infrastructure will consult with the relevant local member(s) and the Chair and Vice Chair of the relevant local committee in exercising the following powers:

- (a) implementation of the highways revenue budget and capital programme;
- (b) authorisation of applications to the Magistrates Court for stopping up or diversion of highways within their Area, under the Highways Act 1980;
- (c) exercise of powers under the Cycle Tracks Act 1984;
- (d) authorisation of schemes for the making up and adoptions of private streets under Part XI the Highways Act 1980;
- (e) consideration of Public Spaces Protection Orders proposed to be made by the relevant district/borough council under sections 59 to 75 of the Anti-Social Behaviour, Crime and Policing Act 2014, which restrict a public right of way;

12.5 The Executive Director – Economy and Infrastructure will consult with the Chair and Vice Chair of the relevant local committee before entering into a funding agreement with a District Council in respect of a project funded under the Town Fund, Levelling-Up Fund, Future High Street Fund or any other similar government programme that provides funding for local schemes and which falls within the Local Committees responsibility under 5.1.2(a) and (b) of Part 2D: Local Committees.

12.6 The Executive Director – Economy and Infrastructure is the Duty Holder under the Marine Safety Code from time to time in force for the Port of Workington.

### **13. The Chief Fire Officer**

13.1 The Chief Fire Officer has the full range of powers necessary to discharge the Council’s functions, including taking decisions which are not specified in the Constitution or in law as having to be taken by elected members, implementing decisions and undertaking efficient management of the services, contracts and staff for which he/she is responsible in the following functional areas:

- (a) Fire and Rescue Service;
- (b) Resilience and Emergency Planning;
- (c) Any other services allocated or re-allocated to the Chief Fire Officer by the Chief Executive.

13.2 The Chief Fire Officer is the Scheme Manager for the Fire Pension Scheme.

13.3 The Chief Fire Officer has the powers of an Executive Director to commence procurement and award contracts in his/her functional area.

#### **14. The Director of Finance (Section 151 Officer)**

14.1 The Director of Finance is the Council's chief finance officer appointed in accordance with section 151 of the Local Government Act 1972.

14.2 The Director of Finance may appoint one or more deputy Section 151 Officers each of whom has power to exercise all the powers and duties of the Section 151 Officer during the absence or incapacity of or during the vacancy of the role of, the Section 151 Officer.

14.3 The Director of Finance has power to exercise any function of the Director of Finance or Section 151 Officer contained in any other Part of this Constitution.

14.4 The Director of Finance is appointed as the "proper officer" for the specified statutory functions set out in Appendix 1 of this Part.

14.5 The Director of Finance is empowered personally to sign certificates under the Local Government and Contracts Act 1997 on behalf of the Council.

14.6 The Director of Finance has the full range of powers necessary to discharge the Council's functions, including taking decisions which are not specified in the Constitution or in law as having to be taken by elected members or another officer, implementing decisions and undertaking efficient management of the services, contracts and staff for which he/she is responsible in the following functional areas:

- (a) accounting and financial planning;
- (b) audit and risk;
- (c) pensions and financial services (including treasury management and banking);
- (d) performance;
- (e) the financing of the Capital Programme;
- (f) any other services allocated to the Director of Finance by the Chief Executive.

14.7 The Director of Finance has the following specific powers:

- (a) pay pensions, gratuities, grants etc. to members, other beneficiaries and creditors of the Cumbria Pension Fund, in accordance with the Superannuation and Pensions Acts and Regulations and agreed policies of the Council;
- (b) in consultation with members of the Investment Sub-Group (if any) of the Pensions Committee, to:
  - (i) appoint, or terminate the contracts of, investment managers with holdings of less than 5% of the portfolio of the Cumbria Local Government Pension Fund;

- (ii) approve the investment or disinvestment in any assets with a value of less than 5% of the portfolio of the Cumbria Local Government Pension Fund where the assets meet the criteria set out in the Cumbria Local Government Pension Fund's asset allocation strategy;
  - (iii) establish and review performance benchmarks and targets for investment.
- 14.8 Subject to paragraph 14.7 above, the Director of Finance has the powers of an Executive Director to commence procurement and award contracts in his/her functional area.
- 14.9 With regard to contracts incidental to the functions of the Cumbria Pensions Fund, the Director of Finance has, in addition, power to modify, vary and terminate such contracts.

## **15. The Chief Legal Officer (Monitoring Officer)**

- 15.1 The Chief Legal Officer is the Council's Monitoring Officer appointed in accordance with sections 5 and 5A of the Local Government and Housing Act 1989 and has power to exercise all the powers and duties of the Monitoring Officer.
- 15.2 The Chief Legal Officer may appoint one or more deputy Monitoring Officers each of whom has power to exercise all the powers and duties of the Monitoring Officer during the absence, incapacity, conflict from acting or vacancy of the role.
- 15.3 The Chief Legal Officer is appointed as the "proper officer" for the specified statutory functions set out in Appendix 1 of this Part.
- 15.4 The Chief Legal Officer is appointed to act as the Senior Responsible Officer for the Regulation of Investigatory Powers Act 2000.
- 15.5 The Chief Legal Officer is empowered personally to sign certificates under the Local Government and Contracts Act 1997 on behalf of the Council.
- 15.6 The Chief Legal Officer has the full range of powers necessary to discharge the Council's functions, including taking decisions which are not specified in the Constitution or in law as having to be taken by elected members (except Key Decisions), implementing decisions and undertaking efficient management of the services, contracts and staff for which he/she is responsible in the following functional areas:
  - (a) Legal and Democratic Services;
  - (b) Coroners Services;
  - (c) any other services allocated or re-allocated to the Chief Legal Officer by the Chief Executive.

15.7 The Chief Legal Officer has power to exercise any function of the Chief Legal Officer or Monitoring Officer contained in any other Part of this Constitution.

15.8 The Chief Legal Officer has the specific powers to:

- (a) grant dispensations to elected or co-opted members to allow them, where they have a disclosable pecuniary interest in a matter to be considered at a meeting of the Council, or any of its committees or sub-committees, or the Cabinet or any committee or sub-committee of the Cabinet, to participate in any discussion of the matter in which they have the disclosable pecuniary interest at the meeting or to participate in any vote, or further vote, taken on the matter at the meeting; in any of the following circumstances:
  - (i) that so many members of the body have disclosable pecuniary interests that it would impede the transaction of business;
  - (ii) that without the dispensation, the representation of different political groups at the meeting would be so upset as to alter the likely outcome of the vote;
  - (iii) that without a dispensation no member of the Cabinet would be able to participate in a matter before Cabinet;
- (b) make minor amendments to the Constitution, including to update the Constitution in accordance with changes to legislation, provided that the amendment does not materially change any principles previously approved by the Council;
- (c) approve claims for expenses made by elected and co-opted members;
- (d) sign any document on behalf of the Council;
- (e) execute under seal any document of the Council;
- (f) serve any statutory or other notice on behalf of the Council;
- (g) issue, defend, settle, conduct or participate in any legal proceedings;
- (h) settle any potential legal proceedings;
- (i) authorise officers to prosecute, or defend, or appear in proceedings under section 223 of the Local Government Act 1972;
- (j) approve the Council's response to any investigation carried out by the Local Government Ombudsman;
- (k) approve the Council's response to any request for information under the Freedom of Information Act 2000 or the Environmental Information Regulations 2003;

- (l) deal with the initial stages of the disciplinary procedure for the statutory officers (Chief Executive and S151 Officer), in conjunction with the appointed Chair of the Chief Officers Committee;
- (m) deal with the initial stages of allegations under the grievance procedure against the Chief Executive or S151 Officer;
- (n) to deal with the initial stages of allegations under the Bullying and Harrassment Procedure against the Chief Executive or S151 Officer.

## **16. The Director of Public Health**

16.1 The Director of Public Health has been designated by the Council to discharge the statutory function of Director of Public Health in accordance with the National Health Service Act 2006.

16.2 The Director of Public Health has the full range of powers necessary to discharge the Council's functions, including taking decisions which are not specified in the Constitution or in law as having to be taken by elected members (except Key Decisions) and undertaking efficient management of the services, contracts and staff for which he/she is responsible in the following functional areas:

- (a) the statutory functions of the Director of Public Health;
- (b) employee health and wellbeing;
- (c) "Active Cumbria";
- (d) any other services allocated or reallocated to the Director of Public Health by the Chief Executive.

## **17. Regulation of Investigatory Powers Act 2000**

17.1 The Chief Executive has the power under the Regulation of Investigatory Powers Act 2000 to authorise the use of covert human intelligence sources in respect of vulnerable individuals and to authorise surveillance where it is likely that knowledge of confidential information will be acquired.

17.2 The Assistant Director –Environment and Enterprise, Assistant Director – Highways and Transport and the Assistant Director – Integration and Partnerships each have power to issue all other relevant authorisations under the Regulation of Investigatory Powers Act 2000. In the absence of both of these officers the Monitoring Officer may issue authorisations.

17.3 These powers must be exercised personally by the officers specified in this Part.

## **18. Shareholders Representative**

- 18.1 Any officer who is designated under this Scheme of Delegation or appointed by Council or by the Cabinet to act as a shareholders' representative on behalf of the Council for a company in which the Council is a shareholder is authorised to:
- (a) act as shareholders' representative in accordance with the Companies Act 2006;
  - (b) exercise all the Council's powers as a shareholder of the company, subject to any limitations in this Scheme of Delegation; and
  - (c) appoint a deputy shareholder's representative for any company for which they have been appointed shareholders' representative.
- 18.2 Any person appointed as a deputy shareholders' representative for a company is authorised to exercise the powers of the shareholders' representative in the absence or incapacity of the shareholder's representative or if there is no shareholder's representative appointed for the company.

**PROPER OFFICERS**

The officers specified in table below have been appointed as the proper officers for the specified statutory functions.

<b>FUNCTION</b>	<b>LEGISLATION</b>	<b>PROPER OFFICER</b>
<b>LOCAL GOVERNMENT ACT 1972</b>		
Witness and receipt of Declarations of Acceptance of Office	Section 83	Chief Executive
Receipt of notice of resignation of an elected member	Section 84	Chief Executive
Convening a meeting of the Council to fill a casual vacancy in the office of Chair	Section 88	Chief Executive
Receipt of notice of casual vacancy from two local government electors	Section 89	Chief Executive
Availability of agenda, reports and background papers Admission of press and public to meetings Exclusion of a document containing exempt information	Section 100A – 100H	Chief Executive
Receipt of money due from officers	Section 115	Director of Finance
Declarations and certificates with regard to securities	Section 146	Director of Finance
Functions with respect to ordnance survey	Section 191	Executive Director – Economy and Infrastructure
Charity functions of predecessor authorities transferred to the Council	Section 210	Director of Finance
Deposit of documents	Section 225	Chief Legal Officer
Certification of documents	Section 229	Chief Legal Officer
Authentication of documents	Section 234	Chief Executive Deputy Chief Executive Chief Legal Officer
Certification of byelaws	Section 238	Chief Legal Officer
Signature of Summons to council meetings	Schedule 12 paragraph 4	Chief Executive
Receipt of notice regarding address to	Schedule 12 paragraph 4	Chief Executive

which summons to meeting is to be sent		
Certification of resolutions	Schedule 14 paragraph 25	Chief Executive
<b>Local Government Finance Act 1988</b>		
Officer responsible as regards reports	Section 114	Director of Finance
<b>Local Government and Housing Act 1989</b>		
Deposit of politically restricted posts	Section 2(4)	Chief Executive
Receipt of notices relating to political groups	Sections 15-17 and Local Government (Committees and Political Groups) Regulations 1990	Chief Executive
Notice of Member electing to forgo their allowance	Section 18 and Local Authorities (members Allowances)(England) Regulations 2003	Chief Executive
<b>Countryside and Rights of Way Act 2000</b>		
Access to the Countryside	Section 1	Executive Director – Economy and Infrastructure
<b>Local Authorities (Standing Orders) (England) Regulations 2001</b>		
Giving notice to Cabinet in respect of chief officer appointments	Whole Standing Order	Chief Executive
<b>Registration Services Act 1953</b>		
<del>Interim superintendent registrars and registrars/ Local Schemes of Organisation</del>	<del>Registration Services Act 1953</del>	<del>Executive – Director – Corporate, Customer and Community Services</del>
<b>Weights and Measures Act 1985</b>		
Chief Inspector of Weights and Measures	Section 75	Trading Standards Manager

## SHAREHOLDERS REPRESENTATIVES

The officers specified below are authorised to exercise the powers of the shareholders representative for the company or companies indicated in the table and subject to any limitations specified in the table.

Company	Officer
Cumbria County Holdings Limited and Group Companies	Director of Finance
Border to Coast Pensions Partnership Limited	<p>Director of Finance</p> <p>Authorised to act in the following circumstances:</p> <ol style="list-style-type: none"> <li>1. In consultation with the Chair of the Pensions Committee (or in his or her absence the Vice Chair) to make the following decisions on behalf of the Council as shareholder of the Border to Coast Pensions Partnership:               <ol style="list-style-type: none"> <li>1.1 to enter into or materially vary any licence or other similar agreement relating to intellectual property to be licensed to or by the Company which is otherwise than in the ordinary course of the Business;</li> <li>1.2 to approve the appointment of the auditors of the Company;</li> <li>1.3 to alter the Company's accounting reference date;</li> <li>1.4 to make any significant change to any of the Company's accounting or reporting practices other than conforming with any changes made to the accounting standards adopted by the Company;</li> <li>1.5 to approve the annual accounts of the Company;</li> </ol> </li> </ol>

	<p>1.6 to enter into or vary any operating lease either as lessor or lessee, of any plant, property or equipment of a duration exceeding 5 years or involving aggregate premium and annual rental payments in excess of £100,000 (unless provided for in the Initial Strategic Plan or any Subsequent Strategic Plan);</p> <p>1.7 to approve the adoption of (and any amendment of) any written conflicts policy; and</p> <p>1.8 to approve any conflict or potential conflict of interest any director may have which would preclude him or her from being included in the quorum of any meeting of the directors.</p> <p>2. In consultation with the Chair of the Pensions Committee (or in his or her absence the Vice Chair) to make any other decisions reserved to the Council as shareholder of the Border to Coast Pensions Partnership where a shareholder decision is urgent and cannot reasonably be deferred, provided that all decisions taken are reported to the next meeting of the Pensions Committee.</p>
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## Part 7: Glossary of Terms

This glossary of terms incorporates the separate glossary of terms included in Part 4H 'Financial Standing Orders' and Part 4I 'Contract Procedure Rules'. Where terms are unique to these Parts of the Constitution these have been indicated below.

- **“Accountable body”** the arrangement whereby the County Council has agreed to accept responsibility for the obligations set out in the terms of any funding granted to a third party organisation.
- **“Amendment of approved budgets”** in respect of the revenue budget is the transfer of resources; to or from contingencies, to and from general reserves, and, to and from earmarked reserves. In respect of the capital budget it is the inclusion of a new scheme in the capital programme. Amendments to the revenue and capital budgets involve a formal process of approval.
- **“Assets”** include land, buildings, vehicles, furniture and equipment, computer systems, stocks and materials, money and investments, data and information.
- **“Award Criteria”** has the meaning given in the Public Contracts Regulations 2006 or any statutory replacement thereof.
- **“Budget”** means plan for revenue and capital expenditure and income, and financing relating to activities of the County Council.
- **“Budget line”** is the lowest level of detail at which approval of the original budget takes place, as included in the medium term financial plan.
- **“Budget Manager”** means accountable budget manager and devolved budget manager.
- **“Cabinet”** means the Leader of the Council and such other members of the Council as the Leader may appoint, and is the main decision making body of the County Council.
- **“Candidate”** Has the meaning given in the Public Contracts Regulations 2015.
- **“Capital Programme”** means the overall five year programme of schemes approved by Council.
- **“CCCS Assistant Directors”** means the Assistant Director – Customer and Community Services, the Assistant Director – Organisational Change, the Assistant Director – Strategic Commissioning and the Assistant Director – Workforce and Organisational Change and all references in the Constitution to the Executive Director – Corporate, Customer and Community Services shall refer to each of the CCCS Assistant Directors
- **“Consultant”** an individual, firm or company (not being a firm of Solicitors, a Solicitor or a Barrister) procured to provide professional services, including advice.
- **“Contractor”** has the meaning given to the definition “economic entity in the Public Contract Regulations 2015.
- **“Contracts Register”** the County Council’s database of contracts.
- **“Council”** means full Council

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- **“County Council”** means Cumbria County Council.
- **“Director”** (in the context of Part 4H only) means the County Council’s Chief Executive and all senior officers designated as Executive Directors, or reporting to Executive Directors and with delegated financial responsibilities nominated by the Executive Director.
- **“EU Procedure”** the procedure set out in the Public Contracts Regulations 2015 applicable to the procurement exercise being undertaken.
- **“EU Threshold”** the financial threshold at which contracts must be procured using the EU Procedure.
- **“Executive Decision”** means a decision taken by the Leader and Cabinet and also certain Local Committees and officer decisions which have been delegated to them by the Leader.
- **“Executive Director”** means the officer posts of Executive Director -People, Executive Director -Economy and Infrastructure, Executive Director –Corporate, Customer and Community Services.
- **“Executive Function”** means those functions of the council which the Local Government Act 2000 states are to be the responsibility of the Leader and Cabinet. These are the vast majority of the council’s functions, some of which the Leader has delegated to Local Committees and Officers.
- **“Executive Member”** means any member of the Cabinet.
- **“Exemption”** (in the context of Part 4I only) a disapplication of the Contract Procedure Rules.
- **“Financial Regulations”** means financial standing orders.
- **“Financial Year”** is the County Council’s accounting period which runs from 1<sup>st</sup> April to 31<sup>st</sup> March.
- **“Framework Agreement”** has the meaning given in the Public Contracts Regulations 2015.
- **“Guidance”** (in the context of Part 4I only) the County Council’s Commissioning/ Procurement Cycle and Process Mapping Guidance (including relevant internal mini gateway review procedures, where required) or any replacement of such Guidance
- **“Head of Paid Service”** means the Chief Executive.
- **“Internal Audit”** means the Management Audit Unit.
- **“Lead Body”** the arrangement whereby the County Council is the applicant and/or recipient of an external grant or other funding for a special purpose.
- **“Leader”** means the Leader of the Council.
- **“Leader of the Largest Opposition Group”** means Leader of the Largest Main Group which is not represented in Cabinet
- **“Leader of the Second Largest Opposition Group”** means Leader of the second largest Main Group which is not represented in Cabinet
- **“Main Group”** is a group with a minimum of eight members (i.e. 10% of the total membership of the Council).
- **“Medium Term Financial Plan”** incorporates the revenue budget and capital programme approved by Council for the forthcoming financial year together with indicative figures for the subsequent two financial years.

**Discussion paper: Executive Director Corporate, Customer & Community Services Succession Plan**

20 May 2022

**Background**

Discussion is welcomed to consider the next steps re the Executive Director vacancy to:

- consider a real time opportunity to recognise, celebrate and invest in the depth & breadth of quality leadership and professional expertise already within the CCCS Directorate at Assistant Director level whilst also utilising capacity and talent within our wider teams.
- build on the collaborative work already undertaken by ADs to set and implement key Council strategies, COVID response and recovery, New Ways of Working ongoing resilience and LGR.
- ensure that the Directorate and County Council is in the best possible position to maintain high quality services throughout 2022/23 whilst also providing strategic direction and implementation of LGR opportunities.

**Context of current position**

The discussion paper is in the context of the existing position, some key issues being

1. All Assistant Directors are established in the County Council with strong networks with officers, members and partners
2. AD SCPCM has been aligned to the Executive Director People for past 18 months
3. All ADs already directly brief lead members and shadow portfolio members on a regular basis
4. ADs have lead roles for existing and key continuing corporate workstreams (JCG, Customer Board, Health and Safety, Refugees, Audit and Assurance etc)
5. ADs have prominent positions in key LGR workstreams
6. The team already lead papers and briefings on their subject matter for eg Cabinet Briefings, Cabinet , Full Council and Scrutiny agenda items.
7. Director of Finance and Chief Legal Officer already report directly to the Chief Executive as part of the statutory role

**Options considered to ensure strong leadership, continuity, and the best possible outcomes**

The options of both external and internal cover options have been debated by the team and each come with challenges or issues suchh as timing, cost, disruption to existing team, service continuity, therefore taking all things into account a distributed leadership is our preferred recommendation.

A distributed leadership model could maximise the opportunity to continue brilliance for Cumbria people (residents & workforce) and their communities...And ensure that effective support is in place for our teams throughout the LGR and in ensuring successful business as usual until the end of March 2023.

## Ensuring effective leadership

Key features of success we are confident a distributed model would include:

- Continued high performance delivering what we say we will deliver, recognising delivery to date not just across AD's but the wider directorate.
- Visible and accessible leadership – with a commitment to ensure a single presence in locality each day as required
- Diversity of thought, a new approach and mutual support when problem solving during uncertainty e.g., Local Government Reorganisation, enabling County Council ambitions i.e., capital programmes, integrated health and social care, cost of living crisis, staff wellbeing and transformation opportunities
- A strong voice for the Directorate and CCC in the LGR process
- Autonomy being trusted as a team of Directors to deliver well within an agreed pragmatic, dynamic sustainable distribution of Executive Director responsibilities.
- Trusting, empowering, and further developing and already capable Senior Management Teams whilst enhancing their commitment and motivation as we transition into two new unitary authorities
- Value for Money, financial efficiency of not replacing full post cost whilst assisting career development and progression experience for ADs

## Roles, Responsibilities and Meeting Business Needs

The table on the following page summarises key role accountabilities, specific responsibilities and other related portfolio items of the Executive Director Corporate Customer and Community Services.

## Suggested Distributed Leadership Model (Role, Responsibilities and Accountabilities)

- Existing Statutory Officers
  - Pam Duke : Chief Finance Officer (S151)
  - Catherine Parkinson : Chief Legal Officer (Monitoring Officer & Returning Officer)

Plus, Executive Director portfolio and leadership role responsibilities distributed among existing Assistant Director leaders

Underlined = New arrangement

Leadership	Jo Atkinson	Paul Robinson	Simon Higgins	Tracy Boustead
County Council Lead Responsibility	<ul style="list-style-type: none"> <li>Cabinet Commissioning and procurement working group</li> <li><u>Armed Forces Champion</u></li> <li><u>Contract related ODRs</u></li> </ul>	<ul style="list-style-type: none"> <li><u>SIRO</u></li> <li>COVID Management</li> <li>Corporate H&amp;S Committee</li> <li><u>Business Continuity Board</u></li> <li><u>ICT &amp; Security related ODRs</u></li> </ul>	<ul style="list-style-type: none"> <li>Stakeholder &amp; Partner Engagement lead</li> <li>Ukraine &amp; Refugees</li> <li>Scrutiny</li> <li><u>Community related ODRs</u></li> </ul>	<ul style="list-style-type: none"> <li><u>JCG (CCC Directorate)</u></li> <li><u>JCG (Corporate)</u></li> <li><u>JCG (Council)</u></li> <li><u>Corporate People Mgmt related ODRs</u></li> </ul>
Cabinet Member Portfolio Briefing	<ul style="list-style-type: none"> <li>Leader (all)</li> <li>Deputy Leader (Proc &amp; Contracts)</li> <li>Clr Bell (Health and Care)</li> <li>Opposition Leader</li> </ul>	<ul style="list-style-type: none"> <li>Clr Willis (ICT &amp; Transformation)</li> <li>Clr Tibble (Health &amp; Safety)</li> </ul>	<ul style="list-style-type: none"> <li>Clr Willis (Customer)</li> <li>Clr Earl (Communities)</li> <li>Clr Waring (SMB)</li> </ul>	<ul style="list-style-type: none"> <li>Clr Willis (Ppl Mgmt)</li> <li><u>Leader, Deputy Leader and Portfolio Holder (JCG Briefing)</u></li> </ul>
LGR Lead Responsibility	<ul style="list-style-type: none"> <li>Strategic Commissioning Procurement &amp; Contracts (Workstream Lead)</li> <li>Adults Board (Chair)</li> </ul>	<ul style="list-style-type: none"> <li>ICT (Theme Lead)</li> <li>Data Hub (Sponsor)</li> <li>Transformation (Workstream Lead)</li> </ul>	<ul style="list-style-type: none"> <li><u>Customer &amp; Digital (Theme Chair)</u></li> <li>LGR Programme Board &amp; LGR Cabinet Briefing</li> </ul>	<ul style="list-style-type: none"> <li><u>LGR Cabinet Working Group +CMT (Transferor Strategic Workforce &amp; OD lead)</u></li> <li><u>LGR Programme Board (Transferor Strategic Workforce &amp; OD lead)</u></li> </ul>
Chair / Attend key meetings obo Directorate	<ul style="list-style-type: none"> <li>Financial Challenge Group</li> <li><u>Cumbria Leaders &amp; MP Monthly 121s</u></li> </ul>	<ul style="list-style-type: none"> <li>Covid -19 TU Meeting (Chair)</li> <li>Corporate Risk Owners Group</li> <li>CFRS Transition Board</li> </ul>	<ul style="list-style-type: none"> <li><u>CCC Customer &amp; Digital Board (Chair)</u></li> <li><u>CCC LGR Programme Board</u></li> <li>Scrutiny Management Board</li> <li><u>Proper Officer (Registration)</u></li> </ul>	<ul style="list-style-type: none"> <li><u>Staffing &amp; Chief Officer Committee</u></li> </ul>
ED Single Point Contact (Monthly rotation and attendance)	<p style="text-align: center;">DMT Chair, Directors Meeting, Cabinet Briefing, Cabinet, Full Council, Directorate Comms and physical visits</p> <p style="text-align: center;"> <span>July (Simon)</span> <span>Aug (Jo)</span> <span>Sept (Paul)</span> <span>Oct (Tracy)</span> <span>Nov (Simon)</span> <span>Dec (Jo)</span> <span>Jan (Paul)</span> <span>Feb (Tracy)</span> <span>Mar (Simon)</span> </p> <p style="text-align: center;"> <i>Jo cover</i>   <i>Paul cover</i>   <i>Tracy cover</i>   <i>Simon cover</i>   <i>Jo cover</i>   <i>Paul cover</i>   <i>Tracy cover</i>   <i>Simon cover</i>   <i>Jo Cover</i> </p> <p style="text-align: center;"> <span>←</span> <i>Plus Guaranteed Daily Physical Presence in County (Rotate model Monday - Friday)</i> <span>→</span> </p>			

The table below contains a proposal as to how the specific delegations should be distributed

Scheme of Delegation	Jo Atkinson	Paul Robinson	Simon Higgins	Tracy Boustead
	<ul style="list-style-type: none"> <li>• <a href="#">Contract Procedure rules, Exemption, and modifications</a></li> <li>• <a href="#">Financial delegations</a></li> <li>• <a href="#">Key decisions</a></li> <li>• <a href="#">Decisions referred to members</a></li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">SIRO (Inc ICT security exemptions, data breaches, ICO reporting)-</a></li> </ul>	<ul style="list-style-type: none"> <li>• Proper Officer Constitution Responsibility (Registration Service)</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">HRO1s</a></li> <li>• <a href="#">Settlement Agreements</a></li> <li>• <a href="#">Ill health retirements</a></li> <li>• <a href="#">Complex HR cases</a></li> </ul>

- The Returning Officer responsibilities are proposed to be aligned to the Chief Executive.
- The Audit and Assurance Committee responsibilities are proposed to be transferred to the Section 151 officer.

### Directorate Operating Model

CCCS DMT has played a critical role in the organisation since its creation in 2018. It is imperative that the proposed arrangements achieve continuation of that key role. It is proposed that weekly DMT meetings are maintained but change in format to focus partially on key business and strategic items but also to provide an appropriate arena for peer support and continuing professional development.

Each of the ADs take responsibility for their personal development via executive coaching and further are committed to using the development capacity within NW Employers to provide the opportunity for guided growth in the role should that be required.

Further areas of critical importance are the coordination and support required to ensure successful function of the distributed leadership model. It is suggested that the current ED PA be offered the opportunity to work flexibly within the proposed model to provide this support, which will be dynamic in nature as time progresses. An enhanced communications role is also seen as an opportunity to ensure the distributed model continues in the strong vein that has been achieved by DMT to date.

Additional capacity to fulfil this distributed model may be required. It is however difficult to quantify at the present time. There is a specific requirement relating to OD capacity at a senior management level, however across other existing portfolios, it is recommended to keep a watching brief and additional capacity under review.

Following initial feedback on the proposed model and the need for a primary lead, the development of this on a rota basis has been explored. It is proposed that the primary ED role as a single point of contact and any related issues is done on a monthly rota basis, with a 'buddy' to ensure resilience to cope with sickness absence or other unforeseen events. A suggested rota for the 9-month period has been developed to facilitate a robust handover and is included in the model.

To ensure members are partners are clear of the change, and clarity of leadership position on behalf of the County Council, role titles could be discussed further if deemed appropriate if this model is favoured.

<b>COUNTY COUNCIL</b>
<b>Meeting date: 23 June 2022</b>
<b>From: Leader of the Council</b>

## **APPOINTMENTS TO COMMITTEES – CUMBRIA POLICE AND CRIME PANEL**

### **1.0 EXECUTIVE SUMMARY**

**1.1 *This report recommends that members are appointed to the Police and Crime Panel for 2022 in line with the procedure agreed between the County Council and District Councils.***

### **2.0 STRATEGIC PLANNING AND EQUALITY IMPLICATIONS**

**2.1 *There are no specific strategic planning or equality implications.***

### **3.0 RECOMMENDATION**

**3.1 *Council is recommended to appoint 3 members of the Council to the Police and Crime Panel in line with the allocations set out in this report.***

### **4.0 BACKGROUND**

#### **Cumbria Police and Crime Panel**

**4.1** Cumbria Police and Crime Panel (PCP) is a statutory scrutiny body which is a joint committee between the County Council and the six District Councils. The statutory membership of the panel is 10 councillor members and 2 co-opted members independent of the Councils. The Cumbria local authorities have agreed that the councillor membership will reflect the political balance of the County as far as possible.

**4.2** The Council makes annual appointments to the PCP. Entitlement to seats is determined by a procedure agreed between the County Council and District Councils which operates as follows. The County and six District Councils each appoint one member to sit on the PCP. This fills 7 of the 10 places on the committee.

**4.3** In determining its nomination, the Council is required to give consideration to the “balanced objective requirement” and to the continuity of membership to enable the Panel’s expertise and skills to be developed for the effective scrutiny of the Police and Crime Commissioner. Cllr Bill McEwan was appointed to the Panel to fill this place at the AGM held on 28 April 2022.

- 4.4 Following the nomination of the 7 places by the County Council and 6 District Councils, the County Council is required to undertake a review of the membership to ensure that it reflects as far as possible the overall political proportionality of the political parties across the 7 Councils.
- 4.5 If as a result of this review independent (i.e. non-aligned members) are entitled to a place (and no independent has been nominated as part of the initial 7 nominations) this is filled through an election (run by the County Council) whereby independent members on the 6 Districts and the County Council have the opportunity to vote for those independent members who wish to serve on the PCP. The successful candidate is then nominated to the PCP by their own local authority. The remaining places are nominated by the County Council.
- 4.6 Following receipt of the nominations from the Districts, the review has been undertaken. The review concludes that independent members are entitled to one place on the PCP in 2021-2022. As the nomination from Copeland Borough Council is an independent this fills this place and there is no requirement to fill this through an election.
- 4.7 As a result, the County Council is required to appoint three additional members. To reflect political proportionality across the seven Councils as far as possible all of these appointees should be members of the Conservative Group.
- 4.8 It is recommended that the Members nominated for appointment by Council to fill these posts are:
- Mike Johnson  
Roger Bingham  
David Whipp

## **5.0 RESOURCE AND VALUE FOR MONEY IMPLICATIONS**

- 5.1 There is sufficient budget to meet the members' allowances and expenses arising from the recommendations contained within this report.

## **6.0 LEGAL IMPLICATIONS**

- 6.1 The appointment of members to bodies as recommended in this report gives effect to the legal and constitutional provisions about membership of the PCP.

## **7.0 CONCLUSION**

- 7.1 Council is requested to appoint 3 members to the Police and Crime Panel in accordance with this report so that the membership reflects as far as possible the political balance across the County and 6 District Councils.

**Catherine A Parkinson**  
**Interim Chief Legal Officer and Monitoring Officer**  
*June 2022*

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## **APPENDICES**

***None.***

Electoral Division(s): All

Executive Decision

	No
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Key Decision

	No
--	----

If a Key Decision, is the proposal published in the current Forward Plan?

		N/A
--	--	-----

Is the decision exempt from call-in on grounds of urgency?

	N/A
--	-----

If exempt from call-in, has the agreement of the Chair of the relevant Overview and Scrutiny Committee been sought or obtained?

		N/A
--	--	-----

Has this matter been considered by Overview and Scrutiny?  
If so, give details below.

	N/A
--	-----

Has an environmental or sustainability impact assessment been undertaken?

		N/A
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Has an equality impact assessment been undertaken?

		N/A
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## **PREVIOUS RELEVANT COUNCIL OR EXECUTIVE DECISIONS**

Cumbria County Council – 24 June 2021 – Appointments to Committees – Cumbria Police and Crime Panel

## **CONSIDERATION BY OVERVIEW AND SCRUTINY**

***Not considered by Overview and Scrutiny.***

## **BACKGROUND PAPERS**

***No relevant background papers.***

## **RESPONSIBLE CABINET MEMBER**

***Leader of the Council.***

## **REPORT AUTHOR**

Ben Spencer, Group Lawyer, Commercial & Governance  
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<b>COUNTY COUNCIL</b>
<b>Meeting date: 23 June 2022</b>
<b>From: Leader of the Council</b>

## **CODE OF CONDUCT**

### **1.0 EXECUTIVE SUMMARY**

**1.1 *The Council adopted a new members' code of conduct in November 2021 based on the new model code of conduct produced by the Local Government Association. The Standards Committee have recommended some changes to the code of conduct adopted in November 2021 which reflect changes made by the Local Government Association to their model code.***

### **2.0 STRATEGIC PLANNING AND EQUALITY IMPLICATIONS**

- 2.1 *A robust ethical standards regime supports the Council in meeting its strategic objectives.***
- 2.2 *There are no direct equality implications arising out of this report.***

### **3.0 RECOMMENDATION**

**3.1 *The Leader recommends the Council to adopt the changes to the Code of Conduct recommended by the Standards Committee.***

### **4.0 BACKGROUND**

- 4.1** Following an extensive consultation exercise the LGA produce a draft model Code of Conduct on 23 December 2020. This was considered by the Standards Committee in January 2021 and after consultation with group leaders was recommended to Council for approval in November 2021. Council approved the adoption of the new model code.
- 4.2** The draft model Code of Conduct issued by the LGA in December 2020 extended the definition of a disclosable pecuniary interest to include any unpaid directorship. This was included in the Code of Conduct adopted by full Council in November 2021.
- 4.3** The treatment of an unpaid directorship as a disclosable pecuniary interest goes wider than the requirements of the relevant regulations, the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012. In addition,

this has been changed in updated versions of the model Code of Conduct issued by the LGA. Under the latest version of the model Code of Conduct issued by the LGA unpaid directorships are treated as other registerable interests.

- 4.4 Under the Code of Conduct if a matter arises at a meeting which directly relates to a Disclosable Pecuniary Interest the member is not able to participate in any discussion or vote on the matter and must not remain in the room during the debate unless a dispensation has been granted. In contrast if a matter arises which directly relates to an Other Registerable Interests the member must consider whether a reasonable member of the public, knowing all the facts, would think the interest such that it may influence the way the member would vote. If it would then the member should not participate in the discussion or vote (except to the extent that a member of the public is allowed to speak) but is not required to leave the room.
- 4.5 The Standards Committee considered whether the reference to unpaid directorships should be removed from the definition of Disclosable Pecuniary Interests and instead included within the definition of Registerable Interests at its meeting on 22 April 2022. Making this change would make the Code of Conduct consistent with the relevant regulations, the revised model code. This also reflects the Code of Conducts which were adopted by the Shadow Authorities at their first meetings. The Standards Committee recommended the change was made.

## **5.0 OPTIONS**

- 5.1 Council could decide not to agree the proposed changes to the Code of Conduct to full Council or could recommend other changes.

## **6.0 RESOURCE AND VALUE FOR MONEY IMPLICATIONS**

- 6.1 There are no direct resource or value for money implications of the recommendations contained in this report.

## **7.0 LEGAL IMPLICATIONS**

- 7.1 S27(2) of the Localism Act 2011 requires a local authority to adopt a code dealing with the conduct expected of members and co-opted members of the authority when they are acting in that capacity.
- 7.2 The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 define what is a disclosable pecuniary interest for the purposes of the Localism Act and the requirement on the Monitoring Officer to keep a register of members interests. An unpaid directorship would not be a disclosable pecuniary interest for the purposes of these regulations.



**BACKGROUND PAPERS**

*No background papers.*

**RESPONSIBLE CABINET MEMBER**

*Stewart Young, Leader of the Council*

**REPORT AUTHOR**

Contact: Liz Morgan, Senior Governance Lawyer, [liz.morgan@cumbria.gov.uk](mailto:liz.morgan@cumbria.gov.uk)

<b>COUNTY COUNCIL</b>
<b>Meeting date: 23 June 2022</b>
<b>From: Deputy Leader of the Council</b>

## **AMENDMENTS TO THE APPROVED CAPITAL PROGRAMME**

### **1.0 EXECUTIVE SUMMARY**

- 1.1 *The Capital Programme sets out the Council's investment plans over the current and following five years to achieve the Council's priorities and vision. It is recognised that the County Council will no longer exist from 1<sup>st</sup> April 2023 but it is important that the longer term financial planning continues in order to support the future planning by the new Unitary Councils.*
- 1.2 *The Council approved the 2022-2027 Capital Programme in February this year and as in previous years subsequent changes are then made throughout the year.*
- 1.3 *As part of the provisional year end outturn report to Cabinet on the 9<sup>th</sup> June changes to the 2021/22 and the 2022-27 capital programme were proposed. Cabinet approved a number of changes and recommended further changes for Council to approve.*
- 1.4 *The purpose of this report is to ask Council to approve the changes, as recommended by Cabinet, to the Capital Programme for 2021/22 and 2022-2027.*
- 1.5 *If approved, this results in a revised capital programme of £122.153m for 2021/22 and £489.165m for 2022-2027.*

### **2.0 STRATEGIC PLANNING AND EQUALITY IMPLICATIONS**

- 2.1 *The Capital Programme as a whole supports the delivery of all of the Council Plan priorities which are:*
  - *People in Cumbria are Healthy and Safe*
  - *Places in Cumbria are well connected and thriving*
  - *The economy in Cumbria is growing and benefitting everyone*

### **3.0 RECOMMENDATION**

*Council is asked to:*

- 3.1 ***Approve the addition of £2.201m to the Capital Programme 2021/22 for existing schemes, as detailed in paragraph 5.1 financed from previously approved un-allocated prudential borrowing.***
- 3.2 ***Approve the addition of £4.676m to the Capital Programme 2022-2027 for new schemes, as detailed in paragraph 5.2 financed from previously approved un-allocated prudential borrowing.***
- 3.3 ***Approve the virement of £1.368m between the Additional Inflation Risk allowance and A595 Grizebeck scheme in 2022/23, as detailed in paragraph 5.3.***
- 3.4 ***Note the final position for the Capital Programme 2021/22 of £122.153m, as detailed in Table 1 paragraph 4.2.***
- 3.5 ***Note the proposed revised Capital Programme 2022/27 of £489.165m, as detailed in Table 2 paragraph 4.3.***

### **4.0 BACKGROUND**

- 4.1 The Capital Programme sets out the Council's investment plans over the current and following five years to achieve the Council's priorities and vision. The Council approves a Capital Programme in February each year and subsequent changes are then made throughout the year. The latest revised position (assuming the recommendations are approved) was reported to Cabinet on 9<sup>th</sup> June 2022. The inclusion of these changes resulted in a revised approved Capital Programme for 2021/22 of £122.153m and for 2022-27 of £456.157m before the addition of slippage from 2021/22, as set out in Table 1 below.
- 4.2 The changes recommended to Council by Cabinet at its meetings on 9<sup>th</sup> June 2022 shows a net increase of £2.201m in the County Council Capital Budget for the period 2021/22 and £4.676m for the period 2022-27. This reflects a number of changes to the capital programme as outlined in the table below, further detail is provided at paragraph 5.1 to 5.3.

**Table 1 – Revised Capital Programme**

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	Total 2022- 2027
	£m	£m	£m	£m	£m	£m	£m
<b>Approved Capital Programme February 2022 Council</b>		193.463	113.254	60.608	39.350	33.301	439.976
Grant / Contribution Changes for existing schemes – external Q3 2021/22		0.325	0.000	0.000	0.000	0.000	0.325
<b>Approved Capital Programme by Cabinet at 17th March 2022 (Q3)</b>	119.529	193.788	113.254	60.608	39.350	33.301	440.301
<b>Budget Changes Approved by Cabinet on 9<sup>th</sup> June 2022:</b>							
Grant / Contribution Changes for existing schemes – external	0.119	7.350	3.563	0.000	0.000	0.000	10.913
Grant / Contribution Changes for new schemes – external	0.000	0.200	0.000	0.000	0.000	0.000	0.200
Internal Contribution Changes for existing schemes	0.304	0.067	0.000	0.000	0.000	0.000	0.067
<b>Approved Capital Programme 9<sup>th</sup> June 2022)</b>	119.952	201.405	116.817	60.608	39.350	33.301	451.481
<b>Budget Changes Recommended to Council by Cabinet on 9<sup>th</sup> June 2022:</b>							
Unallocated Prudential Borrowing for new schemes (Para 5.1)	2.201	0.000	0.000	0.000	0.000	0.000	0.000
Grant / Contribution Changes for new schemes – external (Para 5.2)	0.000	3.892	0.784	0.000	0.000	0.000	4.676
<b>Total Capital Programme</b>	122.153	205.297	117.601	60.608	39.350	33.301	456.157

4.3 In addition to the changes approved by Cabinet on 9<sup>th</sup> June 2022, Council agreed in the Budget Report approved by Council on 10<sup>th</sup> February 2022, that slippage in the 2021/22 Capital Programme can be carried forward to 2022/23 and accelerated expenditure in the 2021/22 Capital Programme can be re-profiled from 2022/23 to 2021/22. The outturn position reported to Cabinet on 9<sup>th</sup> June 2022 confirmed these two figures and they are included in the revised budget position shown on the table below

**Table 2 – Revised Capital Programme 2022 to 2027 - with slippage and accelerated expenditure**

	2022/23	2023/24	2024/25	2025/26	2026/27	Total 2022-2027
	£m	£m	£m	£m	£m	£m
<b>Total Proposed Revised Capital Programme 9<sup>th</sup> June 2022 from Table 1</b>	205.297	117.601	60.608	39.350	33.301	456.157
<b>Budget Changes Approved by Council on 10<sup>th</sup> February 2022, confirmed to Cabinet on 9<sup>th</sup> June 2022:</b>						
Outturn Accelerated expenditure	(1.173)	0.000	0.000	0.000	0.000	(1.173)
Outturn slippage	34.181	0.000	0.000	0.000	0.000	34.181
<b>Total Proposed Revised Capital Programme 2022 to 2027</b>	238.305	117.601	60.608	39.35	33.301	489.165

## 5.0 PROPOSED CAPITAL PROGRAMME CHANGES

### Unallocated Prudential Borrowing to existing scheme

- 5.1 This report seeks Cabinet approval for the following change, that is financed from existing prudential borrowing already approved but which has not previously been included as expenditure within the Capital Programme:

**Table 3 Changes funded by Unallocated Prudential Borrowing**

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	Total 2021- 2027
	£m	£m	£m	£m	£m	£m	£m
<b>Approved by Cabinet 9<sup>th</sup> June 2022 and recommended to Council</b>							
<b>Chronically Sick and Disabled Persons Adaptations:</b> Community Equipment provided by Cumbria Care's Community Equipment Service was previously reported as revenue expenditure. For 2021/22 this will now be transferred to the Capital Programme and be financed from previously approved, but unallocated, borrowing. As the borrowing has already been approved for use in the Capital Programme the revenue costs associated with that borrowing (interest and MRP) have already been included in the approved Medium Term Financial Plan	2.201	0.000	0.000	0.000	0.000	0.000	<b>2.201</b>
<b>Total</b>	<b>2.201</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>2.201</b>

### Grant / Contribution for new schemes

- 5.2 This report seeks the approval for the following schemes to be added to the Capital Programme, which are fully funded by external contributions:

**Table 4 Changes to schemes funded by external contributions**

	2022/23	2023/24	2024/25	2025/26	2026/27	Total 2022- 2027
	£m	£m	£m	£m	£m	£m
<b>Barrow Town Deal - Cycling and Walking</b> grant funding has been awarded and the grant funding agreement is expected to be finalised in May 2022. This will further enhance the active travel improvements already being delivered as part of the Active Travel Fund Barrow	3.700	0.000	0.000	0.000	0.000	<b>3.700</b>

	2022/23	2023/24	2024/25	2025/26	2026/27	Total 2022- 2027
	£m	£m	£m	£m	£m	£m
<b>Maryport Future High Street Fund</b> grant funding has been awarded and the grant funding agreement is expected to be finalised with Allerdale Borough Council in early 2022/23. The scheme will deliver public realm and highway network improvements	0.192	0.784	0.000	0.000	0.000	<b>0.976</b>
<b>Total</b>	<b>3.892</b>	<b>0.784</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>4.676</b>

### Virements

- 5.3 This report seeks the approval for virements between the following schemes as detailed below.

**Table 5 Capital Programme Virements**

	2022/23 £m	Description
Additional Inflation Risk Allowance	(1.368)	The approved budget is based on early estimates and a more accurate position is available as the scheme progresses through its preliminary phase. The estimated cost of the delivery of the Grizebeck has now increased as a direct result of the inflation pressure facing the construction industry. This has resulted in both a direct increase in construction materials cost and an indirect risk allocated by contractor in pricing the contract. This is as a consequence of the supplier not being prepared to hold quotation prices for as long as they have done historically. A virement from the Additional Inflation Risk Allowance is required to meet this shortfall
A595 Grizebeck	1.368	
<b>Total Virement impact</b>	<b>0.000</b>	

## **6.0 REVISED CAPITAL PROGRAMME 2022 TO 2027**

### Review of 2022-27 Capital Programme

- 6.1 Taking in to account the changes detailed in sections 4 and 5 to the 2022-27 Capital Programme and the re-profiling as a result of slippage / accelerated expenditure highlighted above, the proposed Capital Programme for 2022/23 is £238.305m.
- 6.2 Inflationary and lead time pressures are likely to have a significant impact on the Capital Programme in 2022/23, including budgetary pressure and the profiling of the delivery of schemes. The main reason for the pressures is the increasing cost of fuel which impacts on logistics, manufacturing and consequent material supply shortages. The position has changed dramatically since November 2021, as a result of major market influences including COVID-19 and the Russia-Ukrainian war.

- 6.3 The above pressures have led to a further reassessment of the current Capital Programme which may result in further changes in year. These changes will be reported as part of the usual quarterly monitoring reports to Cabinet and where Council approval is required to Council as appropriate.
- 6.4 The ongoing review will provide greater clarity around the profile and timelines for work to be undertaken and therefore when expenditure is incurred or what response is required to safeguard the delivery of identified projects in 22/23.

## **7.0 OPTIONS**

- 7.1 Council approves the capital adjustment requests in this report. The recommended option.
- 7.2 Council rejects one or more of the proposed capital adjustment requests.

## **8.0 RESOURCE AND VALUE FOR MONEY IMPLICATIONS**

- 8.1 The resource and value for money implications are covered within this report.

## **9.0 LEGAL IMPLICATIONS**

- 9.1 Under 3.8 of FRS 2 in the Constitution the approval of Council is required to any amendments to the capital programme which are to be funded from prudential borrowing. In making amendments to the approved capital programme Council should be satisfied that any amendment can be financed and be satisfied that any revenue budget consequences of the amendment can be offset by additional income, contingency or earmarked reserves or reserves within the revenue budget.
- 9.2 Under paragraph 6.8 of FRS2 in the Constitution any transfers of budgets between capital schemes in excess of £500,000 require the approval of Council.

## **10.0 CONCLUSION**

- 10.1 The combined impact of the requested changes to the Capital Programme outlined in this report result in a revised Council's Capital Programme of £489.165m for 2022 - 27.

**Pam Duke**  
**Director of Finance (Section 151 Officer)**  
June 2022

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## **APPENDICES**

***No appendices***

Electoral Division(s): All

Executive Decision	<table border="1"><tr><td>Yes</td><td><input type="checkbox"/></td></tr></table>	Yes	<input type="checkbox"/>	
Yes	<input type="checkbox"/>			
Key Decision	<table border="1"><tr><td>Yes</td><td><input type="checkbox"/></td></tr></table>	Yes	<input type="checkbox"/>	
Yes	<input type="checkbox"/>			
If a Key Decision, is the proposal published in the current Forward Plan?	<table border="1"><tr><td>Yes</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr></table>	Yes	<input type="checkbox"/>	<input type="checkbox"/>
Yes	<input type="checkbox"/>	<input type="checkbox"/>		
Is the decision exempt from call-in on grounds of urgency?	<table border="1"><tr><td><input type="checkbox"/></td><td>No</td></tr></table>	<input type="checkbox"/>	No	
<input type="checkbox"/>	No			
If exempt from call-in, has the agreement of the Chair of the relevant Overview and Scrutiny Committee been sought or obtained?	<table border="1"><tr><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td>N/A</td></tr></table>	<input type="checkbox"/>	<input type="checkbox"/>	N/A
<input type="checkbox"/>	<input type="checkbox"/>	N/A		
Has this matter been considered by Overview and Scrutiny? If so, give details below.	<table border="1"><tr><td><input type="checkbox"/></td><td>No</td></tr></table>	<input type="checkbox"/>	No	
<input type="checkbox"/>	No			
Has an environmental or sustainability impact assessment been undertaken?	<table border="1"><tr><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td>N/A</td></tr></table>	<input type="checkbox"/>	<input type="checkbox"/>	N/A
<input type="checkbox"/>	<input type="checkbox"/>	N/A		
Has an equality impact assessment been undertaken?	<table border="1"><tr><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td>N/A</td></tr></table>	<input type="checkbox"/>	<input type="checkbox"/>	N/A
<input type="checkbox"/>	<input type="checkbox"/>	N/A		

**PREVIOUS RELEVANT COUNCIL OR EXECUTIVE DECISIONS**

*[including Local Committees]*

No previous relevant decisions

**CONSIDERATION BY OVERVIEW AND SCRUTINY**

Not considered by Overview and Scrutiny

**BACKGROUND PAPERS**

Year end outturn report 2020/21 to be considered by Cabinet

**RESPONSIBLE CABINET MEMBER**

Peter Thornton, Deputy Leader of the Council

**REPORT AUTHOR**

Pam Duke. Director of Finance (s151 Officer).

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<b>COUNTY COUNCIL</b>
<b>Meeting date: 23 June 2022</b>
<b>From: Deputy Leader of the Council</b>

## **TREASURY MANAGEMENT ANNUAL REPORT 2021/2022**

### **1.0 EXECUTIVE SUMMARY**

**1.1** *This report details treasury management activities for the 2021/22 financial year. It highlights performance and activities which confirm all Treasury Management activities undertaken during the period were in compliance with the Annual Strategy agreed by Members at Council in February 2021.*

**1.2** *Despite the volatility in economic expectations and therefore the markets during 2021/22, borrowing and investment activity was undertaken in accordance with the Strategy and this resulted in a net interest budget outperformance (i.e. underspend) of £2.735m for 2021/22. This outperformance was achieved within all prudential limits while also maintaining the Council's prudent strategy regarding investment counterparties.*

**1.3** *The primary reason for underspending against the Treasury Management budget is a consequence of the delay in borrowing. Council has approved, for a number of years, the tactical strategy of using internal cash reserves rather than incurring borrowing costs in respect of approved borrowing by Council to fund the capital programme. This continued during 2021/22, and the delay in borrowing generated savings against the budget of £1.309m. The current estimate of internal borrowing at 31 March 2022 is £58.9m (31st March 2021: £58.6m). The externalisation of this borrowing will be subject to continuing review.*

**1.4** *This report also confirms full compliance with all Prudential Indicator targets in 2021/22.*

### **2.0 STRATEGIC PLANNING AND EQUALITY IMPLICATIONS**

**2.1** *The Council Plan 2018 – 2022 (extended to April 2023) details that the Council aims to explore new ways to deliver services and maximise its resources. Policies and practices that enable the management of the Council's Treasury Management function to be operated in such a manner support the overall objectives and priorities of the Council.*

### **3.0 RECOMMENDATION**

#### **3.1 Council is recommended to:**

**3.1.1 note the treasury management annual report for 2021/22;**

**3.1.2 note the year-end position for the Prudential Indicators 2021/22 and full compliance with the Council's treasury management policies and practices during the year; and**

**3.1.3 note the Treasury Management function reports a £2.735m underspend for 2021/22, due primarily to the Council's tactical strategy to utilise internal cash reserves whilst available, albeit that this will be kept under review given various uncertainties, including interest rate movements and cash flow requirements.**

## **PART B – ADVICE OF DIRECTOR OF FINANCE (SECTION 151 OFFICER)**

### **4.0 BACKGROUND**

#### **4.1 Purpose of the Treasury Management Annual Report**

4.1.1 As detailed in Part 5G (Financial Standing Orders) of the Council's Constitution, the Council follows the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (as revised). The primary requirements of the Code include:

- receipt by the full Council of an Annual Treasury Management Strategy Statement (TMSS), including the Annual Investment Strategy and Minimum Revenue Provision Policy, for the year ahead (this was confirmed by Full Council on 18 February 2021);
- a mid-year strategy review report (Council 4 November 2021); and
- an annual review report following the end of the year, describing activities compared to the set strategy (attached at Appendix A).

4.1.2 The regulatory environment continues to place a strong emphasis on Members for the review and scrutiny of treasury management policy and activities.

4.1.3 The TMSS approved by Council notes that key to the Treasury function is the effective control of the associated risks and the pursuit of optimum performance consistent with those risks. To achieve this, the Treasury function ensures the Council's short-term cash reserves are securely held (i.e. security of principal) and ensures that appropriate levels of cash are available to manage day to day payments (i.e. liquidity). After both security and liquidity have been considered, Treasury officers aim to maximise investment returns (i.e. income generation).

4.1.4 This report is important as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by Members.

## **4.2 Treasury Management Annual Report 2021/22**

4.2.1 Key points to note for 2021/22:

- a) In response to continuing cost pressures and uncertainties with the COVID-19 pandemic, the Council has continued to ensure it can respond by having sufficient monies readily available. This focus on the two treasury investment priorities (the security and liquidity of its investment portfolio) meant that interest received on amounts invested remained low, reflecting the low UK Bank Rate over the majority of 2021/22.
- b) Throughout 2021/22, the Council held higher than usual cash balances - a position experienced by most other councils. This was due to both the timing of spend related to COVID-related funding allocated to the Council and upfront grants to fund ongoing and new capital programmes. Cash balances held by the Council increased from £175.6m at 31 March 2021 to £217.4m at 31 March 2022. Further details are presented in Appendix A to this report.
- c) In April 2021, the Council paid £31.7m for the projected full year employer contribution to Cumbria LGPS. Paying upfront rather than on a monthly basis generated savings to the Council of £0.574m which was factored into the 2021/22 budget approved by Council in February 2021.
- d) The aforementioned cash balances continued to provide the Council with the opportunity to use 'internal' borrowing rather than taking on new long-term debt, and this delay in borrowing generated considerable savings against the budget, albeit in the short-term until these reserves are spent.
- e) As at 31 March 2022, 92% of the long term debt portfolio was at interest rates at or below 5% with over a quarter (28%) of long term debt incurring interest rates at or below 2.5%. No new long-term borrowing was taken during the year, nor did any of the Council's long term loans mature. Therefore, the Council's external borrowing remained at £386.2m throughout 2021/22.
- f) Throughout 2021/22, investment of the Council's cash balances has returned an average of 0.16%, out-performing the benchmark rate of 0.14% by 0.02%. The benchmark rate was negative over an early part of the period whilst a negative base rate was a possibility, reflecting that leading banks were having to pay to invest short term money with other banks, as detailed in section 1.2 of Appendix A.
- g) The Bank of England had kept the Base Rate at 0.10% from March 2020 to respond to the risks presented to the UK economy from the COVID pandemic. In response to sharp increases in inflation towards the end of 2021, the Base Rate was increased in December to 0.25%, in February 2022 to 0.50%, and then to 0.75% in March 2022. The average rate of

the Council's investment portfolio as at 31<sup>st</sup> March 2022 was 0.48% (as detailed at 4.10 in Appendix A).

- h) Officers continue to monitor forecasts for cash investment rates which (at May 2022) reflect expectations for further Base Rate rises, responding to high inflation which also impacts on gilt yields and therefore on rates for new borrowing.

4.2.2 The approved 2021/22 Treasury Management budget is £30.063m. This budget included a one off saving of £1.000m in 2021/22 only arising from the Council's continuation of its strategy to offset approved borrowing with short-term cash balances and a permanent saving of £0.400m in recognition of the current low borrowing rates and an assumption that the next £40m of external borrowing can be achieved at 1% less than budgeted.

4.2.3 In 2021/22, the Treasury Management budget underspent by £2.735m as set out below:

- The Council did not enter into any new long term borrowing arrangements during the financial year with capital expenditure being financed by the Council's temporary high levels of cash. This deferral of borrowing previously approved by Council (through the capital programme) released £1.309m of revenue expenditure in 2021/22.
- The slippage in capital programme from 2020/21 resulted in a reduction of Minimum Revenue Provision (MRP) of £0.868m charged to the Treasury Management budget during the year.
- The Council has held high levels of cash throughout the year due primarily to a combination of COVID-19 grants received from the government where expenditure had not been incurred by 31 March 2022 and slippage against the capital programme. However, the Base Rate has remained low throughout the year, despite increases in December, February and March. These low Base Rates impacted upon the interest that the Council received for its cash balances. As a result, the Council received £0.387m less interest than budgeted during 2021/22.
- Other budgets across Treasury Management underspent by £0.945m during the year including £0.569m which was included as an ongoing saving from the budget as part of the 2022/23 Medium Term Financial Plan.

4.2.4 The forecast underspend on the Treasury Management budget of £2.735m is in addition to the savings included within the 2021/22 budget as detailed in paragraph 4.2.2. It should be noted that £2.166m of these net underspends were one-off savings relating to 2021/22 only. As noted above, an ongoing saving of £0.569m from the Treasury Management budget has been included as an efficiency in the 2022/23 Medium Term Financial Plan.

4.2.5 The external borrowing and investments balances as at 31 March 2022 are as follows:

External borrowing and investments	Principal (as at 31 Mar '22) £m	Average Interest Rate %	Average Life Years	Principal (as at 31 Mar '21) £m	Average Interest Rate %	Average Life Years
Total External Borrowing	386.2	3.83	26.5	386.2	3.83	27.5
Total Investments	217.4	0.48	< 1 year	175.6	0.10	< 1 year
Net Debt	168.8			210.6		

4.2.6 In undertaking these Treasury Management activities, the Director of Finance (S151 Officer) confirms that there have been no breaches of the approved limits relating to borrowing within the Prudential and Treasury Management indicators during 2021/22.

### **4.3 Recent developments relevant to the 2021/22 Treasury Management Strategy**

4.3.1 COVID-19 pandemic - due to the ongoing COVID-19 pandemic, the priority for Treasury Management has been to keep sufficient monies readily available to respond to the evolving situation. Treasury staff have approached this pro-actively, adapting day to day processes to ensure adequate liquidity for revenue and capital activities, security of investments and to manage all other risks. During the year where possible, excess cash was placed in short term deposits of three months to one year duration enabling the Council to secure higher rates of return whilst still ensuring appropriate liquidity to respond as services need.

4.3.2 The high-level procedures and controls to achieve the objectives as set out in the Treasury Management Strategy are well established and these along with authorised activity are detailed in the Council's Treasury Management Practices. All have been adhered to.

4.3.3 Russian invasion of Ukraine – the market reactions to the invasion and ongoing news led to a very volatile period from late February and through March, impacting equity, fixed income and sovereign gilt markets. No Council treasury management investments or borrowing were directly exposed to Russian, Belarus or Ukraine counterparties or banks.

4.3.4 Local Government Reorganisation – initial work began during 2021/22, and will continue throughout 2022/23, as Officers prepare for Local Government Reorganisation (LGR) and work through the impact this will have on the Treasury Management function and associated strategies e.g. the Capital programme, prudential indicators and all forecasts beyond the vesting date of 1 April 2023. The work includes planning for these functions for the two new unitary authorities.

4.3.5 CIPFA Consultations – in 2021/22 CIPFA consultations asked for views regarding changes to: 'Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes', and the 'Prudential Code

for Capital Finance in Local Authorities'. The revised editions of the two documents were issued in December 2021. A primary objective of the changes is to reinforce the principle and provide greater clarity that local authorities must not borrow to fund primarily yield generating investments, a principle the Council supports. It also introduces requirements for additional Prudential Indicators to be included in local authority Treasury Management Strategy Statements and monitoring reports. Local authorities are required to implement these new requirements from 2023/24 and consequently will be reflected in the TMSS for 2023/24 (i.e. the strategies for the new unitary authorities from 1 April 2023).

4.3.6 No changes were required to either the Treasury Management Strategy Statement or the Annual Investment Strategy for any in-year developments.

#### **4.4 Compliance with Prudential Indicators and Treasury Management Indicators for 2021/22**

4.4.1 Appendix B sets out the approved Prudential Indicators and Treasury Management Indicators for 2021/22 together with the outturn position.

4.4.2 As set out in this appendix, all Treasury Management activities in 2021/22 operated within the limits set out in the Council's Treasury Policy Statement and Treasury Strategy Statement including the Prudential Indicators set by Council in February 2021.

### **5.0 OPTIONS**

5.1 Members can consider the report and either:

- Accept the recommendations as set out in Section 3 of this report; or
- Request additional information from the Director of Finance (Section 151 Officer).

### **6.0 RESOURCE AND VALUE FOR MONEY IMPLICATIONS**

6.1 The strategy for deferring external borrowing and changes to capital financing decisions have contributed to an underspend on the net interest budget of £2.735m as at 31 March 2022. This has been achieved to date without significantly affecting the stability of cash balances and with no additional risks to the Council.

6.2 As at 31 March 2022, the Council held cash investments with a range of financial institutions valued at £217.4m and had external borrowing of £386.2m as previously approved by Council through the capital programme. All investments and borrowing have been undertaken in accordance with the Council's approved Treasury Management Strategy.

### **7.0 LEGAL IMPLICATIONS**

7.1 Under FR4 of the Council's Financial Standing Orders the Section 151 Officer has a duty to annually prepare for Cabinet to recommend to Council a Treasury Management Statement including an Annual Investment

Strategy, Prudential Indicators and Minimum Revenue Provision (MRP) Policy statement.

As this is report to note there are no specific legal implications arising from this report as Council is not being recommended to make any decisions.

## 8.0 CONCLUSION

- 8.1 All Treasury Management activities in the 2021/22 year have been conducted in accordance with the Treasury Strategy 2021/22 and within the Treasury and Prudential limits agreed by Council in February 2021, whilst also supporting the Council's service pressures and response to the COVID-19 pandemic.
- 8.2 Internal borrowing whilst reserves allowed, has provided a prudent and cost effective risk based approach to release savings to support the revenue budget in the short-term, but it is a fine balance whilst aiming to maximise long-term savings by taking tactical borrowing decisions. Externalising the borrowing where considered appropriate protects against rising interest rates in the future. The position will continue to be closely monitored by Officers in conjunction with the Council's Advisors.
- 8.3 Treasury Management continues to be conducted on a prudent basis and in 2021/22 the strategy has produced a saving on the net interest budget of £2.735m, compared to the original budget. This has benefited the Council's revenue budget thereby helping to offset Directorate pressures.

**Pam Duke**  
**Director of Finance (s151 Officer)**  
June 2022

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## APPENDICES

### **Appendix A - Summary of Treasury Management Activity in 2021/22** **Appendix B - The Council's Prudential Indicators and Treasury Management Indicators Outturn at 31 March 2022**

Electoral Division(s): All

Executive Decision	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No
Key Decision	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No
If a Key Decision, is the proposal published in the current Forward Plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A
Is the decision exempt from call-in on grounds of urgency?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No
If exempt from call-in, has the agreement of the Chair of the relevant Overview and Scrutiny Committee been sought or obtained?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A
Has this matter been considered by Overview and Scrutiny? If so, give details below.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No

Has an environmental or sustainability impact assessment been undertaken? 

		N/A
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Has an equality impact assessment been undertaken? 

		N/A
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**PREVIOUS RELEVANT COUNCIL OR EXECUTIVE DECISIONS**

*Revenue Budget - Treasury Management Strategy Statement (18 February 2021 Item 8 - Appendix D) - County Council*  
*Treasury Management Half Year Review 2021/22 (4 November 2021 Item 11) – County Council*

**CONSIDERATION BY OVERVIEW AND SCRUTINY**

*Not considered by Overview and Scrutiny*

**BACKGROUND PAPERS**

*CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes (as revised)*  
*CIPFA Treasury Management in the Public Services: Guidance Notes for Local Authorities including Police Authorities and Fire Authorities (as revised)*  
*CIPFA The Prudential Code for Capital Finance in Local Authorities (as revised)*

**RESPONSIBLE CABINET MEMBER**

***Peter Thornton***

*Deputy Leader of the Council and Cabinet Member for Finance*

**REPORT AUTHOR**

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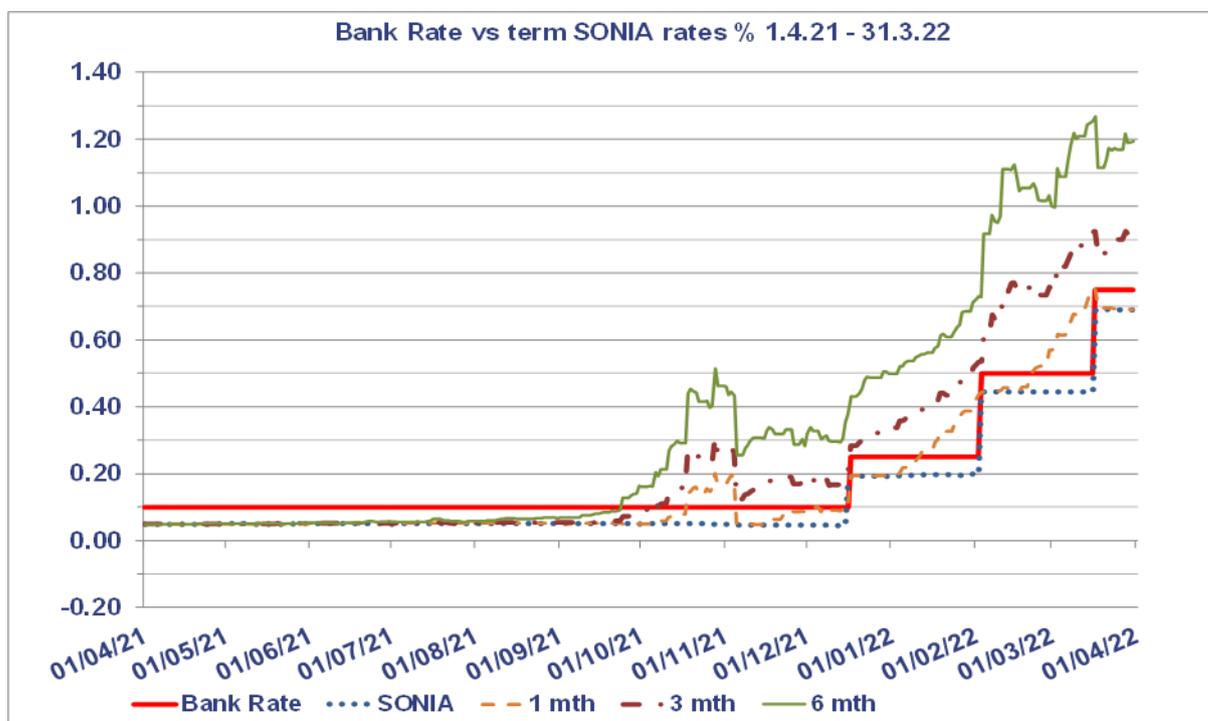
## Summary of Treasury Management Activity in 2021/22

### 1.0 CONTEXT - ECONOMIC PERFORMANCE UPDATE AND OUTLOOK

1.1 During 2021/22 the markets saw a high level of volatility. The key drivers of this volatility included opposing expectations for interest rate changes and inflation, the continuing impact of the COVID-19 pandemic, and the Russian invasion of Ukraine.

1.2 Against this backdrop investment rates remained historically low, although the final few months saw an increase as markets priced in expectations of future rate increases. In summary:

- The Bank Base rate started the year at 0.10% and, for much of the first quarter, forecasters suggested interest rates could fall further, potentially into negative rates. This was reflected in negative average market rates for very short-term investments.
- The risk of a further rate cut dissipated at the end of the Summer, as inflation looked to be rising, and investment rates for deposits of six months or longer improved.
- Following the first base rate change in December to 0.25%, market expectations moved quickly to multiple upwards rate hikes, and as inflation figures increased sharply, the response was further base rate rises in February to 0.50% and in March to 0.75%.



1.3 Further Bank Rate increases are forecast during 2022 with Link Group forecasting a rate of 2.0% by March 2023. There are, however, inherent uncertainties in forecasting the Bank Rate which may lead to amendments to the forecast within a relatively short time frame. These include: -

- The Government's fiscal policies which may suppress GDP growth.

- The Monetary Policy Committee (MPC) tightening monetary policy (i.e. by raising Bank Rate or unwinding Quantitative Easing (QE)) too quickly.
- The MPC tightening monetary policy too late to ward off building inflationary pressures.
- Geo-political risks - on-going global power influence struggles between Russia/China/US/Iran and the Russian invasion of Ukraine, and
- Further economic impact arising from the COVID pandemic or new mutations which could depress economic activity.

1.4 **Inflation:** CPI rose by 9.0% in the 12 months to April 2022 taking the figure to its highest level in 40 years, meaning that, at the time of writing, it is now more than four times the Bank of England's 2% target. The Bank of England has suggested inflation could peak at 10% later this year when the energy price cap is increased in October.

1.5 Taking the above into account, the Council's treasury advisor, Link Group, expect the Bank of England to react to this high inflation with further rises following the bank rate increase to 1% in May, but see rises to 3% (forecast by Capital Economics) being less likely to occur, due to the unwanted impact to repress economic growth. Link Group has provided the following forecast as at 10 May 2022.

Interest Rate Forecasts								
Bank Rate	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Link	1.25%	1.50%	1.75%	2.00%	2.00%	2.00%	2.00%	2.00%
Cap Econ	1.25%	1.75%	2.25%	2.50%	2.75%	3.00%	3.00%	3.00%
<b>5Y PWLB RATE</b>								
Link	2.50%	2.50%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%
Cap Econ	2.70%	3.10%	3.50%	3.60%	3.80%	3.60%	3.50%	3.30%
<b>10Y PWLB RATE</b>								
Link	2.80%	2.80%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%
Cap Econ	2.90%	3.20%	3.60%	3.70%	3.80%	3.70%	3.60%	3.50%
<b>25Y PWLB RATE</b>								
Link	3.00%	3.10%	3.10%	3.20%	3.20%	3.20%	3.10%	3.10%
Cap Econ	3.00%	3.30%	3.70%	3.80%	3.90%	3.80%	3.70%	3.60%
<b>50Y PWLB RATE</b>								
Link	2.70%	2.80%	2.80%	2.90%	2.90%	2.90%	2.80%	2.80%
Cap Econ	2.80%	3.10%	3.60%	3.70%	3.80%	3.80%	3.70%	3.60%

## 2.0 CUMBRIA COUNTY COUNCIL'S TREASURY MANAGEMENT ACTIVITY 2021/22

2.1 The economic and financial environment in which the Council's treasury operations are undertaken remains challenging and interest rates had remained low until recent months. As such, it was considered appropriate for the Council to continue to take a risk aware and prudent approach to its Treasury Strategy during 2021/22. The Council's approach and the outcomes of it are set out in the following sections below:

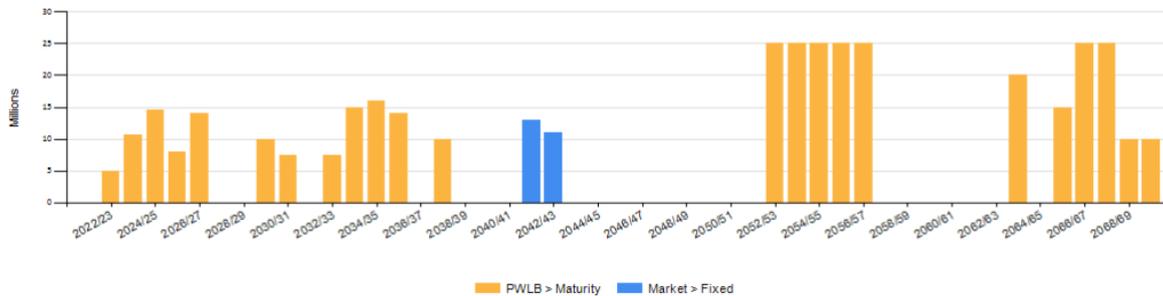
- Section 3 – Debt Management (Borrowing)
- Section 4 – Investment Portfolio
- Section 5 – Training & Advisors
- Section 6 – Compliance with Treasury Limits

### 3.0 DEBT MANAGEMENT (BORROWING)

- 3.1 The Treasury Management function ensures that the Council's cash is managed in accordance with the relevant professional codes and that sufficient cash is available to fund those plans. This involves both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The Prudential Code only permits the Council to borrow in the long term to finance capital spend. In accordance with this the Council's Borrowing Strategy details the Council's approach to funding the expected need detailed in the Capital Programme.
- 3.2 The Strategy for 2021/22 agreed in February 2021 was to continue using cash balances for internal borrowing whilst possible, but to also make tactical decisions to take new external borrowing (which has previously been approved by Council to fund schemes in the capital programme) where considered appropriate in order to protect against rising interest rates in the future.
- 3.3 No new long-term borrowing has been undertaken in 2021/22 and no existing loans matured during the year. In recognition that the ability to defer borrowing is limited by the actual use of reserves and balances (i.e. available cash) this has been (and continues to be) kept under close review throughout the year.
- 3.4 Details of all debt maturity and interest rates are presented further below.

#### Long term borrowing (Debt Portfolio) at 31 March 2022

##### Maturity Profile of Individual Loans:



##### Total Loan Duration:



Key: Dark colour = Market Loans (LOBO's), medium colour = Public Works Loans Board (PWLB)

Note: Lender Option Borrower Options (LOBOs) are long term 'market loans' (i.e. a loan from a bank for a fixed period repaid at maturity). The interest rates in the initial periods of these loans are at a discount to the market rate. The lender has the option to change the terms, at which point the

Council has the option to repay the loan early. Due to this, the loans are classed as 'variable' rate. The costs of early repayment have been reviewed and penalties for re-financing are currently prohibitive.

The LOBOs taken out between 2002 and 2003 total £24m (6.2%) of the Council's total long term borrowing as at 31 March 2022.

Debt portfolio detail at 31 March 2022:

Lender	Original Loan Start Date	Maturity Date	Principal	Interest Rate
P W L B	04-May-95	15-Nov-22	5,000,000	8.50
P W L B	24-Dec-97	15-May-23	5,700,000	6.25
P W L B	04-May-95	15-Nov-23	5,000,000	8.50
P W L B	24-Sep-98	15-May-24	9,500,000	5.00
P W L B	04-May-95	15-Nov-24	5,000,000	8.50
P W L B	14-Nov-01	14-Nov-25	3,000,000	4.50
P W L B	29-May-03	15-Nov-25	5,000,000	4.45
P W L B	14-Nov-01	13-Nov-26	14,000,000	4.50
P W L B	04-Sep-19	01-Sep-29	10,000,000	1.21
P W L B	22-Oct-18	22-Oct-30	7,500,000	2.50
P W L B	22-Oct-18	22-Oct-32	7,500,000	2.60
P W L B	27-Aug-10	27-Aug-33	15,000,000	3.92
P W L B	20-Dec-04	15-May-34	16,000,000	4.50
P W L B	19-May-05	15-May-35	14,000,000	4.50
P W L B	10-Dec-07	15-Nov-37	10,000,000	4.49
FMSWERTM	25-Jan-02	27-Jan-42	13,000,000	4.73
FMSWERTM	31-Jan-03	30-Jan-43	11,000,000	4.45
P W L B	25-Jan-07	15-May-52	25,000,000	4.25
P W L B	25-Jan-07	15-May-53	25,000,000	4.25
P W L B	25-Jan-07	15-May-54	25,000,000	4.25
P W L B	25-Jan-07	14-May-55	25,000,000	4.25
P W L B	08-Mar-07	15-May-56	25,000,000	4.25
P W L B	10-Jun-19	10-Jun-63	20,000,000	2.16
P W L B	22-Oct-18	22-Oct-65	15,000,000	2.67
P W L B	28-Mar-18	28-Mar-67	25,000,000	2.32
P W L B	28-Mar-18	28-Mar-68	25,000,000	2.32
P W L B	31-May-18	31-May-68	10,000,000	2.25
P W L B	04-Sep-19	01-Sep-69	10,000,000	1.67
			<b>386,200,000</b>	<b>3.83</b>

Note: The FMSWERTM borrowing above relates to market loans with FMS Wertmanagement Bank Germany. Initially taken from Depfa Bank Plc (Dublin) and subsequently transferred by the lender to FMS.

PWLB New Loan Borrowing rates over the period:



- 3.5 PWLB lending is offered at a fixed margin above the Government’s cost of borrowing, as measured by gilt yields. In November 2020, the Chancellor announced the current margins, and a prohibition was introduced to deny access to borrowing from the PWLB for any local authority purchasing assets primarily for yield (i.e. commercial projects, particularly property investment).
- 3.6 Any change in rates for new loans does not affect the existing borrowing that the Council has through the PWLB as the rates are fixed to maturity.
- 3.7 No new long-term borrowing has been undertaken during 2021/22 as the strategy has been to defer external borrowing.

**CAPITAL FINANCING REQUIREMENT (CFR)**

3.8 The CFR denotes the Council’s underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from temporary internal cash balances (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions and the level of cash balances.

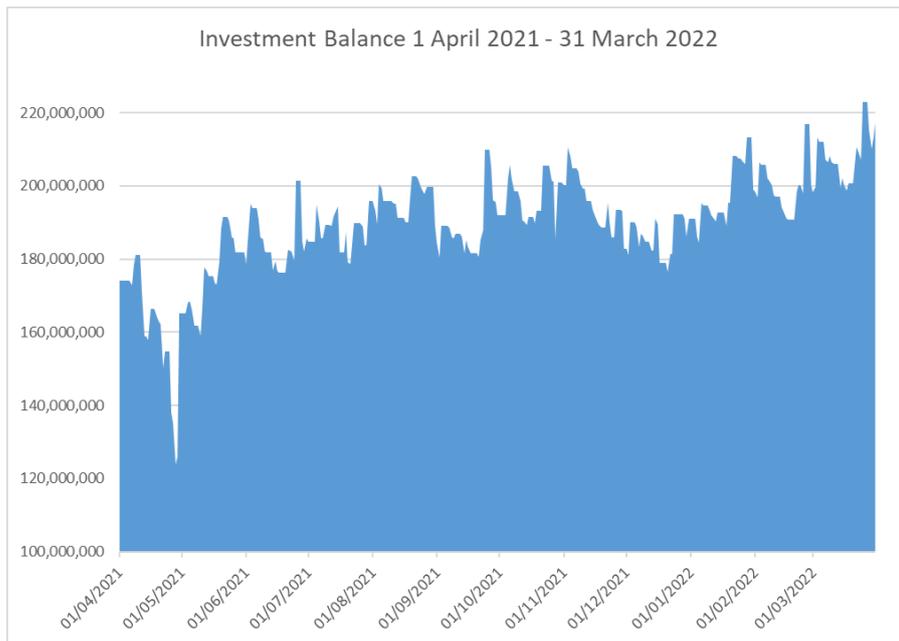
**External & Internal borrowing and the Capital Financing Requirement (CFR)**

	Forecast 31/03/2022 £m	Actual 31/03/2021 £m
Capital Financing Requirement (CFR)	556.0	557.0
PFI Liabilities	(110.9)	(112.2)
Over/(under) borrowed i.e. Internal Borrowing	(58.9)	(58.6)
Total = External Borrowing	386.2	386.2

- 3.9 As at 31 March 2022, the Council's estimated capital financing requirement (CFR) for 2021/22 is £556.0m (excluding PFI and other long term liabilities). This decrease of £1.0m from the CFR as at 31 March 2021 (£557.0m reported to Council in September 2021), reflects the outcomes for actual spend on the 2021/22 Capital Programme (new schemes due to be funded by prudential borrowing in the year are less than the MRP charge for the year).
- 3.10 The estimated level of internal borrowing as at 31 March 2022 is £58.9m.

#### **4.0 INVESTMENT PORTFOLIO 2021/22**

- 4.1 In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and then to obtain an appropriate level of return which is consistent with the Council's risk appetite.
- 4.2 The Council's investments increased from £175.6m at 31 March 2021 to £217.4m at 31 March 2022.
- 4.3 As previously reported, expectations prior to the pandemic had been that the Council's cash balances would reduce over the year, with key drivers being:
- The upfront payment in April for the Council's 2021/22 Local Government Pension Scheme employer pension contribution (£31.7m), enabling the Council to take a discount for early payment which has benefited the Council's Revenue Budget and was assumed within the Base Budget;
  - The spending of COVID-related funding received as a mix of temporary and upfront grants since the start of the pandemic; and
  - Payments for ongoing capital works which continued throughout 2021/22.
- 4.4 However, as the pandemic recovery continues, more new monies have been received as temporary and upfront grants to support Council services. In addition, monies were received to support the costs of transitioning through the local government reorganisation process (LGR). These included:
- £20m central government COVID and other one-off grants;
  - £16m Department of Health funding for COVID grants;
  - £10m additional business rates monies; and
  - £9m District Council funding for the LGR reserve.
- 4.5 The Council also received a number of upfront grants relating to ongoing and new capital programmes. The cash balance therefore incorporates the remaining balance of those grants due to be spent during 2021/22 and beyond including:
- £36m from the Department for Transport for various highways schemes (including potholes funding, safer roads and block funding);
  - £19m from the Department for Education and Skills, and.
  - £8m for the BT Broadband rollout.
- 4.6 The average level of funds available for investment purposes was £190.1m (highest balance £223.0m, lowest balance £123.9m, as shown in the following chart). These funds were available on a temporary basis, and the level of funds available is normally dependent on the timing of council tax receipts, precept payments, receipt of grants and progress on the Capital Programme.



- 4.7 The Council's investment strategy is to first provide security and adequate liquidity, before considering optimising investment return. The aim is for an appropriate balance of instant access, short-term investments (paying lower rates) and longer, three to twelve month deposits (earning higher rates). The Council is committed to this policy, but it must be acknowledged that it lowers the potential interest rates available.
- 4.8 During the first six months of the year there was a reasonable expectation that the base rate could be cut to nil or lower, i.e. a negative base rate. The strategy in reaction to this was to look to place fixed rate deposits for surplus cash earning positive returns, whilst maintaining a high level of security on the whole investment portfolio. As rates picked up and these deposits matured, they were replaced in the second half of the year with higher earning deposits.
- 4.9 The Council's average investment rate as at 31 March 2022 is 0.48%, which reflects the blend in the portfolio from investments held in instant access accounts used for daily liquidity but with low returns, and the fixed term investments with a longer maturity, returning up to a rate of 1.46% (arranged at the end of March 2022).
- 4.10 The Council's investment portfolio and average interest rate as at 31 March 2022 is shown below.

Credit Limit Group / Counterparty	Country	Credit Rating	Deposit Type	Start Date	Maturity Date	Principal (£)	Interest Rate (%)
<b>BANK OF ENGLAND</b>							
DEBT MANAGEMENT OFFICE	UK	AA-	Term Deposit	09/03/2022	08/04/2022	10,000,000	0.51%
<b>YELLOW (£20m MAX, UP TO 2 YRS)</b>							
BNP PARIBAS MMF - INSTICASH	UK	AAA	MMF*			20,000,000	0.64%
FEDERATED ST PRIME MMF	UK	AAA	MMF*			14,000,000	0.50%
ABERDEEN STANDARD MMF	UK	AAA	MMF*			18,800,000	0.50%
DEUTSCHE PLATINUM MMF	UK	AAA	MMF*			4,600,000	0.49%
<b>PINK (£20m MAX)</b>							
ROYAL LONDON CASH PLUS FUND	UK	AAA	USDBF**			20,000,000	0.00%
<b>BLUE (£25m MAX, UP TO 1 YEAR)</b>							
NATIONAL WESTMINSTER BANK	UK	A+	Term Deposit	24/09/2021	26/09/2022	10,000,000	0.24%
NATIONAL WESTMINSTER BANK	UK	A+	Term Deposit	28/10/2021	28/10/2022	5,000,000	0.67%
NATIONAL WESTMINSTER BANK	UK	A+	Term Deposit	09/02/2022	09/02/2023	5,000,000	1.33%
<b>ORANGE (£20m MAX, UP TO 1 YEAR)</b>							
AUSTRALIA AND NEW ZEALAND BANK	AUS	A+	Term Deposit	05/05/2021	04/05/2022	5,000,000	0.15%
AUSTRALIA AND NEW ZEALAND BANK	AUS	A+	Term Deposit	05/08/2021	04/08/2022	10,000,000	0.17%
AUSTRALIA AND NEW ZEALAND BANK	AUS	A+	Term Deposit	06/10/2021	06/04/2022	5,000,000	0.30%
<b>RED (£15m MAX, UP TO 6 MTHS)</b>							
BAYERISCHE LANDESBANK	GER	A-	Term Deposit	28/01/2022	28/04/2022	10,000,000	0.40%
GOLDMAN SACHS	UK	A+	Term Deposit	29/10/2021	29/04/2022	10,000,000	0.44%
GOLDMAN SACHS	UK	A+	Term Deposit	29/11/2021	30/05/2022	5,000,000	0.28%
LANDESBANKEN HESSEN	GER	A+	Term Deposit	06/10/2021	06/04/2022	5,000,000	0.24%
LANDESBANKEN HESSEN	GER	A+	Term Deposit	13/12/2021	13/06/2022	10,000,000	0.27%
NATIONAL BANK OF CANADA	CAN	A+	Term Deposit	25/01/2022	25/07/2022	10,000,000	0.57%
SANTANDER UK	UK	A+	Term Deposit	12/01/2022	12/07/2022	5,000,000	0.51%
SANTANDER UK	UK	A+	Term Deposit	29/03/2022	29/09/2022	10,000,000	1.20%
STANDARD CHARTERED	UK	A+	Term Deposit	29/11/2021	27/05/2022	10,000,000	0.28%
STANDARD CHARTERED	UK	A+	Term Deposit	31/03/2022	30/09/2022	5,000,000	1.46%
<b>GREEN (£10m MAX, UP TO 100 DAYS)</b>							
LEEDS BUILDING SOCIETY	UK	A-	Term Deposit	22/03/2022	22/06/2022	10,000,000	0.72%
*Money Market Fund (instant access) **Ultra short dated bond fund (2-3 days access)						<b>Average Rate and Total Investments</b>	<b>217,400,000</b> 0.48%

4.11 New deals arranged in the period 1st April 2021 to 31st March 2022 are shown below:

Counterparty	Start Date	Maturity Date	Amount	Rate %
GOLDMAN SACHS INTERNATIONAL BANK	30/04/2021	29/10/2021	10,000,000	0.24
AUSTRALIA AND NEW ZEALAND BANK	05/05/2021	05/08/2021	10,000,000	0.10
AUSTRALIA AND NEW ZEALAND BANK	05/05/2021	04/05/2022	5,000,000	0.15
STANDARD CHARTERED BANK	27/05/2021	29/11/2021	10,000,000	0.13
GOLDMAN SACHS INTERNATIONAL BANK	27/05/2021	29/11/2021	5,000,000	0.24
DUNDEE CITY COUNCIL	11/06/2021	12/01/2022	10,000,000	0.06
LEEDS BUILDING SOCIETY	30/06/2021	06/10/2021	10,000,000	0.06
LANDESBANK HESSEN-THURINGEN LONDON	13/07/2021	13/12/2021	10,000,000	0.10
AUSTRALIA AND NEW ZEALAND BANK	05/08/2021	04/08/2022	10,000,000	0.17
NATIONAL WESTMINSTER BANK	24/09/2021	26/09/2022	10,000,000	0.24
SANTANDER UK	29/09/2021	29/03/2022	10,000,000	0.20
STANDARD CHARTERED BANK	01/10/2021	31/03/2022	5,000,000	0.20
AUSTRALIA AND NEW ZEALAND BANK	06/10/2021	06/04/2022	5,000,000	0.30
LANDESBANK HESSEN-THURINGEN LONDON	06/10/2021	06/04/2022	5,000,000	0.24
NATIONAL WESTMINSTER BANK	28/10/2021	28/10/2022	5,000,000	0.67
GOLDMAN SACHS INTERNATIONAL BANK	29/10/2021	29/04/2022	10,000,000	0.44
ABERDEEN CITY COUNCIL	22/11/2021	22/03/2022	5,000,000	0.05
GOLDMAN SACHS INTERNATIONAL BANK	29/11/2021	30/05/2022	5,000,000	0.28
STANDARD CHARTERED BANK	29/11/2021	27/05/2022	10,000,000	0.28
LANDESBANK HESSEN-THURINGEN LONDON	13/12/2021	13/06/2022	10,000,000	0.27
SANTANDER UK	12/01/2022	12/07/2022	5,000,000	0.51
NATIONAL BANK OF CANADA	25/01/2022	25/07/2022	10,000,000	0.57
BAYERISCHE LANDESBANK	28/01/2022	28/04/2022	10,000,000	0.40
NATIONAL WESTMINSTER BANK	09/02/2022	09/02/2023	5,000,000	1.33
DEBT MANAGEMENT OFFICE	09/03/2022	08/04/2022	10,000,000	0.51
STIRLING COUNCIL	18/03/2022	25/03/2022	3,000,000	0.75
LEEDS BUILDING SOCIETY	22/03/2022	22/06/2022	10,000,000	0.72
SANTANDER UK	29/03/2022	29/09/2022	10,000,000	1.20
STANDARD CHARTERED BANK	31/03/2022	30/09/2022	5,000,000	1.46

4.12 The average investment returns achieved in the twelve month period are noted in the table below:

Period	Benchmark Return % pa	Average Rate of Return achieved % pa	Out/(Under) Performance %
Year to 31/03/22	0.14%	0.16%	+ 0.02%

4.13 As illustrated, the Council outperformed the benchmark, the SONIA (Sterling Overnight Index Average) 7 day compounded average, by 0.02% (2 basis points).

## 5.0 TRAINING AND ADVISORS

5.1 The Director of Finance (S151 Officer) ensures that any Officer involved in the operation of the treasury management function, receives appropriate training relevant to their needs to ensure they fully understand their roles and responsibilities. During the year Treasury staff continued to attend regular courses and seminars provided through its advisors, Link Asset Services, its membership of the CIPFA Treasury Management Forum (TMF) Scotland and England, and other ad hoc events including treasury software supplier forums.

5.2 In addition to this training, the Director of Finance (S151 Officer) and Officers within the Finance Team receive professional and technical advice from the Council's contracted external advisors, Link Asset Services.

## **6.0 COMPLIANCE WITH TREASURY LIMITS**

6.1 During the financial year Officers operated within the treasury limits and Prudential Indicators agreed by the County Council in February 2021. The outturn for the prudential indicators is attached as Appendix B.

## APPENDIX B – THE COUNCIL’S PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT INDICATORS 2021/22

Officers can confirm that all Treasury Management activities undertaken during 2021/22 were within the boundaries of the Prudential Indicators approved by Council in February 2021.

		2021/22 Revised Estimate	2021/22 Actual (subject to audit) **
	<b>PRUDENTIAL INDICATORS – Affordability</b>	<b>£m</b>	<b>£m</b>
1	<b>Estimate of proposed capital expenditure</b>	128.441	88.645
	<b>Estimate of proposed capital expenditure to be funded by prudential borrowing</b>	26.389	13.286
	The revised estimate (as included within the Qtr2 2021/22 Monitoring report) and forecast actual capital expenditure and amount of capital expenditure to be funded by prudential borrowing for 2021/22.		
2		<b>£m</b>	<b>£m</b>
	<b>Capital Financing requirement (CFR) excluding PFI &amp; other long term liabilities– the borrowing need</b>	458.25	445.15
	<b>Capital Financing requirement (CFR) including PFI &amp; other long term liabilities– the borrowing need</b>	568.96	556.03
	The Capital financing requirement indicator is a measure of the Council's underlying need to borrow for capital purposes.		
3a	<b>Ratio of Finance costs to Net Revenue Stream exclusive of PPPI</b>	<b>%</b>	<b>%</b>
		6.90	5.96
3b	<b>Ratio of Finance costs to Net Revenue Stream Inclusive of PPPI</b>	10.32	9.30
	This indicator shows the proportion of income received from grant and Council Tax that is spent on paying for the consequences of borrowing to fund capital borrowings.		

<b>PRUDENTIAL INDICATORS - Prudence</b>		<b>2021/22 Approved *</b>	<b>2021/22 Actual (subject to audit)**</b>
<b>4</b>	<b>Authorised limit for external debt</b>	<b>£m</b>	<b>£m</b>
	Borrowing	516	386
	Other Long term Liabilities	135	111
	<b>Total</b>	<b>651</b>	<b>497</b>
<p>This is the limit beyond which borrowing is prohibited, and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit (Legal Limit) determined under section 3 (1) of the Local Government Act 2003.</p>			
<b>5</b>	<b>Operational Boundary for external debt</b>	<b>2021/22 Approved *</b>	<b>2021/22 Actual (subject to audit)**</b>
		<b>£m</b>	<b>£m</b>
	Borrowing	491	386
	Other Long term Liabilities	125	111
	<b>Total</b>	<b>616</b>	<b>497</b>
<p>The Operational Boundary is based on the Council's prudent estimate of the maximum level of external debt. It is only a guide and may be breached temporarily on occasion without significant concern, due to variations in cash flow and/or interest rates. Any sustained or regular trend above the operational boundary will be investigated and action taken as appropriate.</p>			

<b>Upper Limit on Net Sums Borrowed</b>		<b>2021/22 Approved *</b>	<b>2021/22 Actual (subject to audit)**</b>
		<b>Limit £m</b>	
<b>6</b>	<b>Fixed interest rates</b>	491	362
<b>7</b>	<b>Variable interest rates</b>	100	(193) ***
<p>*** Net borrowing is negative as variable investments (£217m) exceed variable borrowing (£24m). All investments maturing within one year are classed as variable.</p> <p>The purpose of this indicator is to contain the Council's exposure to unfavourable movements in future interest rates. The indicators are expressed as Fixed Rate Debt less Fixed Rate Investments and Variable Rate Debt less Variable Rate Investments. The Council defines variable rate as including those instruments maturing within each year, as the replacement of those instruments will be subject to prevailing rates of interest.</p>			
<b>8</b>	<b>Maturity Structure of fixed interest rate borrowing</b>	<b>Upper</b>	<b>Lower</b>
	Under 12 months	30%	0%
	12 months to 2 years	40%	0%
	2 years to 5 years	40%	0%
	5 years to 10 years	40%	0%
	10 years and above	100%	30%
<p><b>Actual 31/03/22</b></p> <p>1.4%</p> <p>3.0%</p> <p>10.1%</p> <p>4.8%</p> <p>80.7%</p> <p>The maturity of borrowing is determined by the earliest date on which the lender can require payment. The indicator is designed to exercise control over the Council having large concentrations of fixed rate debt needing to be replaced at any one time.</p>			

\* 2021/22 Strategy as approved at Council in February 2021

\*\* 2021/22 Budget Outturn presented to Council in June 2022

<b>COUNTY COUNCIL</b>
<b>Meeting date: 23 June 2022</b>
<b>From: Chair of Scrutiny Management Board</b>

## **SCRUTINY UPDATE REPORT**

### **1.0 PURPOSE OF REPORT**

- 1.1 ***This report provides Council with an update on the work of Scrutiny and any issues and developments that have occurred since the last update to Council in April.***
- 1.2 ***The report also includes, as Appendix 1, the current Scrutiny Work Programme for 2022/23.***

### **2.0 ISSUES FOR THE COUNCIL**

- 2.1 ***Members are asked to:***
- 2.2 ***Note the recent activity undertaken by Scrutiny set out in this report; and,***
- 2.3 ***Note the Scrutiny Work Programme for 2022/23 attached as Appendix 1.***

### **3.0 BACKGROUND**

#### *Scrutiny Board Activity*

- 3.1 The Scrutiny Management Board met on 13 June 2022 and considered progress and future plans in the transformation of library services in the county. Members discussed the restructure of the service's workforce, new ways of working and recruitment of new staff, how digital technology and intelligent automation is being used to support transformation and improvement of services, improvements to library buildings across the county, and the work the service is undertaking with their communities and with partner organisations. Work to support the design of future library services through local government reorganisation, and the challenges and opportunities were also discussed.
- 3.2 SMB Members have also received a demonstration of some elements of how the Council's customer service system and planned improvements.

- 3.3 The Adults Scrutiny Advisory Board has not met since the last meeting of Council. The next meeting is on 24 June and Board Members are due to consider a strategic overview of the domiciliary and residential care sector, adult social care and day services, as well as an update on the current position of plans for the future of adults services being developed through the local government reorganisation programme.
- 3.4 Members are also due to scrutinise a summary of the inspection and performance reports across the provider sector.
- 3.5 The Children and Young People Scrutiny Advisory Board met on 24 May 2022 and undertook pre-decision scrutiny on the draft Youth Justice Strategy in advance of its consideration by Cabinet in July.
- 3.6 Board Members also received an update from the Executive Director – People on the Council’s role in local government reorganisation preparations in relation to Children’s Services.
- 3.7 The Communities and Place Scrutiny Advisory Board met on 10 June 2022 and reviewed lessons learned in respect of how vulnerable communities are supported through major incidents, and the draft Local Flood Risk Management Strategy.
- 3.8 Board Members also scrutinised the implementation of the Highways Information Management System.
- 3.9 The Cumbria Health Scrutiny Committee met on 18 May 2022 and considered a report regarding investigation into claims made in respect of urology services at the University Hospital Morecambe Bay NHS Foundation Trust. Board Members asked for future updates on next steps.
- 3.10 Committee Members also reviewed improvements in in-patient mental health provision across South Cumbria, and received an update on preparations for the implementation of Liberty Protection Safeguards. Members also received an update on ambulance provision in Cumbria.
- 3.11 The Local Enterprise Partnership (LEP) Scrutiny Board meets twice a year, so has not met since the last update to Council and is next scheduled to meet in September.

#### *Scrutiny Task and Finish Activity*

- 3.12 A Task and Finish Group has been established and has now started its work to review the current package of health and care reforms being implemented nationally and their implications in Cumbria. The Group is due to complete its review and report to the Council’s Cabinet and other decision-makers by the end of this year.

#### *Scrutiny Work Programme 2022/23*

- 3.13 The current Scrutiny Work Programme for 2022/23 is attached as Appendix 1 to this report. This work programme represents the final year of the Council’s Scrutiny activity and retains a focus on policy issues and service delivery which are important to local communities, supporting effective

Council service delivery through to the vesting day of Cumberland and Westmorland and Furness Councils.

- 3.14 In addition, Scrutiny Members are also undertaking review and evaluation work so that learning, experience and knowledge can be shared with the new Councils to ensure a smooth transition and so that they can build on this Council's effective approach to Scrutiny over the years.

#### *Call-Ins*

- 3.15 No call-ins have been received since the last update to Council.

## **4.0 CONCLUSION**

- 4.1 Scrutiny Members continue to play key roles in policy development and scrutiny of service delivery and performance through a busy work programme, alongside preparation for local government reorganisation.

**Councillor Bill Wearing**  
**Chair of Scrutiny Management Board**  
*June 2022*

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## **APPENDICES**

### ***Appendix 1 – Scrutiny Work Programme 2022/23***

## **REPORT AUTHOR**

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SCRUTINY MANAGEMENT BOARD			
	Issue	Description	Timeline
<b>Task &amp; Finish activity</b>	None		
<b>Board Meetings</b>	Absence Management	Update on absence management, employee wellbeing and support – including case studies and relevant comparative information.	September 2022
	Review of Council Scrutiny work and achievements	To review recommendations and their implementation during this Council to inform a final Scrutiny Report, and to consider approach to evaluation and sharing of information, knowledge and skills to inform future scrutiny arrangements in the two new unitary authorities in Cumbria.	September 2022
	Health and Care Task and Finish Review Report	To consider and approve the report from the Health and Care Task and Finish Group for submission to the relevant decision-making bodies.	November 2022
	Final Scrutiny Report	To consider a draft Final Cumbria County Council Scrutiny Report for presentation to full Council and for publication and sharing with the two new councils.	November 2022

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COMMUNITIES AND PLACE SCRUTINY ADVISORY BOARD			
	Issue	Description	Timeline
<b>Task &amp; Finish activity</b>	None		
<b>Board Meetings</b>	Natural Capital / Nature Recovery	Nature recovery and Cumbria County Council's role.	September 2022
	Cumbria Fire and Rescue Service	Her Majesty's Inspectorate Update.	September 2022
	Cumbria Fire and Rescue Service	Future Governance of Fire and Rescue Service	November 2022
	Community Power	Impact and benefits of community asset transfers through an asset-based community development approach.	November 2022
CHILDREN AND YOUNG PEOPLE SCRUTINY ADVISORY BOARD			
	Issue	Description	Timeline
<b>Task &amp; Finish activity</b>	None		
<b>Board meetings</b>	Annual Ofsted Letter	Board to receive update on Ofsted visit April and scrutinise progress in addressing Ofsted recommendations for improvements in Children's and Family Services.	September 2022

	SEND Update	To receive an update on the SEND Improvement Plan and to receive an update on how Cumbria is responding to the proposals set out in the SEND Green Paper.	September 2022
	Child Exploitation Update	Board to receive a six-monthly update on action to tackle Child Exploitation in Cumbria.	September 2022
	School Exam Results	Board to receive update on 2022 public examinations, including KS 2, GCSE and A-Levels. Report also to consider action to narrow attainment gaps and comparisons with previous years.	December 2022
<b>ADULTS SCRUTINY ADVISORY BOARD</b>			
	<b>Issue</b>	<b>Description</b>	<b>Timeline</b>
<b>Task &amp; Finish activity</b>	Health and Adult Social Care	Health and Adults Task and Finish group to: Scrutinise the implementation of the Health and Care Act and, understand the implications the Act has on the integration of Health and Care across the systems in both North and South Cumbria.	March 2022 – October 2022
<b>Board Meetings</b>	Adult Social Care Strategic Position	A situational update and presentation providing a strategic overview of the Domiciliary and Residential Care Sector, Adult Social Care and Day Services.	June 2022
	Local Government Reorganisation	Short paper and presentation outlining the current position on the plan for Adults Services.	June 2022 (subsequently as a standing item)
	Quality (Provider Services)	Members to have the opportunity to scrutinise a summary of the inspection and performance reports from across the provider sector with a particular focus on Cumbria Care.	June 2022

	Use of enhanced Assistive Technology to support discharge	The Board to examine the work with North Transfer of Care Hub to increase use of assistive technology to support discharges.	October 2022
	Policy framework for the Better Care Fund from 2023	For Members to understand and scrutinise how the programme will support implementation of the new approach to integration at place level and what this will mean in Cumbria.	October 2022
	Learning Disabilities Residential Care Framework	For Members to be presented with details of the new Framework for the provision of Learning Disabilities Residential Care.	October 2022
	Shared Outcome Framework	The Integration White Paper sets out the government's approach to designing shared outcomes which will place person-centred care at the centre of their plans for reform, Implementation of shared outcomes will begin from April 2023.	January 2023
	Safeguarding Adults at risk from abuse and neglect	Standing Item for each board meeting.	Ongoing Standing Item
	Board Briefing	Standing Item for each board meeting.	Ongoing Standing Item
<b>CUMBRIA HEALTH SCRUTINY COMMITTEE</b>			
	<b>Issue</b>	<b>Description</b>	<b>Timeline</b>
<b>Task &amp; Finish activity</b>	Integration of Health and Care	Health and Adults Task and Finish group to: Scrutinise the implementation of the Health and Care Act and, understand the implications the Act has on the integration of Health and Care across the systems in both North and South Cumbria.	March 2022 – October 2022

<b>Committee Meetings</b>	Update on the Health & Care Act and the impact on powers of Health Scrutiny	For the Committee to understand the measures for the Secretary of State (SoS) to intervene in proposals for NHS reconfigurations. The SoS will have to ask for views on the changes from local NHS organisations and health overview and scrutiny committees and publish a summary of their responses.	July 2022
	Mental Health Services at Cumbria, Northumberland, Tyne and Wear Foundation Trust (CNTW)	Update on the Improvements Made to Pathways of Care since the Transfer of Mental Health Services to CNTW.	July 2022
	Dentistry Services in West Cumbria	Opportunity for the Committee to scrutinise the measures being put in place to address the fragility of dentistry services in West Cumbria following on from the report received by the Committee in October 2021.	July 2022
	Stroke Care and Rehabilitation across North and South Cumbria	To receive an update on the implementation of the Enhanced Network Model of Acute Stroke Care and Rehabilitation in Lancashire and South Cumbria as well as the Hyper Acute Stroke Unit in North Cumbria including a comparison of the different operating models, what learning can be applied from one to the other.	October 2022
	L&SC Pathology Collaboration	To receive an update on the programme.	October 2022
	Cumbria and Lancashire Joint Health Scrutiny Committee	To note the outcome of the Joint Committee meeting planned for September which will consider the delivery of the CQC and NICHE action plan by University Hospitals Morecambe Bay Trust and the Community Beds Consultation outcome.	October 2022

	Digital Strategies	Report on the progress being made on digitising records and improving system interoperability across both Health Systems. By 2025 records of health and care delivery will be required to be digital, not paper, everywhere. The Government aim to have shared care records for all citizens by 2024 that provide a single, functional health and care record which citizens, caregivers and care teams can all safely access.	October 2022
	Cardiac Care	Committee to receive a report on Cardiac Care across both systems in Cumbria with a particular emphasis on the safety, quality and sustainability of the services that patients receive.	To be confirmed
<b>CUMBRIA LOCAL ENTERPRISE PARTNERSHIP SCRUTINY BOARD</b>			
	<b>Issue</b>	<b>Description</b>	<b>Timeline</b>
<b>Board Meetings</b>	To be confirmed	To be confirmed	September 2022
	To be confirmed	To be confirmed	March 2023

## **AUDIT AND ASSURANCE COMMITTEE**

Minutes of a Meeting of the Audit and Assurance Committee held on Thursday, 24 March 2022 at 10.30 am at Conference Room A/B, Cumbria House

### **PRESENT:**

Mrs HF Carrick (Chair)

Mr NH Marriner  
Mr GD Cook

Mr J Bell  
Mr F Morgan (Vice-Chair)

### **Also in Attendance:-**

- |                |   |
|----------------|---|
| Dr D Roberts   | - Executive Director - Corporate, Customer and Community Services                   |
| Mrs P Duke     | - Director of Finance (s151 Officer)  |
| Ms A Clark     | - Senior Manager - Pensions and Financial Services (Deputy S151 Officer – Pensions) |
| Mr R McGahon   | - Group Audit Manager   |
| Mrs H Kirk     | - Senior Risk Officer   |
| Mr D Hamilton  | - Democratic Services Officer   |
| Ms F Parker    | - Group Finance Manager - Corporate Accounting                                      |
| Ms D Middleton | - Senior Manager Finance  |
| Mr G Kelly     | - Engagement Lead - Grant Thornton  |
| Mrs N Ayre     | - Auditor-in-charge   |

### **PART 1 – ITEMS CONSIDERED IN THE PRESENCE OF THE PUBLIC AND PRESS**

#### **183 APOLOGIES FOR ABSENCE**

Apologies were received from Mrs E Mallinson and Mr S Collins.

#### **184 MEMBERSHIP**

There were no changes to the membership of the Committee on this occasion.

#### **185 DISCLOSURES OF INTEREST**

There were no disclosures of interest made on this occasion.

## 186 EXCLUSION OF PRESS AND PUBLIC

**RESOLVED** that, there were no items on the agenda which required the exclusion of press and public.

## 187 MINUTES

**RESOLVED** that, the minutes of the previous meeting held 7 December 2021 be agreed as an accurate and complete record.

## 188 DEEP DIVE RISK ANALYSIS

The Deep Dive presentation for this meeting focussed on the specific risk relating to the ***Impact of Local Government Reorganisation on the sustained provision of Council Services.***

The presentation was delivered by the Executive Director – Corporate, Customer and Community Services and the Director of Finance (s151 Officer) and covered the following:

- The Corporate Risk Description and Risk Score
- The link between this LGR Organisational Risk and other risks on the Corporate Risk Register
- Clarity around the two sets of LGR risks being managed, the LGR Organisational risk being managed by the County Council as part of their Corporate Risk Register and the full set of LGR Programme risks being managed by the LGR Programme Board as part of their LGR Programme risk register.
- Delivery of the County Council Statutory Responsibilities & Safe Transition of Services to vesting day.
- Engagement of the County Council within the LGR Programme and Management of County Council resources.
- Overview of the revised LGR Programme Board, Key Themes and Board membership
- Outline of the new political governance arrangements for the Shadow Authorities.
- Overview of the additional LGR Programme Capacity and Resources in place to support the programme delivery through the LGR Implementation Reserve
- Links between the Phases of the LGR Programme and timeline for the Joint and Shadow Committees as well as the shadow executives
- Assurances on the management of the County Council Legacy tasks and impact on A&AC forward plan for 2022/23.
- What support the Audit and Assurance Committee can provide over the next 12 months.

Members discussed the role of the incoming Shadow Authority Councillors on the work of the existing authorities. The Director of Finance (s151 Officer) explained that

the Shadow Authorities would not be directly delivering any services and their functions would be in relation to the establishment of the new Unitary authorities in respect of structure, Council Plan and service delivery options, 2023/24 revenue budget and Medium Term Financial Plan all of which would need to be implemented for vesting day. It was confirmed therefore that Shadow Authority members would not have the remit to make decisions that impact the services of existing sovereign authorities.

Members sought assurance that members and officers would be involved in providing a knowledge base for incoming members so as to ensure that the new authorities were able to take County Council services forward. The Director of Finance (s151 Officer) explained that actions and mitigations relating to the transition was being managed through the LGR Programme Board and induction and briefings for new members will be available. Regular appropriate updates would be brought to the Audit Committee through the Quarterly Risk Reports to update on the mitigations in place. The Executive Director – Corporate, Customer and Community Services explained that there were other means through which members could access LGR Programme information (the monthly briefings and newsletters). Regarding the safe transition of services specifically, there were blueprints for all services for the two councils being developed as well as Day 1 readiness assurance work.

The Executive Director – Corporate, Customer and Community Services was asked about member oversight of the LGR Programme – Theme Risks and she explained that responsibility sat with the Programme Board and the Programme Director. As the Programme moved towards Joint Committees and Shadow Authorities these bodies would then take over responsibility for the implementation plan, transition plan and the responsibility for the monitoring and risk management.

The Chair reiterated that the responsibility of this Audit & Assurance Committee was to seek assurance regarding the management of existing services through the period of transition until vesting day. However, she raised concerns about how audit oversight might be provided in the current transitional period of implementation. The Director of Finance (s151 Officer) explained that through the Corporate Risk Register assurance would be provided to ensure the County Council risk management approach was effective.

### **189 2021/22 QUARTER 3 – CORPORATE RISK REPORT**

Members considered a report from the Director of Finance which provided a progress update on the Corporate Risk Register to 31 December 2021.

The Senior Risk Officer provided the context and background for the Quarter 3 /early Quarter 4 period outlining the various challenges in place at that time. These included:-

- The Omicron variant and its impact on staffing capacity within Health and Social Care and also, its impact more broadly across non-care staff who were in a supporting and enabling role during that time - such as HR and Finance teams as well as others.
- Storms and weather events including storm Arwen and Storm Barra and since then we have had other named storms throughout Jan and February 2022.
- The LGR programme.

Members heard that there were 13 corporate risks on the register from across the Council. There were 9 high risks and 4 medium risks. These numbers were unchanged compared to Quarter 2. There had also been no new risks added to the register and no risks closed off at the end of Quarter 3.

With regard to changes to Risk Scores, at the end of Quarter 3, two risks - the *Resilience of the Care Sector and impact on meeting care needs* risk and the *Health & Social Care Demand and System Failure* risks – had reached the highest risk score of 25 and both showed a continued state of decline during Q3. Specifically, the *Health & Social Care Demand and System Failure* risk had increased in score from 16 to 25 in Q3.

The Senior Risk Officer reminded members that a request was made at the last Audit & Assurance Committee to revise the descriptions of the risk causal factors for the two previous new risks from Quarter 2, these were the risks relating to the *Reduction of the Council's Green House Gas Emissions* and the *Impact of LGR on the provision of Council Services*. The causal factors had now been amended slightly and the risk description of the net zero risk had been revised to include the need for organisational resilience / adaptation going forward as well as the need to cut carbon emissions.

On the topic of Horizon Scanning and Emerging Risks, members heard that during Quarter 4 and beyond, especially in respect of the potential impact of the Russia/Ukraine situation, all areas of evolving risk would be continuously monitored. The capacity issues across the wider Council in context of LGR, managing business as usual and specifically within Health & Social Care would also continue to be monitored, managed and mitigated accordingly.

The Senior Risk Officer concluded by explaining that for the next Audit and Assurance Committee members would consider both the Quarter 4 risk report and a Risk Register refresh.

The Chair sought to understand what would happen regarding the now realised risks (*Resilience of the Care Sector and impact on meeting care needs* risk and *Health & Social Care Demand and System Failure*). The Senior Risk Officer explained that a reassessment would be carried out in order to clarify and redefine the risk descriptions to reflect the ongoing relevance of the risks in context of the current organisational situation. The Vice-Chair voiced his concern on the fragility of the Health and Social Care system. The Director of Finance (s151 Officer) reminded members that there had been additional national funding made available to support the care market throughout January - March 2022 in addition to the Council's Market

sustainability Fund and explained that there was an ongoing conversation around what additional measures could be brought in to continue to try to mitigate the risk of market failure.

The Committee acknowledged the current and ongoing challenges and the effort required by Managers and Officers to maintain and keep improving the numerous risk controls. Members of the Committee gave their recognition to all parties involved across all directorates who have and continue to successfully manage their risks.

**RESOLVED** that,

- 1) members note the updates on Corporate Risks for Quarter 3 2021/22 and agree that this report provides sufficient assurance that the current Risk Management arrangements are both robust and effective,
- 2) members receive a presentation relating to the *Impact of Local Government Reorganisation on the delivery of Council Services* corporate risk.

## **190 ACCOUNTS PREPARATION 2021/22**

The report before the Committee set out the arrangements that were in place for the preparation and audit of the 2021/22 Accounts for the Council and the Pension Fund.

Members were reminded of the Council's strong track record in accounts preparation and heard that Cumbria County Council was one of only 9% of all local authorities to achieve the 30 September deadline for the sign off of the audit for their 2020/21 Accounts. The Audit Findings Report (AFR) for the Council's 2020/21 Accounts concluded that again the Council achieved a very high quality of financial reporting, with working papers being to a good standard. Grant Thornton commented positively on the effective response time to their audit queries. Overall, the very small number and the nature of the adjustments reflect the sustained improvement and substantial progress the Council has made in strengthening the accounts compilation process.

The Senior Manager – Accountancy and Financial Planning explained that the proposed deadline for the sign off of the unaudited accounts by the Director of Finance (s151 Officer) was 30 June 2022. This was in advance of the statutory deadline of 31 July and the Audited Statement of Accounts would be reported to Audit and Assurance Committee once the audit was completed in September.

In relation to IFRS16 Leases, CIPFA had launched an urgent consultation with a view to deferring the implementation of the new requirements due to the pressures across local government and the audit sector. Indications from the consultation showed that IFRS16 would likely be deferred by 2 years to 2024/25 and was due to be ratified by the financial Reporting advisory Board in early April 2022.

The Senior Manager - Pensions and Financial Services reported on the Audit Findings Report 2020/21 from a Cumbria Local Government Pension Scheme (LGPS) perspective. Members heard that the audit work undertaken by Grant Thornton identified no significant control weaknesses within the LGPS and no recommendations were included within its Audit Findings Report. It is intended that the 2021/22 Cumbria LGPS Financial Statements follow the same process as in previous years. The Fund would continue with its approach to set a cut-off date (16 May 2022) at which time all estimates within the accounts would be revised to reflect any non-trivial adjustments advised to the Pension Fund by this date.

In producing the 2020/21 financial statements, the Fund included an estimate of the impact of the McCloud case on the present value of past service liabilities on both a valuation basis and an IAS19 basis. The Fund was to include a similar estimate in production of the 2021/22 accounts. However, details of the resolution to McCloud would be expected to be finalised during 2022/23. Members heard that dependent upon the timing of this announcement Officers may need to reconsider the impact of the resolution and potentially adjust the accounting entries.

In a discussion regarding the unfolding of the humanitarian crisis in Ukraine. Members heard that investments in the Fund had been reviewed and it was identified that just over £3.2m (approximately 0.1% of the Fund) was invested in either Russia, Belarus or Ukraine. The Senior Manager – Pensions and Financial Services explained that from an accounting perspective this fell well below the materiality level. However, the finance team were working closely with investment managers to determine our next steps in relation to those investments.

The Chair reiterated the significant achievements of the Finance Team, those in the wider organisation and the External Auditors in producing the accounts to such a high standard each year. The Chair continued by stating that the fact that Cumbria County Council was one of only 9% of all local authorities to meet the 30 September deadline for the sign off of the audit for 20-21 was an achievement to be particularly proud of. The Committee thanked all those involved in the preparation of the County Council and LGPS accounts for their hard work.

**RESOLVED** that, members note the contents of the report.

## **191 INTERNAL AUDIT PROGRESS REPORT TO 31 JANUARY 2022**

Members considered a report from the Group Audit Manager which summarised progress on audit work included within the 2021/22 audit work plan and provided a link to the next agenda item on the draft Internal Audit plan for 2022/23.

The Group Audit Manager began by discussing the audits which were completed in the 3 months to 31 January 2022. There were 9 audits completed in the period and they reflected a positive position with 7 Reasonable, 1 Partial and 1 Limited. These audits consisted of 4 risk based reviews, which were as follows:

- Sufficiency of Early Years Places – Reasonable

- Corporate Complaints system – Reasonable
- Follow up – CNDR Connect - Partial
- Bridges and Structures - Reasonable

In addition to those risk based audits, there were 5 school audits

- St Bridget's RC School, Egremont – Reasonable
- Ellenborough and Ewanrigg Infants School - Reasonable
- St Benedict's Catholic High School, Whitehaven - Reasonable
- Parkview Nursery School - Reasonable
- Lakes School, Windermere – Limited

There were currently 2 reviews at draft report stage and the initial assurance levels both of those reviews received reasonable assurance and would contribute to the 2021/22 Head of Internal Audit Opinion. Members heard that of all the reviews completed to at least draft report stage, 81% received reasonable or substantial assurance which is higher than the 73% at the same stage in 2020/21.

Members heard that 1 follow up had been completed and 1 draft follow up report had been issued, with one having improved its assurance rating from partial to reasonable assurance (the highest opinion available for a follow up audit) whilst the other remained at partial assurance. A further 6 follow ups were also being undertaken.

The Group Audit Manager reflected on the scope of coverage and explained that at 31 January 2022 there had been 21 audit reviews in total completed. Of these, 14 were assurance reviews, there were a further 2 assurance reviews at draft report stage, giving a total of 16 assurance reviews to be considered for the 2021/22 Head of Internal Audit Opinion.

The Group Audit Manager highlighted the 2 latest assurance reviews which had received 'reasonable' assurance - Carlisle Southern Link Road (CSLR) governance arrangements (28 February) and Client Affairs – Follow up (8 March).

The Group Audit Manager explained that as part of work on the quarterly update and the production of the draft internal audit plan for 2022/23, audit reviews deemed 'Not yet started' as at 31 January 2021 were considered. In some cases the Audit team had discussions with the directorates and it became clear that, due to the continued impact of COVID-19, undertaking the review during 2021/22 would not have been appropriate. There were 2 reviews removed from the 2021/22 audit plan (LEP Funding and Transforming Care Implementation for learning disabilities) and 8 reviews which were rolled forward into the draft 2022/23 audit plan as follows:

- New Highways Information Management System
- Capital Programme – Monitoring and Management of Consultancy Spend and Utilisation
- CFRS - Asset Management
- CFRS - Maintenance of Operational Equipment

- COVID grants
- Regional Adoption Agency
- Follow ups:
  - Data Protection (GDPR)
  - ICT service continuity

**RESOLVED** that,

- 1) members note the progress and the outcomes of internal audit work,
- 2) members approve the changes to the 2021/22 Audit Plan.

## **192 DRAFT INTERNAL AUDIT PLAN 2022/23**

Members considered a report from the Group Audit Manager which presented the draft Internal Audit Plan 2022/23. The Group Audit Manager explained that as in previous years the audit plan was aligned with the Council's corporate, directorate and service level risks. The audit plan summarised the risks, controls and other assurances also described in the Corporate Risk Register and shows the internal audit work planned in 2022/23 against each corporate risk as well as the work done in the past five years.

Members heard that the number of audit days in the 2022/23 audit plan had been reduced by 100 days to reflect the fact that one part-time member of staff was taking early retirement in April 2022. The Group Audit Manager explained that coverage was considered adequate for 2022/23 to provide an overall opinion on the Council's arrangements for governance, risk management and internal control as required under the Public Sector Internal Audit Standards (PSIAS). The overall number of assurance audit reviews was less than in previous years as, due to local government reorganisation, there would be no ability to rollover partially completed audit reviews into 2023/24. It was also explained that the Internal Audit team had operated with 1.5 FTE staff vacancies due to uncertainty around the future of the Cumbria Shared Internal Audit Service and therefore, even though the shared service would cease on 31 March 2022, resources would not increase.

In producing the 2022/23 plan, consideration was given to Local Government Reorganisation (LGR). The Group Audit Manager explained that 120 days had been included relating to support and assurance work in respect of Local Government Reorganisation (LGR) and an additional 60 days had been allocated for ongoing assurance work on the £18.9 million LGR Implementation Reserve.

Members heard that amendments to the plan, if required would be sought where appropriate. The Group Audit Manager explained that in line with the PSIAS, and in accordance with the Internal Audit Charter, he will keep the plan under review and as appropriate, seek approval for amendments to ensure the plan continued to reflect the Council's significant risks.

Members heard that Internal Audit would continue to follow up all audits resulting in 'Partial' or 'Limited' assurance and in line with the approach introduced in 2019/20 which had a focus on high priority recommendations.

To conclude, the Group Audit Manager highlighted that the Internal Audit Charter had been updated to remove any references to the Cumbria Shared Internal Audit Service which would cease on 31 March 2022.

Members sought assurance regarding the high priority risks which related to CNDR Connect. The Group Audit Manager explained that the original report was carried out in Spring 2019, a new team had been put in place and improvement was expected over the coming months because of increased resource. The Group Audit Manager added that because of the nature of the contract, Internal Audit had been asked to carry out a return review in 2023 once they had time to address the issues.

The Chair commented on the clarity of the report and showed her appreciation for the balance which had been adopted within the Audit team so as to successfully balance empathy for the pressures of the challenges of the last two years whilst retaining sufficient coverage to give an Internal Audit opinion.

**RESOLVED** that, the Audit and Assurance Committee approves the draft audit plan for 2022/23 and the Audit Charter for 2022/23.

### **193 INTERNAL AUDIT – MANDATORY EXTERNAL ASSESSMENT**

Members considered a report from the Group Audit Manager which provided a recommendation as to whether the Council should undertake the next External Quality Assessment (EQA) of its internal audit arrangements which is due no later than November 2022.

The Group Audit Manager explained that the mandatory Public Sector Internal Audit Standards (PSIAS) require all public sector internal audit functions be subject to an external assessment at least once every five years. The Council's current EQA reported in November 2017 and concluded that the Council's Internal Audit service 'generally conforms' to the standards; this is the highest possible assessment. Members heard that the next EQA was due no later than November 2022. However, with Local Government Reorganisation in Cumbria, any improvements identified by the EQA would have limited value, and were unlikely to be implemented, as the current Internal Audit team would only exist for another five months prior to the Council's demise.

The Group Audit Manager explained the options available to the Committee and the reasoning behind the recommendation which was that that the Committee agree that the External Quality Assessment (EQA) of the Council's Internal Audit arrangements was NOT to be undertaken, which would result in one area of non-compliance with PSIAS, for the last five months of 2022/23, and would therefore need to be reported in the 2022/23 Annual Governance Statement.

It was added that the view of CIPFA was that as long as the Internal Audit service could demonstrate a robust internal assessment and evidence that the service was in conformance with all other aspects of PSIAS, then it would seem reasonable for the Audit and Assurance Committee and leadership team to accept that the service would not conform for the remaining few months. Members noted that the External Auditor shared this view.

**RESOLVED** that,

- 1) members approve not to undertake the External Quality Assessment (EQA) of the Council's Internal Audit arrangements, due in November 2022, and that this one area of non-compliance with PSIAS, for the last five months of 2022/23, be reported in the 2022/23 AGS,
- 2) members note that each year the Group Audit Manager confirms compliance with the PSIAS including that a Quality Assurance and Improvement Programme (QAIP) is in place and that progress has been made on implementing the recommendations arising from the November 2017 EQA.

#### **194 (GRANT THORNTON ITEMS)**

##### **a External Audit - Audit Plan Cumbria County Council**

The Engagement Lead – Grant Thornton introduced the Audit Plan for Cumbria County Council and highlighted the results of the FRC quality inspection which found that Grant Thornton had improved the quality of their audits significantly over the last year and of the audits which had been reviewed none were found to require significant improvement.

Members heard that significant risks were in line with those presented in previous years. The Engagement Lead – Grant Thornton explained that the Management Override of Controls risk was a default risk in all audits and the other two risks related to valuation of pension fund net liability and valuation of land and buildings, which would be the areas of key focus for the 2021/22 Audit.

Relating to Cumbria Holdings, the Engagement Lead – Grant Thornton explained that an issue that arose last year relating to valuation of specialist waste assets had now been closed and those final valuations were in line with historic valuations.

Members heard that an emerging theme which appears to be a focus for regulators is the valuation of infrastructure assets. The Engagement Lead – Grant Thornton explained that early conversations were already taking place with the Finance Team on how to reflect expenditure over time and updates would be provided to future meetings.

The Auditor In Charge stated that she was content with the progress made so far, there were no anticipated issues and work was on track for starting the field work in July and aiming for the September deadline.

The Director of Finance (s151 Officer) provided assurance to members that work was taking place to ensure that Cumbria County Council was able to offer support for the audit of other local authorities in Cumbria to ensure their reviews were completed in the lead up to vesting day.

The Chair congratulated the Grant Thornton team on the result of the FRC quality inspection stating that the acknowledgment of the External Auditors high standard provided still greater assurance to the Committee.

#### **b External Audit - Audit Plan Cumbria Local Government Pension Scheme**

The Engagement Lead – Grant Thornton introduced their Audit Plan for the Cumbria Local Government Pension Scheme and highlighted the matters and risk areas which had been taken into account in the plan.

Members heard that significant risks were in line with those presented in previous years. The Engagement Lead – Grant Thornton explained that the Management Override of Controls risk was a default risk in all audits and the other two risks related to valuation of Level 3 investments and directly held investment property, which would be the areas of key focus for the 2021/22 Audit. Members heard that communication between Finance and the external Auditors was strong and so there were no anticipated issues with regards to the timetable.

With regards to audit fees, there were national conversations taking place regarding fees and the Committee would be brought up to date in June when a decision had been taken.

### **195 FORWARD PLAN - AUDIT AND ASSURANCE COMMITTEE**

The Group Audit Manager explained that the Forward Plan had been amended so as to bring forward the Draft Internal Audit Annual Report 2022/23, the Annual Governance Statement 2022/23 and the Annual Review Audit and Assurance Committee Effectiveness 2022/23 to the March 2023 meeting instead of the June meeting. He explained that the rationale for this decision was so that these items could be brought before the current Audit and Assurance Committee who were best placed to consider the reports.

### **196 DATE & TIME OF NEXT MEETING**

The next meeting is due to take place on 27 June 2022 at Cumbria House, Carlisle.

The meeting ended at 13:15pm



## CUMBRIA PENSIONS COMMITTEE

Minutes of a Meeting of the Cumbria Pensions Committee held on Friday, 18 March 2022 at 9.30 am at Conference Room A/B, Cumbria House, Botchergate, Carlisle

### PRESENT:

Mr MH Worth (Chair)

#### County Councillors

Dr S Haraldsen  
Mr NH Marriner (Vice-Chair)  
Mr CP Turner

Mr CJ Whiteside  
Mr M Wilson

#### Employee Representatives

Ms J Wear (GMB)

#### Other Representatives:-

Ms C Scott - Investment Advisor  
Mr A Sutherland - Investment Advisor

#### Also in Attendance:-

Ms A Clark - Senior Manager - Pensions and Financial Services  
(Deputy S151 Officer – Pensions)  
Ms P Duke - Director of Finance (Section 151 Officer)  
Ms A McGuinness - Finance Manager - Pensions Administration  
Ms D Purvis - Finance Manager - Pensions & Treasury  
Ms L Taylor - Finance Manager - Pensions Investments and  
Governance  
Mrs D Burnet - Chair Cumbria LGPS Local Pension Board

### PART 1 – ITEMS CONSIDERED IN THE PRESENCE OF THE PUBLIC AND PRESS

#### 38 APOLOGIES FOR ABSENCE

Apologies for absence were received from Ms T Barber, Mr S Collins, Mr J Mallinson and Mr P Thornton.

#### 39 TERMS OF REFERENCE AND MEMBERSHIP

The Committee's Terms of Reference were noted.

The Chair welcomed Ms J Wear as the new GMB Union representative on the Committee. Ms Wear had replaced GMB Union representative, Mr J Keith. The Chair thanked Mr Keith for his contributions during his tenure on the Committee.

#### **40 DISCLOSURES OF INTEREST**

There were no disclosures of interest made at the meeting.

#### **41 EXCLUSION OF PRESS AND PUBLIC**

RESOLVED, that the press and public be excluded from the meeting during consideration of the following reports as they contain exempt information relating to the financial or business affairs of any particular person (including the authority holding that information) by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972:-

- Item 13 Border to Coast Pensions Partnership LTD (BCPP) Business Plan 2022-25 and Operating and Project Budgets 2022-23
- Item 14 Draft Pensions Fund Business Plan and Administration Budget 2022-23 (Part 2 items)
- Item 15 Monitoring Report for the Quarter Ended 31 December 2021- Part 2
- Item 16 Presentation – Local Government Review Update
- Item 17 Cumbria LGPS Investment Sub Group Activity Report to March 2022
- Item 18 Verbal Update – Emerging Issues
- Item 19 Closing Comments

#### **42 MINUTES**

RESOLVED, that the minutes of the meeting held on 10 December 2021 be approved as a correct record.

#### **43 REPRESENTATION FROM NON COUNTY COUNCIL EMPLOYERS AND DISTRICT COUNCILS**

There were no representations made at this meeting.

#### **44 SCHEDULE OF FUTURE MEETINGS**

The schedule of future meetings that had been published with the Agenda was noted.

#### **45 MINUTES OF THE BCPP JOINT COMMITTEE MEETING HELD ON 23 NOVEMBER 2021**

The Chair reported on the business conducted at the meeting. He reported on the discussions relating to the Responsible Investment Policies Annual Review 2021 and the question and answer session with Rachel Elwell. The Chair commented on the resignation of the Chief Investment Officer and noted that a replacement is being sought.

The Vice Chair queried whether the Responsible Investment Strategy would be thrown into disarray following Russia's invasion of the Ukraine. It was noted that the impact of Russia's invasion of the Ukraine would be covered later on the Agenda.

RESOLVED, that the minutes of the BCPP Joint Committee Meeting Held on 23 November 2021 be noted

#### **46 UPDATE FROM THE CUMBRIA LGPS LOCAL PENSION BOARD**

A report was considered from the Director of Finance (S151 Officer) regarding an update from the Cumbria LGPS Local Pension Board. The report summarised matters discussed by, issues arising from, and any recommendations made by the Cumbria LGPS Local Pension Board (CLPB) at the recent quarterly meeting, held on 21 January 2022. There were no areas of concern to highlight to Members.

The Chair of the CLPB reported on the business conducted at the meeting. Attention was drawn to the update from the Operations Manager – Local Pensions Partnership Administration (LPPA) on Project PACE which relates to the replacement of the Pensions Administration system used by LPPA, the project is going well. CLPB had raised a concern over the issue of cyber risk and the Board will be getting a presentation on this at the next meeting. The Chair of the Board thought that this concern could be compounded by the invasion of Ukraine by Russia as there had been increased incidences of hacking since the invasion.

The Pensions Committee Investment Advisor Ms Scott had provided governance training which was well received and debated at the meeting which was attended by two new members of the CPLB.

The Chair proposed to the Committee that the report be noted. It was,

RESOLVED that, the Committee notes the update from the Cumbria Local Pension Board

#### **47 CUMBRIA LOCAL GOVERNMENT PENSION SCHEME - FUND POLICY DOCUMENT - ANNUAL REVIEW**

A report was considered from the Director of Finance (S151 Officer) regarding the Cumbria Local Government Pension Scheme Fund Policy Document - Annual Review. The report advised that it was a regulatory requirement that Fund Policy documents were kept up to date and it was good practice for the Pensions Committee to formally review all aspects of management and governance of the Cumbria Local Government Pension Scheme (LGPS) at least annually. The report

incorporated all changes to existing policies (last published in November 2021) to reflect current circumstances and regulation changes in 2021/22.

The Finance Manager - Pensions Investments and Governance talked Members through the report. Attention was drawn to the four key substantial changes to the Fund Policy Document. Members were given a detailed appraisal of the updates to the Administration Strategy and Communications Policy, the Investment Strategy Statement, the Admission and Termination Policy and the Training policy and Plan.

The Finance Manager - Pensions Investments and Governance also referred to the Fund's 2020-21 Stewardship report which had been published in October 2021 and submitted to the Finance Reporting Council (FRC) for assessment against the 2020 Stewardship code. She was pleased to inform the Committee that it had been confirmed that the requirements had been met and the Fund was now a signatory to the Code and the logo would be displayed on the front page of the Fund's Stewardship report.

Ms Scott, Investment Advisor emphasised to the Committee that the requirements to meet the 2020 Stewardship Code were onerous so it was a significant achievement to become a signatory to the Code. She thought the Fund should be proud of this achievement. The Chair thanked officers for their work on the document.

A Member talked about his hopes for future Pensions Committee training for Members of the two new shadow local authorities following the May 2022 elections.

Another Member asked why 'The potential use of equity protection to mitigate the risk of significant equity market falls' had been removed from the Investment Strategy. The Senior Manager - Pensions and Financial Services explained this was merely an exercise in reducing the size of and tidying up the document, as it is not currently under consideration and mention of it may be misleading.

The Chair proposed acceptance of the recommendations as set out in the report to the Committee. It was,

RESOLVED, that the Committee:

- 1 Approves the changes to the Administration Strategy and Communications Policy
- 2 Approves the changes to the Investment Strategy Statement, including to reflect the Fund's revised set of interim investment targets, detailed further at item 17 of the agenda
- 3 Notes that the Fund's Stewardship Report 2020/21 has been assessed by the Financial Reporting Council (FRC) as meeting the requirements of the FRC's UK Stewardship Code 2020
- 4 Approves the changes to the Admission and Termination Policy
- 5 Approves the updated Training Policy and 2022/23 Training Plan

6 Notes and approves the other minor amendments made throughout the Fund Policy Document.

#### **48 MONITORING REPORT FOR THE QUARTER ENDED 31 DECEMBER 2021 - PART 1**

A report was considered from the Director of Finance (S151 Officer) regarding the Monitoring Report for the Quarter Ended 31 December 2021 - Part 1 items. The report advised Members of any material risk, administration, investment performance, governance, and policy issues of the Fund for the quarter ending 31 December 2021. It also identified any current governance issues, national regulatory changes and outlined the performance of the whole portfolio and movement on liabilities over the quarter to 31 December 2021.

The Finance Manager - Pensions talked Members through the report. Members were informed of a new risk associated with Local Government Reorganisation as it may have a negative impact on the sustained quality provision of the Fund. This was the subject of the presentation later in the meeting. An emerging risk had been added to the risk register which was associated with Russia's invasion of Ukraine which had led to increased volatility on global markets and increased illiquidity for some associated assets. It was noted that the Fund had no scheme members living in Russia, Belarus or Ukraine where pension payments may have been affected.

The risk associated with the impact that COVID-19 may have on pensions administration had been removed from the register in the current quarter as it no longer represented a material risk to service delivery however, officers had reviewed the continued inclusion of the risk of COVID-19 on investment performance and concluded that it was appropriate to retain the risk in the register until at least 31 March 2022.

In terms of Pensions Administration performance, another good quarter of Local Pensions Partnership - Administration's performance against the key performance indicators was reported. Performance in the quarter was 98.6% against a target of 95%. Performance targets had been reviewed and it had been agreed that from April 2022, LPPA would work to a reduced timeframe for dealing with cases.

The Fund had focussed on improving the quality of data held especially in the run up to the 2022 Valuation. The key areas that officers had focussed on were detailed for the Committee, in particular, the support provided to employers to send outstanding forms associated with leavers to LPPA.

Focus then moved onto an update on Guaranteed Minimum Pension (GMP) Reconciliation. Members were informed about progress of the Fund with undertaking a Scheme Guaranteed Minimum Pension reconciliation and implementing corrective action where required. Details were provided on the lack of HMRC guidance on how to deal with Pensions overpayments. To maintain consistency with the approach taken back in 2019, when the Pensions Committee gave approval to write-off previous overpayments, officers recommended that Members approve to write off these overpayments amounting to £47,000 and any

future overpayments arising from GMP. This position was in line with other LGPS Funds.

The Finance Manager - Pensions was pleased to report that the value of the Fund had increased in the quarter to 30 December from £3.257 billion to £3.361 billion. However, it was highlighted that the Fund value in the current quarter would be subject to the volatile financial markets arising from Russia's invasion of Ukraine. Members were delighted to note that the Fund continued to exceed its long term benchmarks with the 10 year performance returning 9.7% per annum compared to the Fund specific benchmark of 8.7%.

The Committee was informed about how the Fund continued with engagement with investments through shareholder voting (undertaken on its behalf by Robeco). An update was provided on developments in Policy and Regulation over the past quarter and it was reported that Members would receive further information, when it was available, on the McCloud Resolution within the LGPS, the Pension Regulator's Consolidated Code of Practice and the Exit Payment Cap.

Discussion ensued regarding the write off of pension overpayments. A Member asked if this action would be an officer delegated decision or a Pensions Committee decision and whether this would cover the writing off of future overpayments. The Finance Manager – Pensions advised that there would be few and relatively minor overpayments. As such the intention was that, if the Committee agreed, the decision be delegated to Officers, with the amounts written off subsequently reported to the Committee.

It was agreed by assent of the Committee that Resolution 3, as set out in the report, be amended to read:

'Approve to write off £47,000 of historic accrued overpayment of guaranteed Minimum Pensions (GMP) payments for pensioners in the Fund, and to delegate to the Director of Finance (s151 Officer) the decision to write-off GMP overpayments subsequently identified, on the proviso that (a) the delegation is capped at a total of £75,000 for further write-offs and (b) the amounts written off under this delegation are subsequently reported to Committee.

The Director of Finance (S151) Officer advised that to ensure transparency, the figures for and future write offs would be included in the Performance report considered at each meeting of the Committee.

A Member suggested that inflation and the conflict in the Ukraine be added to the Risk Register. The Senior Manager - Pensions and Financial Services acknowledged these risks and advised that the Risk Register would be reviewed to ensure they are appropriately reflected. She commented on the discussions held with the Committee's Investment Advisors about inflation. A Member commented in detail on the impact of the conflict in Ukraine on inflation and even the possibility of stagflation. It was considered that inflation should be a separate risk on the Register. A member urged officers to keep a watching brief on investments.

Mr Sutherland talked about the situation in Ukraine, acknowledging that it had affected the value of investments and there is a concern whether it will have a medium to long term effect, which could impact on the Investment Strategy going forward. The Chair commented on the extraordinary volatility of the markets and how some sectors would do well whilst others would struggle.

A Member expressed his concerns about the risk relating to Local Government Review, in particular how the Fund would likely remain as it was but that the Pensions Committee may split. The Chair noted that this was a matter of speculation at the moment, until the two new authorities were constituted.

The Chair proposed acceptance of the recommendations as set out in the report to the Committee including the amended recommendation 3 (as set out above in the minute). It was,

RESOLVED, that the Committee:

- 1 Receives and notes the performance and monitoring of the Fund for the period from 1 October 2021 to 31 December 2021
- 2 Notes issues arising relating to the governance of the Fund
- 3 Approves to write-off £47,000 of historic accrued overpayment of Guaranteed Minimum Pensions (GMP) payments for pensioners within the Fund, and to delegate to the Director of Finance (s151 Officer) the decision to write-off GMP overpayments subsequently identified, on the proviso that (a) the delegation is capped at a total of £75,000 for further write-offs and (b) the amounts written off under this delegation are subsequently reported to Committee.

#### **49 DRAFT PENSIONS ADMINISTRATION BUSINESS PLAN AND BUDGET 2022/23**

A report was considered from the Director of Finance (S151 Officer) regarding the Draft Pensions Administration Business Plan and Budget 2022/23. The report advised on the Draft Business Plan for 2022/23 and set out the Pension Fund's proposed work plan for the year. It also advised on the Draft Budget 2022/23 required to deliver the proposed Business Plan for the Cumbria Local Government Pension Scheme (the Fund).

The Senior Manager - Pensions and Financial Services talked Members through the report. It was expected that 2022/23 would be similar to 2021/22 in that it would be challenging so whilst the Plan sought to address the challenges, flexibility may be needed with any changes being brought before the Committee.

Members were informed that there were a number of key objectives in the Plan which related to three areas of the Fund's activities: administration, investment management and oversight and governance. Areas of work which were drawn to Members' attention included the investigation and implementation of suitable

investment options for the Fund with an important aspect being the continuation of work with BCPP, an appraisal of the work to be undertaken on the Triennial Valuation and preparing the Fund for Local Government Reorganisation in Cumbria. Reassurance was given that officers would be closely monitoring investment markets in light of the Russian invasion of Ukraine.

Members were then informed about the Cumbria LGPS budget. The proposed budget was reported and a number of key changes since the 2021/22 budget were outlined. One change related to staffing which had increased by £90k, the reasons for the increase were detailed for the Committee. These included changes to National Insurance; the 2020/21 and assumed 2022/23 pay award; and one additional post to support increased governance and reporting requirements for the LGPS. Another change related to administration which was due to the increase in the number of scheme members and a slight increase in the cost per member charged by LPPA.

Discussion ensued on whether the Pensions Team had adequate resources to meet the demand of the workload. The Senior Manager - Pensions and Financial Services talked to Members about the new officer post in the Team which would help with capacity but advised that there would be challenges ahead due to Local Government Reorganisation.

The Chair proposed acceptance of the recommendations as set out in the report to the Committee. It was,

RESOLVED, that the Committee approves:

- 1 The draft Business Plan for 2022/23
- 2 The draft budget required to administer the Cumbria LGPS of £7.478m for 2022/23 (which has been constructed in support of the activities outlined in the Draft Business Plan).

#### **50 BORDER TO COAST PENSIONS PARTNERSHIP LTD (BCPP) BUSINESS PLAN 2022-25 AND OPERATING AND PROJECT BUDGETS 2022/23**

A report was considered from the Director of Finance (S151 Officer) regarding the Border to Coast Pensions Partnership Ltd (BCPP) Business Plan 2022-25 and Operating and Project Budgets 2022/23. The report set out details of the BCPP Strategic Business Plan 2022-25 (which covered the financial years 2022/23 to 2023/25). The Plan was a continuation of BCPP's current strategy to ensure that the Company continues to build an organisation that is sustainable and financially resilient for the longer term.

The report also noted that the Shareholder resolutions for the remuneration of BCPP's two Executive Directors for 2022/23 were expected to be received outside the Committee cycle, and officers sought approval to delegate the required decision to the Director of Finance (Section 151 officer) in consultation with the Chair and Vice Chair of the Committee.

The Senior Manager - Pensions and Financial Services talked Members through the detailed report.

Members discussed the working culture at the BCPP, salary levels and comparative salary increases (private and public sector), financial benefits for officers, personnel changes at BCPP, and whether the company demonstrates value through its performance.

Discussion took place on investments, the role of Investment Managers including BCPP, how Fund investments were highly regulated, and the importance of fiduciary duty and the Fund's Investment Strategy.

The Chair proposed acceptance of the recommendations as set out in the report to the Committee. It was,

RESOLVED that,

- 1 The Committee notes the proposed BCPP Operating and Project Implementation budgets for 2022/23 and Business Plan 2022-25
- 2 The Committee supports the Chair of the Pensions Committee, in his capacity as the Council's Shareholder representative for the Company, to authorise the vote to approve the BCPP Strategic Business Plan for 2022-25 and the Operating and Project Implementation budgets for 2022/23.
- 3 The decision to either approve, not approve or abstain from the vote on the Shareholder resolutions relating to BCPP Executive Director remuneration and thereby agree how the Fund's votes on those resolutions be cast, be delegated to the Director of Finance (Section 151 Officer), in consultation with the Chair and Vice Chair of the Committee.

**51 DRAFT PENSIONS FUND BUSINESS PLAN AND ADMINISTRATION BUDGET 2022-23 (PART 2 ITEMS)**

A report was considered from the Director of Finance (S151 Officer) regarding the Draft Pensions Fund Business Plan and Administration Budget 2022-23 (Part 2 Items). The report provided details of the Fund's investment management fees budget for 2022/23, which, due to their confidential nature, were not reported publicly.

The Senior Manager - Pensions and Financial Services talked Members through the detailed report. There were no Member questions on this item.

The Chair proposed acceptance of the recommendations as set out in the report to the Committee. It was,

RESOLVED that, the Committee notes the detailed 2022/23 budget for investment management fees as summarised in the 2022/23 Draft Business Plan and Administration Budget report presented in Part 1 of the meeting.

## **52 MONITORING REPORT FOR THE QUARTER ENDED 31 DECEMBER 2021 - PART 2**

A report was considered from the Director of Finance (S151 Officer) regarding the Monitoring Report for the Quarter Ended 31 December 2021 - Part 2 items. The report advised Members of any matters that were considered to be Part 2 (due to the inclusion of exempt information relating to commercially sensitive matters of third parties including employers in the Fund, tax recovery cases, class actions and fraud cases), and therefore excluded from public disclosure, arising during the quarter ending 31 December 2021. These matters were generally in regard to either governance or employer issues.

The Finance Manager – Pensions Administration talked Members through the report.

Members asked questions on Class Actions, the number of employers in the Scheme and about an employer who had failed to pay within the statutory deadline.

The Chair proposed acceptance of the recommendations as set out in the report to the Committee. It was,

RESOLVED that, the Committee

- 1 Receives and notes the quarterly monitoring Part 2 items of the Fund for the period to 31 December 2021.
- 2 Supports the approval by the Section 151 Officer of the applications for admission to the Cumbria Fund from four companies providing services to Scheme employers in the Fund, on the basis that a guarantee is provided by each relevant Scheme employer.

## **53 PRESENTATION - LOCAL GOVERNMENT REVIEW UPDATE**

The Director of Finance and Senior Manager - Pensions and Financial Services gave a detailed update on Local Government Review (LGR).

Members asked questions on the statutory obligations of the new authorities, the information available on the LGR website, stakeholder engagement and connections to health organisations, Cumbria Fire and Rescue Service, decisions delegated to officers and the Section 24 Notice.

Members discussed which local unitary authority would administer the Fund and that the Government would need to support any proposal.

RESOLVED that, the position be noted.

## **54 CUMBRIA LGPS INVESTMENT SUB GROUP ACTIVITY REPORT TO MARCH 2022**

A report was considered from the Director of Finance (S151 Officer) regarding the Cumbria LGPS Investment Sub Group Activity Report to March 2022. The report outlined activities of the Investment Sub Group (ISG) meetings on 3 February 2022

(special meeting) and 3 March 2022, including any decisions made by the Section 151 Officer and the proposed future work schedule in respect of the Investment Sub Group.

The Finance Manager - Pensions and Treasury talked Members through the detailed report. Members talked about their concerns relating to inflation.

The Chair proposed acceptance of the recommendations as set out in the report to the Committee. It was,

RESOLVED that,

- 1 The Committee approves that the Director of Finance (Section 151 Officer) action the following investment commitment:
  - Up to £200m to the BCPP Private Credit fund Series 2a, subject to assurances on the size of the BCPP fund and associated investment manager diversification – this would form part of the Fund’s 14% long-term target strategic allocation to private debt (c.£471m at 31 December 2021).
- 2 The Committee notes an updated set of interim investment allocation targets, as follows;

<b>Implementation of long-term Target Strategy via temporary holdings</b>	<b>Interim aim (from 16/2/22)</b>	<b>Interim aim (from 1/4/23)</b>	<b>Target long-term aim</b>
<i>Public Equity - UK active</i>	4.5%	4.5%	4.5%
<i>Public Equity - Global active</i>	20.0%	20.0%	20.0%
<i>Public Equity - Overseas active</i>	4.5%	4.5%	4.5%
<i>Public Equity - Global passive</i>	6.0%	6.0%	6.0%
Total Public equity	35%	35%	35%
Private Equity	7%	7%	7%
Infrastructure equity	10%	11%	12%
<b>Equity subtotal</b>	<b>52%</b>	<b>53%</b>	<b>54%</b>
Private Debt/Credit	5%	8%	14%
Multi Asset Credit	14%	11%	5%
<b>Debt subtotal</b>	<b>19%</b>	<b>19%</b>	<b>19%</b>
Government Index-Linked Bonds	18%	17%	16%
Commercial property	8%	8%	8%
Residential property	1%	1%	2%
<b>Inflation-linkage subtotal</b>	<b>27%</b>	<b>26%</b>	<b>26%</b>
Strategic Cash / Other	2%	2%	1%
	<b>100%</b>	<b>100%</b>	<b>100%</b>

- 3 That the Committee asks the ISG to continue implementation of the tactical changes required to achieve the Fund’s Target Investment Strategy, including assisting the Section 151 Officer to approve opportunities for investment.

- 4 With regards to the recruitment of a new Independent Advisor, the Committee notes the progress of the appointment process for an Independent Advisor to the Committee.
- 5 The Committee notes the progress of the Investment Sub Group from December 2021 to March 2022;
- 6 The Committee notes the performance of the Fund over the quarter to 31 December 2021
- 7 The Committee agrees the proposed work programme of the Investment Sub Group for the next reporting period, including to continue planning and implementation of the changes required and research of available opportunities for investment to enable the Fund to achieve the Target Investment Strategy.

## **55 VERBAL UPDATE - EMERGING ISSUES**

The Senior Manager - Pensions and Financial Services gave a verbal update on the appointment to the Investment Advisor position to replace Mr A Sutherland. Mr Sutherland was thanked for his support and challenge to the Committee over many years.

Members were informed about the Public Service Pensions and Judicial Offices Act and the implications for Cumbria LGPS of the Russian invasion of Ukraine.

Members asked questions on the aims of the Judicial Offices Act and on the implications for the Fund of the Russian invasion of Ukraine.

RESOLVED, that the position be noted.

## **56 CLOSING COMMENTS**

The Chair thanked Mr Sutherland for his support to the Committee for many years. He commented on the big changes faced by the Committee during the Chair's tenure, how the Committee respected and trusted Mr Sutherland's advice and views and how he had helped members understand a number of complex issues.

Mr Sutherland thanked the Committee and commented on the calibre of Members and officers. He added that Cumbria Pensions Committee was one of the most effective he had worked with.

The meeting ended at 12.45 pm

## WORKINGTON HARBOUR MANAGEMENT COMMITTEE

Minutes of a Meeting of the Workington Harbour Management Committee held on Friday, 22 April 2022 at 10.00 am at Port of Workington

### PRESENT

Mr K Little (Chair)

#### County Councillors

Mr A Bowness  
Mr A Markley  
Mrs C Tibble

#### Allerdale Borough Councillors

Mr M Heaslip  
Mr M Johnson  
Mr C Sharpe

#### Officers in Attendance:-

Mr J Coughlin	-	Co-opted Member
Mr M Barry	-	Place and Enterprise Manager
Mrs L Davis	-	Democratic Services Officer
Mr A Harty	-	Assistant Director - Environment and Enterprise
Ms A Jones	-	Executive Director - Economy and Infrastructure
Mr S Richards	-	Port Manager

### PART 1 – ITEMS CONSIDERED IN THE PRESENCE OF THE PUBLIC AND PRESS

#### APOLOGIES FOR ABSENCE

An apology for absence was received from Mr A Bowness.

#### 49 EXCLUSION OF PRESS AND PUBLIC

**RESOLVED**, that the press and public be excluded from the meeting during consideration of Agenda Item 9 – Port Manager's report and Agenda Item No 10 – Report on Existing Customer on the grounds that they contain exempt information as defined under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 relating to the financial or business affairs of any particular person including the authority holding that information.

#### 50 DISCLOSURES OF INTEREST

Mr M Johnson declared an interest as a Managing Director of A J Johnson.

#### 51 MINUTES

Subject to Mr J Coughlin's name being added to the list of attendees, it was

**RESOLVED**, that the minutes of the meeting held on 28 January 2022 be confirmed as an accurate record.

## **52 MEMBERSHIP**

There were no changes to membership to note.

## **53 ACTION PLAN**

Members received the recommendations and action plan for Workington Harbour Management Committee from the Port Manager. It was the intention to have revised recommendations for the action plan for future meetings.

**RESOLVED**, that the report be noted.

## **54 ACCOUNTS AND PERFORMANCE INDICATORS**

The Port Manager updated members on the last Revenue and Expenditure for the quarter ending 31 March 2022. The Port Manager highlighted the provisional out-turn for the financial year 2021/22. Members noted that despite the challenges presented, the Port had an upturn in revenue in the last quarter and congratulated the Port officers for this. The Port Manager outlined cargo that had passed through the Port and new business activities that were expanding the Port's customer base. The volatility of the economy, the increase in inflation costs raising running costs and impacts of the Ukraine situation were discussed. The Executive Director – Economy and Infrastructure confirmed that work was taking place to assess the impacts and implications of these on the Port.

**RESOLVED**, that the report be noted.

## **55 DATE AND TIME OF NEXT MEETING**

It was noted that the next meeting of the Committee will be held on 27 July 2022 at 10 am in the Conference Centre, Port of Workington.

## **PART 2 – ITEMS CONSIDERED IN THE ABSENCE OF THE PUBLIC AND PRESS**

### **56 PORT MANAGER'S REPORT**

The Committee received a report from the Port Manager on the general commercial activities that were on going and anticipated. The Port Manager outlined sanctions that had been implemented at UK Ports in relation to Russian vessels and the support that the DfT was providing on this.

Members were informed of an incident that had taken place and where significant amount of learnings had come from the investigation. These learnings included a change in the decision making process in adverse weather conditions and the

addition of a formalised dynamic risk assessment. The Marine Accident Investigation Bureau had concluded its investigation with the port and were satisfied with the report's findings.

Members received a Covid 19 Update on response and recovery as well as a summary of the Port's commercial and business activities from 1 April 2021 to 31 December 2021. The Port's Health and Safety matters were outlined by the Port Manager.

Committee members were informed that the Port's Masterplan had been approved by Cabinet in September 2021 and in support of the Masterplan, the Workington Town Deal Board had defined the Port as a key asset for the town and its clean growth credentials. Infrastructure surveys of the Port's key assets had been commissioned. The infrastructure survey would assist in evaluating the current condition of key port assets and help determine a 15-year plan for future surveys and works that are to be undertaken to ensure the continued operation of those assets. Following on from this further detailed survey work had been commissioned to assist in planning the infrastructure improvements particularly in the areas of the quay walls and preliminary reports from this was appended to the report. The Place and Enterprise Manager gave a presentation on Energy Coast Rail Upgrade. The presentation included proposals for improvements of the Port's rail infrastructure.

Members noted that, following the successful application to the Cabinet Office for the Port Infrastructure Fund (PIF) which was awarded to the Port of Workington to build a new warehouse for the storage of Wood Pulp, the warehouse construction was now complete with an official handover anticipated next month. The success of the Gateway to Growth campaign, in raising the Port's profile, was highlighted.

The Port Manager informed members that from 1 January 2022 the Port had been operating under the new border arrangements with no significant issues causing delays. The Ports Marine Safety System had undergone an annual audit and the Port's action tracker had been updated with actions arising from this.

The Port Manager outlined maintenance dredging and Port recruitment.

**RESOLVED**, that the report be noted.

## **57 REPORT ON EXISTING CUSTOMER**

The Assistant Director - Environment & Enterprise gave members an update on an existing customer at the Port.

**RESOLVED**, that the report be noted.

The Executive Director – Economy and Infrastructure gave an update on Local Government Reform.

The meeting ended at 11.30 am

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## STANDARDS COMMITTEE

Minutes of a Meeting of the Standards Committee held on Friday, 22 April 2022 at 10.00 am at County Offices, Kendal

### PRESENT:

#### County Councillors

Dr S Haraldsen  
Mr C Hogg  
Ms C McCarron-Holmes  
Mr NH Marriner  
Mr A McGuckin

#### Independent Members

Mr S Sim (Chair)

### Also in Attendance:-

Ms C Parkinson - Chief Legal Officer  
Ms L Morgan - Senior Lawyer - Legal and Democratic Services  
Mr D Hamilton - Democratic Services Officer

### 25 APOLOGIES FOR ABSENCE

Apologies were received from Mrs G Koosar.

### 26 EXCLUSION OF PRESS AND PUBLIC

**RESOLVED**, that the press and public be not excluded from the meeting during consideration of any item on the agenda.

### 27 DECLARATIONS OF INTEREST

There were no disclosures of interest on this occasion.

### 28 MINUTES

**RESOLVED**, that the minutes of the meeting held on 25 January 2021 be agreed as a correct record and signed by the Chair.

### 29 UPDATE AND GUIDANCE ON CODE OF CONDUCT

Members received a report recommending some changes to the code of conduct adopted in November 2021 which reflected recent changes made by the Local

Government Association to their model code. The Council adopted a new members' code of conduct in November 2021 based on the new model code of conduct produced by the Local Government Association. The report also asked members to approve updated guidance to be issued to all members on the new code.

The Interim Monitoring Officer explained that the Local Government Association's model Code of Conduct been changed in updated versions, the most notable update provided guidance stating that unpaid directorships were to be treated in the same way as other registerable interests and not disclosable pecuniary interests. Under the code of conduct adopted in November 2021 they are treated as disclosable pecuniary interests.

Members of the Committee heard that under the Code of Conduct if a matter arose at a meeting which directly related to a Disclosable Pecuniary Interest then the member must not participate in any discussion or vote on the matter and must not remain in the room during the debate unless a dispensation had been granted.

A discussion took place regarding the extent of the impact the code as drafted would have because, as the Interim Monitoring Officer explained, councillors would need to disclose positions such as school governorships and directorships of voluntary organisations.

The Chair sought assurance that guidance would provide a detailed explanation to Councillors to ensure they know their responsibilities. The Interim Monitoring Officer agreed and explained that training would be provided for members of the new unitary authorities as part of their induction and could be provided for current members of the County Council.

Members were given assurance that continuity would be sought between the current code and the code of conduct for the new authorities.

## **RESOLVED,**

- (1) the proposed changes to the code of conduct be approved and recommended to full Council for approval;
- (2) the form of guidance to be provided to members be approved.

## **30 CHANGES TO PROTOCOL FOR DEALING WITH COMPLAINTS ABOUT THE CONDUCT OF MEMBERS OF CUMBRIA COUNTY COUNCIL**

The Interim Monitoring Officer presented a report that recommended some changes to the protocol for dealing with complaints about the conduct of County Council members which was approved by the Standards Committee at its last meeting held on 25 January 2021. It had been agreed that a review of the protocol would take place every four years to coincide with County Council elections but this did not prevent further reviews if necessary within that timescale.

Members noted that the LGA had produced some new guidance on the complaints handling process to sit alongside the new model code of conduct. A review had been carried out on whether any changes were required to the protocol, agreed in January 2021, to be consistent with this new guidance and the conclusion was that the protocol satisfied all the main criteria as noted in the LGA guidance. Members were informed that the review highlighted a few areas where the protocol diverged from the guidance and these were provided in detail within the report.

Members referred to specific exceptional circumstances which allowed for evidence to be received from an anonymous complainant. The Interim Monitoring Officer cited video evidence which clearly showed a breach of the Code of Conduct as an example.

**RESOLVED**, that the revised protocol be approved.

### **31 INTERIM MONITORING OFFICER COMPLAINTS UPDATE**

The Interim Monitoring Officer presented a report on complaints about breaches of the Members' Code of Conduct received since its last meeting on 25 January 2021.

Members heard that in 2021, four matters were raised with the Monitoring Officer as potential complaints against Members, of which all had been completed.

One of the matters was not pursued after the potential complainant failed to return a completed complaint form.

One related to the conduct of a District Council member and the complainant was therefore directed to the Monitoring Officer of the relevant District.

One of the matters raised was resolved informally through discussions with the Member who was the subject of the complaint and the complainant. The complainant was satisfied with the response.

The final matter was investigated by the former Monitoring Officer, who concluded there was no breach and her findings were then reported to the Complainant.

To date in 2022, four potential complaints had been raised with the Interim Monitoring Officer as potential complaints against Members.

In respect of the first matter, it was investigated by the Interim Monitoring Officer, who concluded there was no breach and had since reported her findings to the Complainant.

The other three complaints all relate to the same matter. Two of the complainants had recently submitted a completed complaint form, and this was currently being investigated by the Interim Monitoring Officer.

The Interim Monitoring Officer stated she was pleased with the low volume of complaints.

**RESOLVED**, that the report be noted.

### **32 DATE OF NEXT MEETING**

It was noted that the next meeting of the Committee was scheduled to take place on 28 June 2022.

The meeting ended at 10:35am

<b>COUNTY COUNCIL</b>
<b>Meeting date: 23 June 2022</b>
<b>From: Leader of the Council</b>

## **URGENCY PROVISIONS**

### **1.0 EXECUTIVE SUMMARY**

**1.1** *This report notifies members of urgent decisions which have been taken in line with the Council's Constitution since the last meeting of the Council.*

### **2.0 STRATEGIC PLANNING AND EQUALITY IMPLICATIONS**

**2.1** *The report contributes to the vision in the Council Plan that the Council works with residents, businesses, communities and other organisations to deliver the best services possible within the available resources and contributes to the Council Plan outcome, that people in Cumbria are healthy and safe.*

### **3.0 RECOMMENDATION**

**3.1** *That members note the report.*

### **4.0 BACKGROUND**

**4.1** This report sets out details of urgent decisions which have been taken since the last meeting of Council and that must be reported to Council under the Constitution.

**4.2** Key Decisions to be taken by Cabinet or an Executive Director must be advertised for at least 28 working days prior to the decision being taken. When this rule cannot be complied with, owing to the urgency of the decision, the County Council's Constitution permits Key Decisions to be taken in the following circumstances:

- Access to Information Procedure Rule 15 – Notice is sent to the Chair of the relevant Scrutiny Advisory Board and is published on the Council's website and at the Council's offices and five working days elapse before the decision is taken; and

- Access to Information Procedure Rule 16 – when it is not possible to give five working days’ notice the approval of the Chair of the relevant Scrutiny Advisory Board is sought and the Notice is published on the website and at the Council offices.
- 4.3 The Chief Executive is empowered under the Scheme of Delegation to Officers (Part 3 – Delegation to Officers, Chief Executive, 6.1 (h)) to take urgent decisions where delay would seriously prejudice the Council’s or the public interest to the extent that it is appropriate to use emergency powers.
- 4.4 Under 1.1 and 1.7 of the Cabinet Procedure Rules the Leader can take decisions which have been delegated to Cabinet.
- 4.5 Decisions of the Cabinet (including decisions taken by the Leader under 1.1 and 1.7 of the Cabinet Procedure Rules), Officer Key Decisions and certain decisions of Local Committees are subject to the rules of Call In. The Call In procedure does not apply where the decision being taken is urgent. There is a process in the Overview and Scrutiny Procedure Rules for exempting decisions from Call In.
- 4.6 Urgent decisions which are taken under Rule 16 or which are otherwise exempt from Call In must be reported to the next available meeting of the Council, with the reasons for urgency identified.
- 4.7 Since the last report to Council on 28 April 2022, there have been 2 urgent decisions taken by Executive Directors. These decisions are set out in Appendix 1 of this report.

## **5.0 RESOURCE AND VALUE FOR MONEY IMPLICATIONS**

- 5.1 Decision 1 set out in Appendix 1 is in relation to the award of a contract for to WONDE Ltd up to a maximum value of £4.000m to 31<sup>st</sup> March 2023. This decision needed to be implemented before the half term holidays so vulnerable families could take advantage of the voucher scheme during the half term holidays. The resource and value for money implications were considered as part of the urgent decision.
- 5.2 Decision 2 set out in Appendix 1 is in relation to the modification of the existing Framework Agreement for the Provision of Day Services in order to extend it for 10 months to 31<sup>st</sup> March 2023 to enable call off contracts to be awarded up to the value of £2.300m. It was impractical to defer the decision until it could be included in the next Forward Plan as the current contract expired on 1<sup>st</sup> June 2022. Without a framework agreement in place the County Council would have been unable to provide these valuable services. The resource and value for money implications were considered as part of the urgent decision.

## **6.0 LEGAL IMPLICATIONS**

- 6.1 The legal aspects of this report are set out in the main body of the report.

## 7.0 CONCLUSION

7.1 Members are asked to note the report.

**Catherine A. Parkinson**  
**Interim Chief Legal Officer and Monitoring Officer**  
*June 2022*

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### APPENDICES

#### ***Appendix 1 – Schedule of decisions***

Electoral Division(s): All

Executive Decision

	No*
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Key Decision

	No*
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If a Key Decision, is the proposal published in the current Forward Plan?

		N/A*
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Is the decision exempt from call-in on grounds of urgency?

	No*
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If exempt from call-in, has the agreement of the Chair of the relevant Overview and Scrutiny Committee been sought or obtained?

		N/A*
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Has this matter been considered by Overview and Scrutiny?  
If so, give details below.

	No*
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Has an environmental or sustainability impact assessment been undertaken?

		N/A*
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Has an equality impact assessment been undertaken?

		N/A*
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### **PREVIOUS RELEVANT COUNCIL OR EXECUTIVE DECISIONS** ***[including Local Committees]***

***None***

### **CONSIDERATION BY OVERVIEW AND SCRUTINY**

***Not considered by Overview and Scrutiny***

### **BACKGROUND PAPERS**

***No background papers***

### **RESPONSIBLE CABINET MEMBER**

***Stewart Young, Leader of the Council***

## **REPORT AUTHOR**

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## Schedule of Decisions Taken

Date of Decision	Subject	Decision	Reason	Approval
19 May 2022	Award of Food & Utilities Vouchers Contract	That the Executive Director agrees the award of contract to WONDE Ltd for a maximum value of £4m from 23 May 2022 to 31 March 2023	This decision needed to be implemented before the half term holidays so vulnerable families could take advantage of the voucher scheme during the half term holidays.	Rule 16
31 May 2022 171	Modification and Extension of the Framework Agreement for the Provision of Day Services	That the Executive Director - People agrees to modify the existing Framework Agreement for the Provision of Day Services in order to extend it for 10 months to cover the period from 1 June 2022 to 31 March 2023 to enable call off contracts to be awarded up to the value of £2,300,000	It was impractical to defer the decision until it could be included in the next Forward Plan as the current contract ran out on 1 June 2022. Without a framework agreement in place the County Council would have been unable to provide these valuable services.	Rule 16

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