

WESTMORLAND AND FURNESS SHADOW CABINET

Minutes of a Meeting of the **Shadow Authority Cabinet** held on **Friday, 24 February 2023 at 10.00 am at Barrow Town Hall, Duke Street, Barrow in Furness, Cumbria**

PRESENT:

Cllr G Archibald
Cllr P Bell
Cllr J Brook (Chair)
Cllr J Derbyshire
Cllr N Hughes
Cllr A Jarvis
Cllr D Jones
Cllr S Sanderson
Cllr V Taylor
Cllr P Thornton

Officers in attendance:

Pam Duke - Director of Finance (Section 151 Officer)
Susan Fawkes - Programme Manager - Local Government Reorganisation
Jon Huck - Democratic and Electoral Services Manager
Linda Jones - Chief Legal and Monitoring Officer
Sam Plum - Chief Executive

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

86. MINUTES SILENCE

The Leader requested Members to observe a minute's silence as a mark of respect for Councillor Ann Thomson, Leader of Barrow Borough Council and Leader of the Labour Group for Westmorland and Furness Council who had sadly passed away.

87. APOLOGIES FOR ABSENCE

There were no apologies for absence on this occasion.

88. DECLARATIONS OF INTEREST/DISPENSATIONS

Councillor Derbyshire declared an interest in agenda item 9 – Section 24 Agreement – Extension of Apprenticeships Framework as her son works from one of the organisations listed.

Councillor Archibald declare a Disclosable Pecuniary Interest in agenda item 10 – Section 24 Direction and General Consent – Award of Contract for Insurance Services as he was an ex-employee of Mercer and had shares in Marsh Ltd and left the meeting during consideration of the item.

The Monitoring Officer informed members that a dispensation provided in May 2022 which had been given to all Councillors so that they could take part in all meetings on Members' Allowances, and that would be in place until 31 March 2023.

Members noted the dispensation.

89. EXCLUSION OF PRESS AND PUBLIC

RESOLVED, that the press and public would be excluded if required to consider Agenda Item No 14 Section 24 Direction of General Consent – Award of Contract for Insurance Services.

90. MINUTES OF PREVIOUS MEETING

RESOLVED, that the minutes of the previous meeting held on 13 January 2023 be agreed as a true and accurate record.

91. STATEMENTS BY THE LEADER AND CABINET MEMBERS

Councillor Brook, Leader of the Council commented that it was another historic day and step forward towards the new Westmorland and Furness Council considering the budget proposals and looked forward for vesting day.

Councillor Hughes, Member Cabinet Member for Transport reported that there had been a fresh outbreak of avian influenza notified in the Eden area which was additional to the outbreak in the Appleby Area. More details would be released in due course.

He also reported that it had been announced in the national press that there was speculation that the Government was intending to cut the funding for Active Travel for cycling and walking.

He had also attended a Northern Transport Event where he explained to the Chair the needs of Cumbria in respect of transport.

92. PUBLIC PARTICIPATION

Councillor Webster a member of South Lakeland District Council addressed the Cabinet in relation to Agenda Item 8 Draft Revenue Budget 2023/24 and Medium Term Financial Plan (2023-2028) and the Draft Capital Programme (2023-2028). He asked a question why Ulverston Leisure Centre phases two and three had been removed from the Capital Programme when the project had been in development for over five years and two costings had been produced by South Lakeland District Council (SLDC) for all three stages.

The Chair thanked Councillor Webster for his contribution and requested Councillor Jarvis, Cabinet Member for Finance to respond.

Councillor Jarvis commented that there was a significant misunderstanding regarding the status of the Ulverston Leisure Centre Project. The Council had been rigorous in applying the Constitution. The Constitution stated that "the Chief Officer shall ensure that for each capital scheme an option appraisal is completed outlining the business case and giving a full appraisal of the capital and revenue implications including those related to the whole life cost where available". Approval of the capital programme gives authority for Officers to proceed with a project and should not be done if the specification was unclear or the business case was not approved. Phase 1 was in the Capital Programme.

He referred to the SLDC Cabinet report dated 9 February 2022 where it stated "that Cabinet approves that further project developments take place on phases 2 and 3 for the purpose of providing detailed proposals for consideration by the new Westmorland and Furness Council with regard to future implementation". The report went on to say that phases 2 and 3 required more significant project development work to achieve a similar degree of confidence on costs and how it would be met. That would also be dependent on extension to the Leisure contract. It was recommended that SLDC's Cabinet approved further development work and that Cabinet would not be in a position to agree to implement phases 2 and 3." SLDC had not approved the business case and Westmorland and Furness Council had not considered those parts of the project as they do not yet meet the criteria to be included in the Capital Programme.

He reassured the meeting that the project was important and had been included in a list of key capital projects that were expected to come to Council for approval.

Councillor Irving a member of South Lakeland District Council and Westmorland and Furness Council addressed the Cabinet in relation to Agenda Item 8 Draft Revenue Budget 2023/24 and Medium Term Financial Plan (2023-2028) and the Draft Capital Programme (2023-2028).

She asked the Cabinet to ensure that Phases 2 and 3 remain on the Westmorland and Furness Capital Programme for this financial year and further make every effort to expedite this entire leisure centre project without delay.

The Chair thanked Councillor Irving for her contribution and requested Councillor Jarvis, Cabinet Member for Finance to respond.

Councillor Jarvis referred to his previous answer and under the constitution he believed that the phases 2 and 3 could not be included within the Capital Programme.

93. DRAFT REVENUE BUDGET 2023/24 AND MEDIUM TERM FINANCIAL PLAN (2023-2028) AND DRAFT CAPITAL PROGRAMME (2023-2028)

The Cabinet Member for Finance presented the first budget and Medium Term Financial Plan for the new Unitary Westmorland and Furness Council. The creation of a new unitary council provided the opportunity to transform and improve local services by taking a fresh approach to the delivery of inclusive services to achieve the Council's vision and priorities.

The report set out the spending plans for the Council for the Revenue Budget 2023/24 and Medium Term Financial Plan (2023 -2028) for Westmorland and Furness Council, and included the proposed Capital Programme 2023-2028

The budget proposals set out the financial considerations and estimates on the different elements of Local Government funding (including the Council Tax requirement for 2023/24), national and local financial pressures and proposed savings as well as plans for the future to invest and transform the Council to achieve its Council Plan priorities.

The report sets out the: -

- Draft Medium Term Financial Plan (MTFP) 2023-2028
- Revenue spending plans to achieve a balanced budget in 2023/24 (including the HRA budget 2023/24)
- Council Tax Requirement for 2023/24
- Draft Capital Programme for 2023-2028

- Draft Treasury Management Strategy for 2023/24
- Fees and charges policy
- Locality Board Budgets
- Senior Leadership Pay Policy Statement

The Cabinet Member for Finance took members through the report in detail, highlighting the following:

- Budget Planning – Financial Context
- Council Tax Increase Consideration
- Council Tax Harmonisation
- Medium Term Financial Plan 2023-2028 – Revenue Spending Plans
- Pressures
- Fees and Charges
- Locality Board Budgets
- Schools’ Expenditure
- Housing Revenue Account
- Senior Leadership Pay Policy Statement
- Capital Spending Plans
- Adequacy of Reserves

Councillor Jarvis asked that recommendation 2.8 be amended by inserting the wording after slippage “or accelerated spend”.

Councillor Jarvis proposed the recommendations as amended, which were seconded by Councillor Brook.

Councillor Hughes and Thornton thanked the Portfolio Holder, Director of Resources and finance staff on producing the draft budget.

Councillor Thornton did criticise the Government for not funding any of the Local Government Reorganisation costs.

Pam Duke, the Director of Resources reported the recommendations from the Overview and Scrutiny Committee as follows:-

Assurance sought that funds allocated to the Strategic Highways Committee which previously within Cumbria County Council had been delegated to the Local Committees would be distributed fairly across the authority area.

As part of the Overview and Scrutiny process, Quarterly Budget Monitoring Reports to be built into the Forward Plan and discussed at the Corporate Scrutiny Committee.

Post vesting day, Cabinet to look at which further elements of the budget and decision-making would be appropriate to devolve to the Locality Boards.

Correction to be made to page 22, paragraph 4.11 of the Cabinet Report – “A590 Dalton in Furness to Barrow Town Centre” is inaccurate.

Councillor Jarvis commented on one other correction recommended by the Overview and Scrutiny Committee was that a 4.99% increase was not Government Policy but a Government assumption.

- Councillor Jarvis as Portfolio Holder accepted the recommendations of the Overview and Scrutiny Committee which was seconded by Councillor Brook.

Councillor Archibald commented that he was delighted to see a budget for transformation as well as money to invest in communities, biodiversity and climate change.

A unanimous vote to approve the recommendations as amended was taken.

RESOLVED, that the Shadow Cabinet

- (1) Agreed the recommendations from the Overview and Scrutiny Committee;
- (2) notes the Director of Resources (S151 Officer) Section 25 Report as at Section 5 including her review of the robustness of the estimates and the adequacy of the reserves;
- (3) RECOMMENDS to Council a 2.99% increase in general council tax and an additional 2% increase for the Adult Social Care precept for 23/24 resulting in an overall increase of 4.99%;
- (4) RECOMMENDS to Council to harmonise Council Tax levels for Westmorland and Furness in the first year, as contained in paragraphs 3.28 to 3.33;
- (5) RECOMMENDS to Council to approve the intention to introduce a 100% Council tax premium on second homes from 1 April 2024, subject to the Levelling Up Bill achieving royal assent;
- (6) subject to the approval of 2.3 and 2.4 above, RECOMMENDS to Council:
 - a Council Tax requirement of £152.700m which results in a Band D Council Tax of £1,740.89 for Westmorland and Furness Council,

- noting that a separate report on Calculating and setting the 2023/24 Council Tax Report would be presented at the Shadow Authority meeting on 7th March
- (7) RECOMMENDS to Council in respect of the draft Net Revenue Budget Requirement of £268.478m:
- a five-year Medium Term Financial Plan 2023/24 -2027/28 (see Appendix A).
 - The schools budget for 2023/24 of £155.5m including £71.1m for academies and free schools and other providers
 - The use of reserves and levels of forecast reserves contained in the MTFP (See Appendix A)
 - The fees and charges policy for 2023/24 (see Appendix C)
 - The Senior Leadership Pay Policy Statement for 2023/24 (see Appendix F)
 - Housing Revenue Account - balanced budget including the use of £0.770m earmarked reserves and a 3.5% increase on dwelling and garage rents.
 - Treasury Management Strategy for 2023/24 (Appendix D)
 - Capital Programme for 2023/24 of £104.168m (set within a five-year programme 2023-2028 of £252.786m.
 - Equality Impact Assessment (EIA) for Council Tax changes, Fees and charges increases and the Housing Revenue Account rent increases. (See Appendix G)
- (8) RECOMMENDS to Council to approve that the slippage or accelerated spend position on the District Council and disaggregated County Council 2022/23 capital programmes at 31 March 2023 is included within the 2023/24 Westmorland and Furness capital programme and reviewed as part of Q1 budget monitoring.
- (9) approves the Strategic Highways and Transport Committee budget of £1.377m revenue and £19.9m capital subject to agreement by Council of the overall budget.
- (10) approves the Locality Boards revenue budget allocation of £2.568m as set out in Appendix E, subject to agreement of the total Council budget and the draft guidance in respect of allocations and the limitations of virements. That was subject to agreement by Council of the overall budget.
- (11) RECOMMENDS to Council to delegate to the Director of Resources (Section 151 officer) in consultation with the Finance portfolio holder and Asset portfolio holder to approve the capital

strategy for 2023/24. That would be reported back to Council at the earliest opportunity.

(12) RECOMMENDS to Council to delegate to the Director of Resources (Section 151 officer) in consultation with the Finance portfolio holder to finalise the fees and charges schedule (2023/24) in accordance with the approved Fees and Charges policy.

(13) RECOMMENDS to Council to delegate to the Director of Resources (Section 151 officer) the full range of powers including taking all decisions, implementing decisions and acting as the authorised signatory for the Council to ensure the safe transfer of the Cumbria Pension Fund assets from Cumbria County Council to Westmorland and Furness on 1 April 2023.

94. SECTION 24 AGREEMENT - EXTENSION OF APPRENTICESHIPS FRAMEWORK

Cabinet considered a report which asked members to consider granting consent to the County Council to extend its Apprenticeships Framework for a period of one year until 31 March 2024.

In compliance with the Direction issued under section 24 of the Local Government and Public Involvement in Health Act 2007, the extension of the Framework required the consent of both Westmorland and Furness Shadow Authority and Cumberland Shadow Authority.

All large employers with an annual pay bill of over £3 million were required by the Government to pay an 'apprenticeship levy' of 0.5% of their total annual pay bill. The Apprenticeships Framework enabled the Council to spend that levy on apprenticeships and training and keep these funds in Cumbria and to invest in its workforce and supported the wider aims of the Council Plan.

The Apprenticeship Framework had commenced on 1 April 2018 for four years until 31 March 2022. There were two optional 12-month extensions available, one of which had already been utilised, to 31 March 2023.

Consent was now sought from the Shadow Authority to use the final one-year extension, extending current arrangements to 31 March 2024 to ensure that there were arrangements in place for both new unitary authorities and Cumbria Fire and Rescue from 1 April 2023.

The extension would allow the operational teams sufficient time to 'settle' into new organisations and for decisions to be taken around the strategic

approach around these services. The contract stated that the Council must give providers three months' notice of contract extension, a notice of intention to extend had been sent to all Framework Providers.

District Councils currently spot purchase Apprenticeship Training via several contracts. These arrangements were not part of the proposals detailed in the paper. Both New local authorities would need to review the Framework as soon as possible and consider their future apprenticeship training needs as that was the last extension that could be applied to the Framework.

Councillor Jarvis proposed the recommendation, which was seconded by Councillor Sanderson.

A unanimous vote to approve the recommendation was taken.

RESOLVED, that the Shadow Cabinet granted consent to Cumbria County Council to extend the Apprenticeships Framework for a period of one year from 1 April 2023 until 31 March 2024, with an indicative annual value of £4m.

95. SECTION 24 DIRECTION AND GENERAL CONSENT - AWARD OF CONTRACT FOR INSURANCE SERVICES

Members had before them a report from the Director of Resources (Section 151 Officer) which asked Cabinet to consider granting consent to the County Council to enter into a contractual arrangement for the provision of Insurance Services to Westmorland and Furness Council for a period of three years from 1 April 2023 with the option to extend for two separate periods of one year.

In compliance with the Direction issued under Section 24 of the Local Government and Public Involvement in Health Act 2007, the award of these contracts required the consent of Westmorland and Furness Shadow Authority.

Westmorland and Furness Council would, post vesting date, provide a complex range of services and undertake a wide range of activities and would therefore need to ensure appropriate insurance cover was in place from 1 April 2023 to demonstrate good financial and risk management.

All existing insurances for the County Council and District Councils would terminate on 31 March 2023 and consequently new insurance policies were required to be in place for vesting date.

Due to the lead in time to ensure appropriate insurances were in place for 1 April 2023, a procurement process had been undertaken by Cumbria County Council on behalf of Westmorland and Furness Council.

To support that process the Shadow Cabinet was recommended to grant consent to Cumbria County Council to enter into contractual arrangements for main insurance services.

Marsh Ltd had been appointed to provide insurance brokerage services to Westmorland and Furness Council with that contract transferring from the County Council to Westmorland and Furness Council on 1 April 2023.

Marsh Ltd had supported the procurement process for insurance provision utilising their access to the market and wide experience to ensure a cost effective insurance contract for the Council.

Councillor Jarvis proposed the recommendation, which was seconded by Councillor Sanderson.

A unanimous vote to approve the recommendation was taken.

RESOLVED, that Shadow Cabinet granted consent to Cumbria County Council to enter into contractual arrangements for the provision of main insurance services to Westmorland and Furness Council.

96. WESTMORLAND AND FURNESS SCHOOLS FORUM AND JOINT STANDING ADVISORY COUNCIL ON RELIGIOUS EDUCATION (SACRE)

Cabinet considered a report which asked members to establish a Schools Forum for Westmorland and Furness, and to approve the constitution of a Joint Standing Advisory Council on Religious Education (SACRE).

Each Local Authority was required by law to establish a Schools Forum. The current Cumbria Schools Forum would cease to exist on 31 March 2023 and two new Forums would be established, one for each of the two new authorities.

The role of the Schools Forum had been summarised in the Education Skills and Funding Agency (ESFA) Guidance 'Schools forum powers and responsibilities'. Essentially the Schools Forum had a consultative, or decision-making role (depending of the specific decision being made) in respect of schools/education financing.

The Schools Forum was not a committee of the Local Authority. Its membership was largely made up of senior managers/governors from schools

and academies. The Schools Forums (England) Regulations 2012 ('the Regulations') provided a framework for the appointment of members but allowed a considerable degree of discretion in order to accommodate local priorities and practice.

The membership of the Westmorland and Furness Schools Forum needed to include:-

- school members,
- academy members,
- special school member(s),
- early years member(s),
- post 16 member(s),
- pupil referral unit member(s).

It was proposed that there would also be representatives from the local dioceses and teaching/non-teaching professional associations. At least two thirds of the membership must be made up of school and academy members. The balance between primary, secondary and academy members should be broadly proportionate to the pupil numbers in each category.

The Forum would operate using the constitution set out in Appendix 1 of the report. Once established and quorate the Schools Forum could make changes to its membership to respond to changes to the educational landscape in its area.

Nominees were currently being sought to serve on the Westmorland and Furness Schools Forum.

Section 390 of the Education Act 1996 required a Local Authority to constitute a SACRE, the role of which was to advise the Local Authority on religious worship in community schools and in foundation schools which did not have a religious character, and the religious education to be given in accordance with an agreed or other syllabus, along with other functions as set out in the Education Act 1996.

The membership of the SACRE had been largely determined by Section 390 of the Education Act 1996. There were four committees within the SACRE –

- A Christian denominations (other than Church of England) and other faiths
- B Church of England
- C Teacher Associations
- D The Local Authority

There was currently a Cumbria wide SACRE and the proposal was that a Joint SACRE would operate for Cumberland and Westmorland and Furness from 1 April 2023, initially using the constitution at Appendix 3 of the report and with the initial membership as listed at Appendix 4.

Currently there were no members listed in Committee D. As matters stand, the constitution asked Cumberland and Westmorland and Furness to appoint two members each. It was understood that such appointments would be made at the Councils' respective AGMs due to be held in April.

Operating a joint SACRE would enable a seamless transition. That was particularly important, as the agreed syllabus review (which was legally required to take place every five years) was currently underway.

Councillor Sanderson proposed the recommendations, which was seconded by Councillor Hughes.

A unanimous vote to approve the recommendations was taken.

RESOLVED, that the Shadow Cabinet

- (1) Established the Schools Forum for Westmorland and Furness;
and
- (2) Constituted a Joint SACRE in accordance with the constitution attached at Appendix 3 of the report and appoints those listed in Appendix 4 of the report as members of the SACRE.

97. LGR PROGRAMME UPDATE REPORT

The Leader of the Council presented a report which provided members with an update on the Programme in place to support Local Government Reorganisation in Cumbria.

Susan Fawkes, Programme Manager – Local Government Reorganisation reported that of the 212 day 1 requirements 70 were complete and 60 nearing completion. 62.6% of all the programme milestones had now been achieved.

All staff should or received their staff allocation letter confirming whether they had been allocated to Westmorland and Furness or Cumberland Councils or to the Fire Service. Also ongoing was the tier three Assistant Director Interviews and it was anticipated that appointments would be concluded early March 2023. Significant progress was being made in awarding some ICT contracts.

Regarding the risk profile the recent review showed a decrease in likelihood for four of the 12 risks with eight remaining static.

Councillor Hughes asked for more regular updates on milestones. Susan Fawkes commented that weekly updates were now going to informal Cabinet.

Councillor Brook proposed the recommendation, which was seconded by Councillor Bell.

A unanimous vote to approve the recommendation was taken.

RESOLVED, that the report be received and noted.

98. URGENT ITEMS

None.

The meeting ended at 11.17 am