

WESTMORLAND AND FURNESS SHADOW OVERVIEW AND SCRUTINY
COMMITTEE

Minutes of a Meeting of the **Shadow Overview and Scrutiny Committee** held on **Wednesday, 10 August 2022 at 10.00 am at County Hall, Kendal**

PRESENT:

Cllr B Morgan (Chair)

Cllr J Batty	Cllr V Hughes (Vice-Chair)
Cllr W Clark	Cllr H Ladhams
Cllr A Coles	Cllr N Phillips
Cllr P Dew	Cllr D Rathbone
Cllr S Evans	Cllr G Simpkins
Cllr M Hanley	Cllr D Taylor
Cllr H Hodgson	

Officers in attendance:

Cllr J Brook	Leader of the Council
Mrs J Currie	Democratic Services
Ms C Elwood	Interim Monitoring Officer
Ms K Griffiths	Senior Manager – LGR Programme
Ms H Reay	Policy & Scrutiny Project Officer
Cllr A Jarvis	Cabinet Member for Finance

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

13. APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllrs Chaffey and McEwan.

14. MEMBERSHIP

Cllr A Coles replaced Cllr B McEwan and Cllr D Rathbone replaced Cllr H Chaffey for this meeting only.

15. DECLARATIONS OF INTEREST/DISPENSATIONS

There were no disclosures of interest made on this occasion.

16. EXCLUSION OF PRESS AND PUBLIC

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

17. MINUTES OF THE PREVIOUS MEETING

RESOLVED, that the minutes of the previous meeting held on 15 June 2022 be agreed as an accurate record.

18. REFERRALS FROM THE SHADOW AUTHORITY AND SHADOW CABINET

None for this meeting.

19. REFERRALS FOR ADVICE IN RELATION TO CALL INS

None for this meeting.

20. RESPONSE TO THE SHADOW CABINET ON REPORTS OF THE OVERVIEW AND SCRUTINY COMMITTEE

None for this meeting.

21. PREPARATION OF WESTMORLAND AND FURNESS COUNCIL PLAN

The Leader of the Council presented a report which advised members of the steps being taken towards the adoption of a Council Plan for Westmorland and Furness Council. The Council Plan would set out the high level strategic direction for the new authority including vision and priorities.

Although there was no statutory requirement for a local authority to have a Council plan or Corporate Plan, most Councils had some form of overarching corporate policy document or Council Plan which set out the Council's vision, values and priorities.

A Council Plan was particularly important in the case of Westmorland and Furness where a new Council was about to come into being. There was an opportunity to set a long term direction of realising the benefits offered by local government re-organisation by doing things differently.

The new Council would be required to set budgets, design structures, make decisions on operating models and appoint the right people to the right roles. All of these things needed to be guided by vision, direction and priorities so that, in addition to being efficient, safe and legal, the new Council was able to structure and design itself in such a way that enabled it to deliver lasting change.

This Council plan would be prepared with a great deal of uncertainty around the means of delivery. So it needed to focus on;

- Vision - how the Council see the District and its people changing in the long term;
- Priorities – the areas to which resource will need to be targeted to deliver the vision;
- Values and principles – the values that will inform how the Council delivers on the vision.

Importantly the new Council would face significant resource challenges. This meant that the plan would have to inform some difficult decisions on priorities and it would not be able to achieve all of its ambitions straight away. However it was important that if the benefits of local government re-organisation were to be realised, there needed to be vision, ambition and direction.

The plan would provide a high level framework for functions currently delivered by the County Council such as social care supporting families and vulnerable children and adults, highways and transport, strategic infrastructure and investment, services to support the education system and improve outcomes for children and young people and District functions such as planning, environmental health, housing and recreation and was an opportunity to get some of these to work better together in pursuit of strategic priorities.

The Leader said that because of the considerable uncertainties and demanding timescales under which the plan was being prepared, it was likely that there would be a need for early review and extensive community conversations in the first year of the new authority.

The Leader then took members through some of the detail in the report, including:

- The new district – facts and figures
- The district economy
- Challenges, and
- The timeline and council plan preparation process.

Cllr Battye was concerned about the emerging vision and priorities as the plan still seemed unclear on what these might be. She also had a concern that according to the proposed timeline it did not appear that the draft plan would be considered again by the Overview and Scrutiny Committee before adoption.

The Leader responded to say that the report outlined the timeline for the preparation of the plan and he reassured members that he would endeavour to find a way to engage with scrutiny members on the final plan.

The Strategy Lead Specialist said the current exercise was constrained by both the tight timescale and also that fact that there are no dedicated officers producing the plan, which was being developed by staff in the sovereign councils. It was therefore likely to be a high level document. However, soon after vesting day this would be refreshed with much wider consultation.

In relation to services going forward the Leader said that in the first instance it would make sense to continue with district led services in Barrow, Eden and South Lakeland in the transition stage, but in the future the Council would be looking at how services could be further devolved.

Cllr Battye was aware that parish councils were concerned that the new unitary authority would be looking to pass its responsibilities on to them.

The Leader said he would be engaging with all parish councils to discuss devolving services, but he was very aware that one size would not fit all. However, the Council would be encouraging dialogue.

The Leader then made reference to the budgets and how these might be disaggregated. Although there would be significant financial challenges ahead, officers and members were currently at an early stage of identifying budgets and the Leader would share these with Overview and Scrutiny Committee at an appropriate time.

The Cabinet Member for Finance said the budget would be part of an iterative process and the initial budget would be used as the basis for the Council Plan. However, this would be renewed and refreshed after vesting day.

Cllr Hodgson commented that there were already some good economic partnerships in rural areas of the districts and these would need support and continuity from the new Council going forward. She spoke particularly about the farming communities and the need to involve these in partnership discussions. She also hoped that there would be levelling up for transport services in rural areas.

The Leader reassured Cllr Hodgson that there was a recognition of the importance of the agricultural sector in Westmorland and Furness and the sector would be engaged during the production of the plan.

Cllr Dew asked who would be producing the plan and when it would be going back to the Shadow Authority Cabinet to agree. He was concerned that there did not appear to have been much discussion about this the last time the draft plan was considered.

The Leader responded to say that the Shadow Authority Cabinet had discussed the plan in detail during the informal cabinet meetings and he reassured members that the Cabinet was fully engaged in this process. The Council Plan would be coming back to the Shadow Cabinet in October, and the Overview and Scrutiny Committee would have the chance to consider the Council Plan again before it was finally adopted.

Cllr Clark asked how the Lake District National Park Plan would fit into the Council Plan. He wondered whether disaggregation of services would have a detrimental effect on the Lake District National Park.

The Leader replied that both shadow unitary councils were working closely with the LDNP on this. There were lots of members that represented sovereign councils and decisions would be needed on how the membership would be split going forward.

Cllr Clark felt that to give a number of elected members should at least be the same as the current representation. The Leader noted these comments and would continue to work with the National Parks to resolve this.

Cllr Phillips commented that he felt the Shadow Authority should be prudent on the number of priorities in the Council Plan, as he felt it may be difficult to deliver on these.

The Leader recognised the concerns raised and shared some of them. However, the two new unitary councils had been given the same timescales for delivery of a Council Plan as all the other councils going through local government reform. There had been no recognition from

Government that the splitting of services in Cumbria would require a much greater effort to achieve. However, he again reiterated that the Council Plan would be in a two stage process – Stage 1 would be day 1 and then Stage 2 would be the transformation stage.

Cllr Phillips challenged the Leader on the timescale and it was not a statutory deadline, but was a deadline set by Westmorland and Furness Council. He felt it would be better to have everything else underpinned before we published a Council Plan.

The Cabinet Member for Finance said the Shadow Council had to start building budgets and in order to do this there had to be a plan in place. The Council Plan would be a high level document.

Cllr Evans implored the Leader to ensure that young people were at the heart of the priorities in the Plan, we need to encourage young people to want to stay and live in Westmorland and Furness. They are the future and so important. The Leader noted these comments.

Cllr V Hughes raised concerns about the health and wellbeing of the elderly living in rural communities and was pleased to hear this was being considered.

She also had concerns about businesses struggling to recruit staff and wondered if apprenticeships may be the key to resolving this.

Her final concern was about the fact that local communities were being hit by the cost of housing and more specifically about the increase in the number of second homes in the area.

The Leader noted these comments and said in relation to the issue of housing South Lakeland District Council had been working with the Lake District Partnership and he hoped this would continue with the unitary council.

RESOLVED, that the Overview and Scrutiny Committee

- (1) Notes this report;
- (2) Forwards comments made today onto Cabinet for their consideration

22. LGR PROGRAMME IMPLEMENTATION PLAN UPDATE

Members considered a report from the Senior Manager – LGR Programme which provided members with an update on the LGR Implementation Plan.

At the meeting in May 2022 the committee received a presentation on the LGR Programme Implementation Plan. The plan set out the vision and ambition for Cumbria, and the approach to the programme, in addition, it also shared the overall timeline that the programme is working to.

The report came at the point where the programme was nearing the end of the design phase and provided an update on the approach adopted to design options and the development of the Service Baseline Blueprints.

This report focused on activity since then, including the publication of Service Baseline Blueprints, their reporting to Shadow Executives, and the shift to the implementation phase of the programme including the changes in programme governance to support this.

The Service Baseline Blueprints were produced and presented to the Shadow Executive Meeting on 22 July, along with a series of recommendations for an 'in-principle' agreement as the basis for further work in the implementation phase of the programme.

Currently the informal Member's Liaison Group was being consulted on the development of the blueprints for services, with the intention of reporting back the Shadow Executive in August and September 2022.

At the same time other activity was underway across the programme to support the planning for services as these transition into the new Authority.

This activity includes:

- Budget aggregation/ disaggregation - Work has been on-going to provide information on service budgets and staff resources based on dis-aggregation principles and current year budgets. This will then be followed by another piece of work to correlate the budget costing with the funding available. Over the summer, Finance officers will work with officers and Members to review service budgets.
- Allocation of staff resources - a staff allocation decision making framework has been co designed in partnership with the Trade Unions. Preparatory work is underway to roll

this out, commencing with high level all staff briefings, workshops to support managers to have the conversations with staff. It is our intention that all staff will know which Council they will work for and in what role by November.

The programme was now in its implementation phase and the focus had shifted to delivery; with an increased overview and management of the delivery of day one requirements (to be safe and legal) and associated critical milestones.

Programme governance had shifted to reflect this with the creation of new boards and processes to support .

A Day One Board had been set up and was chaired by the Programme's Senior Responsible Officer and included all technical leads across the programme and programme managers. The board met weekly and was focused on delivery against the programme's critical day one requirements, needed to ensure that the new council and the operation of its services were safe and legal on day one. Sixty plus delivery plans were in place and aligned to those requirements, incorporating key milestones, progress on delivery and flags where progress is at risk.

The former CLOF (Cumbria Leaders Oversight Forum), now renamed MLG (Members Liaison Group), had been reinstated with attendance from the 3 Senior Responsible Officers (SROs) and the Leaders and Deputies from each Authority. The first meeting was held on the 17 June.

Programme reporting and status updates were being reviewed to ensure that these were driven by data and met the needs of both the programme boards and the Shadow Members.

Cllr Dew said he was not yet sure how the different structures worked and interacted with each other, and he would welcome further information on this in the near future. He was also interested to find out whether the detailed information on costing and hosting would be available by September.

The Senior Manager responded to say that decisions on the hosting of council services were being considered by the Members' Liaison Group, and by the end of August MLG would have considered all service areas.

Work had been taking place on budgets and possible budget provisions for hosting services. The financial workstreams had been considering this for some time and this work was almost complete. Once available this would be fed into the budget process.

The Leader of the Council said the Shadow Authority Cabinet had raised concerns in the past about the lack of elected member involvement with the Programme Board, which was when the MKG was formed. Discussions had now begun on the scope of services suitable for hosting and discussions had also started with staff members about this.

The Leader confirmed that there was no agreed operating model yet so it was difficult to form a proposed structure, but the Interim Chief Executive would be looking at this in the near future.

Cllr Phillips asked the Senior Manager whether it would be possible to include information on risk and also key performance indicators (KPI's) in future reports.

The Senior Manager said although the KPIs were still high level it should be possible to include these as a dashboard in future reporting.

Cllr Rathbone asked for details on the work being undertaken by KPMG on behalf of Westmorland and Furness Council. The Senior Manager provided details.

RESOLVED, that the Shadow Authority Scrutiny Committee notes the report details and key point in section 3 of this report.

23. STRATEGIC FINANCIAL PLANNING

Members considered a report from the Cabinet Member for Finance 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.

The report also provided clarity on the decisions required by each Unitary Council and Cumbria Fire and Rescue Service to deliver the strategic planning process to enable the development of their 2023/24 revenue and capital budgets and Medium Term Financial Plans, and included the timeline for the strategic planning approach required to support the establishment of two financial sustainable Unitary authorities and a financially sustainable 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 would deliver services to achieve their Council Plan priorities and deliver them within a balanced budget.

For 2023/24 the strategic planning process requires decisions and information to be provided as part of the overall financial disaggregation work. It would also require individual organisations to make decisions on their own assumptions around financing and risk in order that a balanced budget for 2023/24 and Medium-Term Financial Plan could be finalised for approval by the Executive and Full Council in February 2023.

In respect of the Financial Disaggregation work there were a number of decisions which would need to be taken jointly by both unitary authorities and CFRS to approve the principles and approach taken to allocate the existing resources.

These decisions included capital and revenue funding and expenditure and all balance sheet items (which included reserves, liabilities, and assets).

The Cabinet Member then took members through the detail of the report.

Each sovereign authority had a MTFP for at least a 3-year period and many for a 5-year period. Each MTFP had been prepared on the basis of assumptions around costs and revenues and around each authority's balance of risks and opportunities and risk appetites. The published MTFP budget gap was around £32m for 2023/24 and £35m for 2024/25:

On conclusion of his presentation the Cabinet Member ended by detailing the conclusion and next steps.

Cllr Hughes asked the Cabinet Member for Finance to expand on why Westmorland and Furness would be more reliant on Council Tax than Cumberland would be.

The Cabinet Member responded to say the main reason was that the need was higher in Cumberland than it was in Westmorland and Furness, which had far less areas of deprivation. Cumberland would also be getting a greater share of the public health grant.

Cllr Battye asked when Scrutiny members would get the chance to consider the draft budget and medium term financial plan.

The Interim Chief Finance Officer said the draft budgets would not be available by the next meeting on 21 September, however, they would be available by October. The draft budgets would be out for public consultation and the Overview and Scrutiny Committee would have the opportunity to scrutinise the draft budgets during this period.

The Cabinet Member for Finance felt the increases in inflation and the cost of living crisis could affect the rate of council tax needed, and the figures to be set by Government, and this may not be known until December. This could also have an effect on business rates.

Cllr Dew thanked the Cabinet Member for the report and asked if the Medium Term Financial Plan was proposed to be a 5 year plan, and whether Cabinet yet had any idea what the budget gap was likely to be for Westmorland and Furness Council. He also asked about the way in which 'transformation' had been built into the budget planning.

The Cabinet Member responded to say a separate had been agreed between Day 1 budgets and supplementary budgets as this was the only way to build in transformation.

He was unable to confirm the budget gap split as this had not yet been worked out, however, he did not envisage that the split would be heavily weighted one way or the other. He confirmed that the MTFP would cover a five year period.

Cllr Hodgson asked the Cabinet Member when the setting of council rates would be considered. The Cabinet Member said Council Tax would be reviewed each year, but all the sovereign council rates would be harmonised over a 5 year period.

The Chair reminded members that at the last Scrutiny meeting members it was agreed that the committee wanted the chance to scrutinise the draft budget and medium term financial plan, and based on the conversation today this may require the date of the November meeting to be brought forward. She asked officers to look at this and amend the date if necessary.

RESOLVED, that the Overview and Scrutiny Committee notes the progress to date and the next steps in preparing budgets for 2023/24.

24. SCRUTINY OVERVIEW REPORT

Members considered a briefing paper which informed them of new or updated items of significance to the Shadow Overview and Scrutiny Committee as well as providing an opportunity to review the Shadow Authority's Forward Plan and consider the Committee's Work Programme.

Cllr Phillips raised again the issue of linking all the milestones in the Forward Plan together so that decisions would fit in with the Scrutiny

Work Programme. It was agreed that the Strategic Policy and Scrutiny Advisor would review the programme with lead officers on timings.

Members agreed that the first Task & Finish Group activity would be on the locality models, and felt that this needed to be geographically focused. It was agreed that the Strategic Policy and Scrutiny Advisor Officer would follow up on membership of the task and finish group, timescales, and scope.

The Chair reminded all members that it had previously been agreed to have a half an hour pre-meet before each Scrutiny meeting going forward.

At the end of the meeting the Chair raised the issue of Scrutiny feedback to Cabinet, and the fact that the Overview and Scrutiny Committee had not received any formal feedback from Cabinet on their comments that fed into the blueprints report. She asked that this be added to the agenda for the next Scrutiny meeting in September.

RESOLVED, that the committee

- (1) notes the Shadow Authority's Forward Plan;
- (2) agrees that the topic for the first task & finish group activity be on the locality models;
- (3) notes the Committee's Work Programme;
- (4) requested feedback from Shadow Cabinet on the baseline blueprints.

The meeting ended at 11.30 am