

WESTMORLAND AND FURNESS SHADOW AUTHORITY CABINET

Minutes of a Meeting of the **Shadow Authority Cabinet** held on **Friday, 22 July 2022 at 10.00 am at District Council Chamber, Kendal Town Hall, South Lakeland District Council, 9a Lowther Street, Kendal, LA9 4DL**

PRESENT:

Cllr P Bell
Cllr J Brook
Cllr J Derbyshire
Cllr A Jarvis
Cllr D Jones
Cllr S Sanderson
Cllr V Taylor
Cllr P Thornton

Officers in attendance:

Interim Head of Paid Service, Interim Monitoring Officer, Interim Section 151 Officer, Deputy Chief Executive (Eden District Council), Strategy Lead Specialist (South Lakeland District Council), Chair of LGR Communications Advisory, and Legal, Governance and Democracy Specialist (South Lakeland District Council),

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

10. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors G Archibald, N Hughes and the Chair of the Shadow Overview and Scrutiny Committee, Councillor B Morgan.

11. DECLARATIONS OF INTEREST/DISPENSATIONS

RESOLVED, that there were no disclosures of interest made on this occasion.

12. EXCLUSION OF PRESS AND PUBLIC

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

13. MINUTES OF PREVIOUS MEETING

No Member having raised concern when asked by the Chairman, it was

RESOLVED, that the minutes of the previous meeting be agreed.

14. PUBLIC PARTICIPATION

RESOLVED, that there were no questions or petitions submitted on this occasion.

15. LEADER DECISIONS & REQUEST FOR SHADOW CABINET ENDORSEMENT

(a) MINOR AMENDMENT TO THE SECTION 24 DIRECTION AND GENERAL CONSENT

Cabinet Members considered a report from Linda Fisher, the Interim Monitoring Officer, which informed them of a request to make a minor amendment to the Section 24 General Consent which had been granted by the Shadow Authority Cabinet at its meeting held on 10 June 2022.

The General Consent was intended to give the Shadow Executive oversight of significant contracts and projects of the Barrow Borough, Eden District, South Lakeland District and Cumbria County Councils from 30 June 2022 that would have an impact on the financial position of Westmorland and Furness Council after 1 April 2023.

The report proposed a change to the wording of the general consent, replacing the word “and” with “or” within the first bullet point to read

- *under which the consideration payable or maximum consideration payable under that contract does not exceed £2,000,000 the period of the contract extends beyond 1 April 2023 or under the terms of the contract of the period may be extended beyond that date; or*

The Leader Decision Record was attached to the report, noting that the decision would ensure that the wording of the general consent was clear.

Councillor Brook then moved the recommendation, which was seconded by Councillor Jarvis

Note – Councillor V Taylor arrived at 10.05 a.m.

This recommendation was then put to a vote, which was unanimous.

RESOLVED, that the Leader Decision to amend the S24 General Consent to change the word “and” to “or” be endorsed.

(b) STRUCTURAL CHANGES ORDER AND "SHADOW EXECUTIVE" OR "SHADOW AUTHORITY CABINET"

Cabinet Members considered a report from Linda Fisher, the Interim Monitoring Officer, which requested that they endorse the decision of the Leader to reference the “Shadow Executive” as the “Shadow Authority Cabinet”.

The Structural Changes Order required the Shadow Authority to establish, at its first meeting on 17 May 2022 a Leader and Cabinet Executive (“the Shadow Executive”). Since that time, Members had requested that the “Shadow Executive” be known as the Shadow Authority Cabinet”.

Councillor Brook then moved the recommendation, which was seconded by Councillor Jarvis.

Note – Councillor J Derbyshire arrived at 10.07 a.m.

This recommendation was then put to a vote, which was unanimous.

RESOLVED, that the Leaders decision to reference the Shadow Executive as the Shadow Authority Cabinet for the remainder of the Shadow year be endorsed.

16. BRANDING FOR WESTMORLAND AND FURNESS SHADOW COUNCIL

Cabinet Members considered a report from the Chair of the LGR Communications Advisory Group, which presented the final logos for Westmorland and Furness Council for initial approval by the Shadow Authority Cabinet before stakeholder consultation. The report noted that although a formal consultation was not required, it was part of the commitment of the Westmorland and Furness Authority to listen to its residents which was the reason for the period of consultation. If approved, the Shadow Authority Cabinet were also asked to approve a period of public conversation over the summer on the two options.

The report informed members that the development of a visual identity had a clear critical path and that the LGR Communications Advisory Group had been made up of communications experts from the seven Councils forming the two new unitary Councils. The advisory group had shared the specification with internal and experienced external designers, which set out eight phases of activity, focused on developing a new logo as the new primary means of visual identity. Once the logo had been agreed, a full branding manual would be developed to ensure that the new branding is applied consistently across all council services and the final logo would be communicated extensively both internally and externally in order to ensure the future effective implementation of the brand.

Councillor Brook proposed and moved the recommendations in the report and this was seconded by Councillor Jones

Cabinet Members expressed their support for the proposals and requested that everyone kept their mind open moving into the final phases set out in the report.

This recommendation was then put to a vote, which was unanimous.

RESOLVED, that:-

- (1) the final two preferred logo(s) be approved, ready for stakeholder feedback (e.g from residents, employee's, unions CALC/ Third sector etc.);
- (2) a period of conversation with stakeholders to take comments and feedback to help shape the final version be approved; and
- (3) the Shadow Authority Cabinet agree that the final option is then approved at the September meeting ready for its roll out as part of rebranding the new council ready for 1 April 2023.

17. WESTMORLAND AND FURNESS COUNCIL PLAN

Cabinet Members considered a report from the Leader of the Council, which set out the steps towards adopting a Council Plan for Westmorland and Furness Council.

The report set out the steps to create a Council Plan and highlighted the Council Plan as an important foundation for building the new Westmorland and Furness Council. The development of a Council Plan represented the opportunity to set a long term direction of realising the benefits offered by local government re-organisation. The vision, direction and priorities set out by a Council Plan allowed the Westmorland and Furness Council to structure and design itself to deliver lasting change.

Cabinet Members were reminded that the Council Plan was not a catalogue of everything the new Council would do and that it was not about specific projects or services. The Council Plan was concerned with real-world outcomes, particularly when considering that resources and structures for delivery were unknown and was important in informing commissioning activity.

The report highlighted significant resource challenges which meant that the plan had to inform some difficult decisions on priorities and would not be able to achieve all of its ambitions straight away but would outline the direction of travel and adapt as the Council progressed rather than remaining static.

The unique footprint of the Westmorland and Furness Council was highlighted in the report, which noted the significant diversity across the district with sparsely populated rural areas as well as densely populated urban areas. This diversity meant that the Council had to be mindful when developing the Council Plan to meet the needs of all residents.

Councillor Brook proposed and moved the recommendations in the report and this was seconded by Councillor Bell.

Following a query raised by Cabinet Members, the Strategy Lead Specialist noted that as there had been no consultation on the report, Section 4 had been removed.

Members thanked officers for their work in producing the report and emphasised the importance of this report as a starting point for the development of the Council Plan.

This recommendation was then put to a vote, which was unanimous

RESOLVED, that the preparation of a Council Plan for Westmorland and Furness be approved in line with the timetable set out in paragraph 3.27

18. SERVICE BASELINE BLUEPRINTS

Members considered a report from the LGR Programme Director which presented the draft Service Baseline Blueprints for Westmorland and Furness Council. The report outlined the services that would be inherited from the current sovereign Councils and how services are expected to be organised at vesting day (1 April 2023) as well as providing an overview of any transitional arrangements envisaged. Members were reminded that the report had not dealt with what the Westmorland and Furness Council would do to transform services beyond vesting day which would be the subject of future reports.

The Service Baseline Blueprints had been shared with staff and trade unions as well as being considered by the Shadow Overview and Scrutiny Committee whose comments had been shared with Cabinet members before the meeting and would be noted and be fed through into the Blueprint process.

The report noted the decision of the Shadow Authority Cabinet at its 10 June 2022 meeting to deliver the requirements of the Cumbria (Structural Changes Order) 2022 (SCO) which included the development of draft Service Baseline Blueprints. The draft Blueprints as set out in Appendix 1 to the report summarised information about the services from vesting day and officer recommendations as to how the services could best operate from this point.

A range of service delivery model options had been considered by officers in the development of the draft Service Baseline Blueprints which included:-

- Aggregation
- Disaggregation
- Integration
- Hosted/Shared
- Strategic
- Provided by others
- Hybrid

The intention was that the Service Blueprints would now progress to the next stage of the Programme to enable further development as part of the overall Strategic Planning process, integrating corporate planning, financial planning and service planning milestones.

The Leader noted the immense amount of hard work being done to deliver the draft Blueprints and thanked officers for going above and beyond what was normally expected.

Following a question regarding Trade Unions, Sam Plum, Interim Head of Paid Service reassured Cabinet Members that Trade Unions had been sent the draft Blueprints prior to the publication of the report and that feedback would be reported at the next appropriate meeting.

Councillor Brook proposed and moved the recommendations in the report and this was seconded by Councillor Bell.

Cabinet Members echoed the Leader's thanks to officers for their hard work and dedication. It was noted that the report represented an important point in the process and recognised the significant amount of work to be done moving forwards.

Concern was raised regarding the level of detail on the length of time for which services would be hosted, whilst some services had this level of detail, it was felt that some services lacked this clarity and that an understanding that things would continue to progress was required. In response, Sam Plum, the Interim Head of Paid Service noted that work to produce detailed options was underway.

Cabinet Members reiterated their thanks to officers for their hard work.

The recommendation was then put to a vote, which was unanimous.

RESOLVED, that Shadow Authority Cabinet

- (1) agrees, in principle, the draft Service Baseline Blueprints attached at Appendix 1 as the basis for further work in the Implementation phase of the programme, including the development of an operating model for the new unitary Council from vesting day;
- (2) agrees, in principle, the list of service areas to be provided on a separate basis by Westmorland and Furness Council from 1 April 2023, as set out in the first column(s) of slides 2-7 in Appendix 2;
- (3) agrees to grant delegated authority to the Interim Head of Paid Service in consultation with the Portfolio Holder, to take all steps required to implement the recommendations of this report, including undertaking any necessary formal and informal contractual discussions with service providers;
- (4) notes the list of service areas with the potential to be hosted as set out in second column(s) of slides 2-7 in Appendix 2, and those areas in columns 3 and 4, where transitional arrangements are likely to be needed, or where arrangements are not yet defined, and agrees to receive final recommendations on each service as more detailed work is completed, including in relation to the timescales envisaged for any hosted or transitional arrangements;

- (5) requests that officers prepare a draft Memorandum of Understanding in relation to the provision of hosted services and/or hosted contracts for consideration by the two Shadow Authorities;
- (6) notes that material budget pressures and potential savings arising from the draft Service Baseline Blueprints will be identified and included for consideration within the wider strategic planning process;
- (7) notes that the draft Service Baseline Blueprints have been shared with staff, Trades Unions and all Councillors in advance of publication of this report;
- (8) requests that the Overview and Scrutiny Committee considers the draft Service Baseline Blueprints at their next meeting and provides agreed comments for consideration during the strategic planning process; and
- (9) agrees that the comments received arising from (7) and (8) above are reported to the next appropriate meeting of the Shadow Authority Cabinet.

19. STRATEGIC FINANCIAL PLANNING

Members considered a report from the Finance Portfolio Holder, which set out the proposed financial disaggregation and aggregation process from a funding, revenue cost and balance sheet perspective to give initial potential funding envelopes for the Unitary Councils and Cumbria Fire and Rescue Service (CFRS).

As part of the LGR Implementation Plan, a strategic planning process had been proposed that enabled the two new Unitary Councils and CFRS to determine how they will deliver services to achieve their Council Plan priorities and deliver them within a balanced budget.

The Finance Portfolio Holder noted that although a draft budget might have been expected at this stage, there was still a significant amount of detailed work to be done in order to produce this and that the Council was required to provide a balanced budget by statute in 2023/24. He added that the financial plan would build off 2022/23 baselines and that the financial disaggregation and aggregation process could not be conducted in isolation from other elements of the Strategic Planning process, particularly interdependencies with:-

- Commissioning and procurement work on contracts and grants;
- Assets and capital programme work; and
- Disaggregation of staff principle being developed.

The report noted that there was no additional funding for Cumbria for LGR, with all spend for delivery of the LGR programme and the costs of delivering services needing to be achieved within the existing Cumbria funding envelope.

The Finance Portfolio Holder noted that council tax was set based on the council tax base multiplied by the council tax for the year with two main issues effecting the council tax for 2023/24 which were:-

- a difference in the levels of council tax being set for each of the three billing authorities, with specific rules on how this would be harmonised for 2023/24 onwards as part of LGR; and
- the tax base being reduced for reliefs and increased by premiums with each billing authority setting its own reliefs and premiums which needed to be aligned for 2023/24 onwards.

Options around harmonisation, reliefs and premiums were being prepared with final decisions required by each Unitary Council.

The report highlighted the starting point for the 2023/24 budgets as the aggregation, disaggregation and integration of the existing Council revenue budgets, with officers combining the 2022/23 detailed budgets for district and county with internal charging being removed to create the baseline budgets comparable across all authorities. The overall baseline net revenue budget for 2022/23 for all seven authorities was just over £0.5 billion, with a gross budget of circa £1.2 billion.

The Finance Portfolio Holder noted that further work was required which was reflected in the timetable set out in the report. He thanked officers for the significant amount of work already undertaken.

The Portfolio Holder raised a minor amendment to the recommendation 2 set out in paragraph 2.1 of the report to change the wording from “approve” to “note” to read as

- (2) note the proposed disaggregation principles for allocation of the Funding for all three organisations as set out in the report.

Councillor Jarvis then moved the recommendation, which was seconded by Councillor Brook.

This recommendation was then put to a vote, which was unanimous

RESOLVED, that

- (1) the progress to date be noted;
- (2) the proposed disaggregation principles for allocation of the Funding for all three organisations be noted as set out in the report; and
- (3) the next steps in preparing budgets for 2023/24 be noted.

20. UK SHARED PROSPERITY INVESTMENT PLAN

Members considered a report from the Leader of the Council regarding the UK Shared Prosperity Fund (UKSPF) which presented the emerging interventions that will form the basis of the UKSPF which had been developed by Barrow, Eden and South Lakeland Councils. The report sought to put in place the necessary delegations for Westmorland and Furness Council to consent to the final investment plans prior to submission.

The UKSPF was the central part of the UK Government's Levelling Up agenda and provided £2.6 billion in grant funding to local authorities, with £8 million being collectively being allocated to Barrow, Eden and South Lakeland Councils. Authorities were required to submit investment plans by 1 August 2022, for central government approval in order to unlock the funding allocations. As Lead Authorities, each Council had submitted separate investment plans, but had commissioned a single consultant to coordinate their development and bring together the outcomes of the Expressions of Interest process. As required in the prospectus, a single Local Partnership Group of key stakeholders as required in the prospectus had been established across the Westmorland and Furness geography.

Councillor Brook then moved the recommendation which was seconded by Councillor Taylor.

This recommendation was then put to a vote, which was unanimous.

RESOLVED, that

- (1) the proposed interventions for inclusion in UK Shared Prosperity Fund investment plans being developed by Barrow, Eden and South Lakeland Councils be noted as detailed in section 3.6 of this report; and
- (2) the Interim Head of Paid Service be delegated authority in consultation with the Leader of the Council to give consent on behalf of Westmorland and Furness Shadow Authority to the final UK Shared Prosperity Fund investment plans and to the submission of those plans to DLUHC by 1 August 2022.

21. URGENT ITEMS

There were no urgent items of business for this meeting.

The meeting ended at 11.15 am