

To: The Chair and Members of the Shadow Overview and Scrutiny Committee

Agenda

Dear Member

SHADOW OVERVIEW AND SCRUTINY COMMITTEE

A meeting of the Shadow Overview and Scrutiny Committee will be held as follows:

Date: Wednesday, 10 August 2022
Time 10.00 am,
Place: County Hall, Kendal, Cumbria LA7 9RQ

Caroline Elwood
Interim Monitoring Officer
Shadow Authority for Westmorland and Furness

Enquiries and requests for supporting papers to: Jackie Currie
Direct Line: 07919 056193
Email: Jackie.currie@cumbria.gov.uk

MEMBERSHIP

Cllr J Battye
Cllr H Chaffey
Cllr W Clark
Cllr P Dew
Cllr S Evans
Cllr M Hanley
Cllr H Hodgson

Cllr V Hughes (Vice-Chair)
Cllr H Ladhams
Cllr B McEwan
Cllr B Morgan (Chair)
Cllr N Phillips
Cllr G Simpkins
Cllr D Taylor

ACCESS TO INFORMATION

Agenda and Reports

Copies of the agenda and Part I reports are available for members of the public to inspect prior to the meeting. Copies will also be available at the meeting.

The agenda and Part I reports are also available on the Westmorland and Furness website

<https://westmorlandandfurness.moderngov.co.uk/mgCommitteeDetails.aspx?ID=142>

A G E N D A

1. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

2. MEMBERSHIP

To receive details of any changes in membership.

3. DECLARATIONS OF INTEREST/DISPENSATIONS

To receive any declarations of interest by Members of interests in respect of items on this agenda, and to consider any dispensations.

Members may however, also decide, in the interests of clarity and transparency, to declare at this point in the meeting, any such disclosable pecuniary interests which they have already declared in the Register, as well as any other registrable or other interests.

4. EXCLUSION OF PRESS AND PUBLIC

To consider whether the press and public should be excluded from the meeting during consideration of any item on the agenda.

5. MINUTES OF THE PREVIOUS MEETING

To consider the minutes of the previous meeting held on 15 June 2022 (copy enclosed)

(Pages 5 - 10)

6. REFERRALS FROM THE SHADOW AUTHORITY AND SHADOW CABINET

None for this meeting.

7. REFERRALS FOR ADVICE IN RELATION TO CALL INS

None for this meeting.

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

None for this meeting.

9. PREPARATION OF WESTMORLAND AND FURNESS COUNCIL PLAN

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

(Pages 11 - 20)

10. LGR PROGRAMME IMPLEMENTATION PLAN UPDATE

To consider a report from the Senior Manager – LGR Programme (copy enclosed)

(Pages 21 - 28)

11. STRATEGIC FINANCIAL PLANNING

To consider a report from the Cabinet Member for Finance (copy enclosed)

(Pages 29 - 54)

12. SCRUTINY OVERVIEW REPORT

To consider a report from the Strategic Policy and Scrutiny Advisor (copy enclosed)

(Pages 55 - 72)

WESTMORLAND AND FURNESS SHADOW OVERVIEW AND SCRUTINY COMMITTEE

Minutes of a Meeting of the **Shadow Overview and Scrutiny Committee** held on **Wednesday, 15 June 2022 at 10.00 am at Committee Room 1, County Hall, Kendal**

PRESENT:

Cllr J Batty
Cllr H Chaffey
Cllr W Clark
Cllr P Dew
Cllr H Hodgson
Cllr V Hughes (Vice-Chair)
Cllr H Ladhams
Cllr B McEwan
Cllr B Morgan (Chair)
Cllr N Phillips
Cllr G Simpkins
Cllr D Taylor

Officers in attendance:

Mrs J Currie	Democratic Services Officer
Ms L Fisher	Interim Monitoring Officer
Mr A Lea	KPMG on behalf of the LGR Programme Board
Mr D Stephens	Policy and Scrutiny Advisor

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

1. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor S Evans.

2. MEMBERSHIP

There were no changes in membership for this meeting.

3. DECLARATIONS OF INTEREST/DISPENSATIONS

Members asked if they were required to declare an interest if they were elected members of sovereign councils.

The Interim Monitoring Officer informed members that the Code of Conduct was in the process of being amended to state that being a member of another council in the area would not stop Westmorland and Furness members from taking part in meetings.

She confirmed that there a nothing on the agenda today specific to any of business of the sovereign councils, so members were not required to declare any interests.

4. EXCLUSION OF PRESS AND PUBLIC

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

5. REFERRALS FROM THE SHADOW AUTHORITY AND SHADOW EXECUTIVE

None for this meeting.

6. REFERRALS FOR ADVICE IN RELATION TO CALL INS

None for this meeting.

7. RESPONSE TO THE SHADOW EXECUTIVE ON REPORTS OF THE OVERVIEW AND SCRUTINY COMMITTEE

None for this meeting.

8. TERMS OF REFERENCE OF THE OVERVIEW AND SCRUTINY COMMITTEE

The Westmorland and Furness Overview and Scrutiny Committee considered a report from the Interim Monitoring Officer, which asked them to note the Terms of Reference of the Overview and Scrutiny Committee.

The Interim Monitoring Officer referred to Section 3.3 of the report, detailed the Terms of Reference.

The recommendation was moved and seconded and put to a vote, which was unanimous.

RESOLVED, that the Overview and Scrutiny Committee note the Terms of Reference.

9. LOCAL GOVERNMENT REORGANISATION (LGR) IMPLEMENTATION PLAN UPDATE

Members received a presentation from Mr Andrew Lea, on behalf of the LGR Programme Board, which covered the following:-

- Vision and ambition for Cumbria
- Two new Councils for Cumbria
- Implementation Approach – values
- Implementation Approach – design principles
- Timeline and phasing
- Democratic and programme governance
- Implementation Phase
- Blueprints, service plans and strategic financial planning
- Next steps

Scrutiny Members asked who had developed and decided on the 'vision'.

Mr Lea responded to say the vision had been developed from the programme perspective, and had been seen by both the Programme Board and also Cumbria Leaders Oversight Forum (CLOF). He said that once the Shadow Authority agreed the Council Plan there would then be an opportunity to establish a unique vision for the Westmorland and Furness Unitary Council.

Members were concerned about the lack of transparency about where changes in service delivery were required. Some services would be new, some would be separated and some would be combined, and they wondered when Scrutiny members would have the opportunity to see the details.

Mr Lea said there was absolute recognition that changes were required but he said this was a collaborative endeavour and all of the sovereign councils were working together to get this resolved. He then took members through the design principles and timelines.

Over the summer members would have the time to consider the service design and draft process.

Members asked about the timeline and checklist for moving services across to the new unitary. The officer responded to say that quarterly readiness reviews have been developed to examine the critical paths.

Members were very concerned about the timelines and wondered if it would be possible for any pre-scrutiny before Cabinet considered the draft blueprints in July. There then followed a debate about how pre scrutiny may be undertaken.

The Interim Monitoring Officer said she understood that the draft blueprints being presented to Cabinet in July would just be high level documents, but she would speak to the Programme Director and pass on the concerns of the Scrutiny Committee members.

Mr Lea confirmed that the blueprints for Cabinet in July would be high level, and the work over the summer would be looking at the cost pressures and service designs.

A discussion then took place on possible options for service design and the Interim Monitoring Officer said officers would look at the options for pre scrutiny either informal or formal and would check any option with the chair before confirming. This was **AGREED**.

Mr Lea then took members through the possible design options and said most of the design option appraisals had been considered through Cumbria Leaders Oversight Forum.

Members asked about current contracts and how these would be managed going forward.

The Interim Monitoring Officer then gave a detailed explanation on how contracts would be dealt with during transition, and members asked specific questions about current contracts, which the Interim Monitoring Officer answered.

Scrutiny members asked if this information could be made known to existing contractors, some of which had already started raising concerns.

The Interim Monitoring Officer agreed to pick this up with the County Council's Contracts and Commissioning Team and also the Communications Team.

One of the Scrutiny Members asked specifically about any SWOT analysis that had been carried out, and whether each service blueprint would include an evidence based SWOT analysis. If so, she hoped the

analysis was looking at how 'better' services could be provided as it would be a loss to lose this ambition for services going forward.

Members accepted that initially the new unitary had to be 'safe and legal' on day 1, but said they hoped the ambition of members would not be forgotten.

One of the sovereign Council members asked what the plans were for the new committee structure for the new unitary, and hoped that the current Area Committee structure of the County Council would be adopted.

The Interim Monitoring Officer said this would be looked at by the Constitution Review Group in the near future.

One of the members asked when the final decision on options for service delivery would be taken, and the Interim Monitoring Officer said this would be taken by Cabinet. Scrutiny members reiterated that at the very least the Chair of Overview and Scrutiny needed to be engaged in this.

One of the members asked how the benefits would be captured going forward, and it was agreed these would be added to the Scrutiny work programme.

Members asked for details on the proposals for the Task and Finish Groups and for confirmation if these groups would be 'executive'. The Interim Monitoring Officer agreed to investigate.

It was **AGREED** that,

- (1) Officers would look at the options for pre scrutiny either informal or formal and would check any option with the chair before confirming;
- (2) The Interim Monitoring Officer would speak to colleagues in the County Council's Contracts and Commissioning Team and also the Communications Team about messaging about contracts going forward.

10. SCRUTINY OVERVIEW REPORT

The meeting then broke at 11.35am and reconvened at 11.40am

Members had before them a report from the Policy and Scrutiny Team 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.

Members agreed that a half hour pre-meeting before all OSC meeting be scheduled into the diary.

Members asked whether the Overview and Scrutiny Committee would have the opportunity to consider the Council Plan before it was agreed. The Strategic Policy and Scrutiny Advisor said this was programmed to take place in August.

The Policy and Scrutiny Advisory said the County Council's Scrutiny Management Board had held a Task & Finish Group on Locality Models and Structures, which the OSC may find helpful. He agreed to circulate this to all members of the committee, for information.

The recommendations were moved and seconded and voted upon unanimously.

RESOLVED, that

- (1) the Shadow Authority's Forward Plan be received and noted;
- (2) The work programme be received and noted.

11. INDUCTION AND TRAINING PROGRAMME

Members considered a report from the Interim Monitoring Officer which informed them of the Induction and Training Programme to the 15 June 2022. An up to date copy of the programme was tabled at the meeting.

The Interim Monitoring Officer said work had started on a member development strategy to cover the remainder of the year and the commencement of the 2 new Unitary Authorities.

RESOLVED, that members note the updated Induction and Training Programme to 18 July 2022.

12. DATE AND TIME OF NEXT MEETING

The next meeting was currently scheduled to take place on 10 August 2022 at 10am in County Hall, Kendal.

The meeting ended at 12.00 pm

Westmorland and Furness Overview and Scrutiny Committee

Date: 10th August 2022

Title: Preparation of Westmorland and Furness Council Plan

Report from: Councillor Jonathan Brook, Leader of the Council

Report Author: Dan Hudson, Strategy Lead Specialist, South Lakeland District Council

Wards: All

Key Decision: Yes

1.0 Purpose/Summary of report

- 1.1. The purpose of this report is to advise the Committee of the steps being taken towards the adoption of a Council Plan for Westmorland and Furness Council. The Council Plan will set out the high level strategic direction for the new authority including vision and priorities

2.0 Recommendation

2.1 It is recommended that the Committee:-

- (1) Note this report**
- (2) That any comments be forwarded to Cabinet for their consideration**

3.0 Background and Proposals

Why do we need a Council Plan?

- 3.1 There is no statutory requirement for a local authority to have a Council plan or Corporate Plan. However most Councils have some form of over-arching corporate policy document or Council Plan which sets out the Council's vision, values and priorities.
- 3.2 For this reason, Barrow (2020), Eden (2019) and South Lakeland (2021) all have recently updated Council Plans whilst the County Council adopted its current plan in 2018.

- 3.3 A Council Plan is particularly important in the case of Westmorland and Furness (and Cumberland), where a new Council is about to come into being. There is 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 needs to set budgets, design structures, make decisions on operating models and appoint the right people to the right roles. All of these things need to be guided by vision, direction and priorities so that, in addition to being efficient, safe and legal, the new Council is able to structure and design itself in such a way that enables it to deliver lasting change.

What does a Council Plan cover

- 3.4 This Council plan will be prepared with a great deal of uncertainty around the means of delivery. So it needs 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.
- 3.4 The Council Plan is intended to communicate vision and direction at the highest level. It provides a statement of intent to inform relationships with other stakeholders. It informs prioritisation and organisational design. It covers a significant period of time – normally 5 years and can be regularly reviewed.
- 3.5 The Council Plan is not and cannot be a catalogue of everything the new Council will do. It is **not** about specific projects or services. It is about real-world outcomes. This is particularly the case in current circumstances when resources and structures for delivery are unknown. It can be supplemented by action planning, performance management frameworks and other council plans and strategies. It can give direction to service and departmental plans. Importantly, it can inform commissioning activity – decisions about what the Council does and, importantly, in the context of likely resource pressures and in particular the likelihood of very high social care costs, what it does **not** do.
- 3.6 Importantly the new Council will face significant resource challenges. This means that the plan will have to inform some difficult decisions on priorities and it will not be able to achieve all of its ambitions straight away. However it important that if the benefits of local government re-organisation are to be realised, there needs to be vision, ambition and direction.

How does the Council Plan fit with the Local Government re-organisation

- 3.7 The importance of Council Plans is reflected in the Local Government Reform programme for Westmorland, Furness and Cumberland which deals with those issues relating to Local Government re-organisation which affect both new Councils, primarily those concerned with the division of former County functions. The preparation of a Council Plan is one of the first steps for the new Councils in developing their new visions and separate identity and the new Councils may have very different priorities. The programme and the implementation plan that goes with it seeks to ensure that the preparation of new council plans runs ahead of the development of budgets for the new councils.
- 3.8 Council planning, policy and performance falls within the Corporate and Enabling theme. The theme envisages that, for both authorities, a cabinet paper (this report) explaining process and approach will be prepared in July, engagement will be undertaken in August and draft plans approved in September with a view to final plans being adopted in October. This can then inform policy development, budget planning, transformation planning and the development of an operating model.
- 3.9 The plan will 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 is an opportunity to get some of these to work better together in pursuit of strategic priorities.
- 3.10 Because of the considerable uncertainties and demanding timescales under which the plan is being prepared, it is likely that there will be a need for early review and extensive community conversations in the first year of the new authority.

The New District – some facts and figures

- 3.11 Westmorland and Furness Council will be just over 2/3 of Cumbria by area. At more than 3,700 sq km, it will be England's third largest unitary authority by area after North Yorkshire and Northumberland. It will be larger than Cornwall or Shropshire and occupies an area larger than Greater London, Greater Manchester and the West Midlands combined.
- 3.12 It will contain England's third highest mountain (Helvellyn), England's highest mountain outside the Lake District (Cross Fell) the three largest lakes in the Lake District (Windermere, Ullswater and Coniston Water) and England's largest island outside the South East

(Walney Island) and around half of its area will be in National Parks and more still will be in Areas of Outstanding Natural Beauty.

- 3.13 It will be at a crossroads of national transport routes with the M6 and West Coast Main Line running north to south and the A66 running east to west. Other important transport routes are the Lakes Line and A591 – the main route into the central Lake District, the A590 and Furness Line which connect the Furness area to the national route network.
- 3.14 It will have a population of around 225,400. It's largest town is Barrow-in-Furness (55,800 including Walney). Other important settlements are Kendal (29,000), Penrith (15,000), Ulverston (11,000), Dalton in Furness (7,800) and Windermere/Bowness (7,700). Only around 45% live in urban areas. The remainder live in the many small towns, villages and hamlets and in the open countryside.

The District Economy

- 3.15 There are 11,820 businesses in Westmorland and Furness and a work force of around 97,100. Together these add £5.7 billion of gross value to the national economy every year. Of this, £1.4bn derives from (predominantly advanced) manufacturing, much of which is concentrated in the Barrow and Furness areas. Other major contributors are real estate £0.85bn, retail £0.6bn, health £0.5bn and food and accommodation £0.4bn. Westmorland and Furness has a relatively low proportion of public sector workers – 18.3% compared to a national average of 23%.
- 3.16 The District is a predominantly rural District and a major centre of farming and food production with a significant proportion of the Nation's dairy and lamb herds. It is also a world leading visitor economy centred on the Lake District and Yorkshire Dales National Parks and has considerable expertise in the rural economy with specialisms in food and farming, land based industries, the green economy and cultural industries.
- 3.17 The District is a centre of world class advanced manufacturing. In the Furness area, based around BAE Systems, a highly skilled work force manufactures some of the most complex and advanced technology in existence. It is at the heart of a manufacturing and marine technology cluster which includes undersea lighting and electronics and offshore energy as well as a thriving port.

Challenges

- 3.18 Analysis of existing Council plans shows that Westmorland and Furness face many challenges – both national and local. It is England's most sparsely populated local authority with 62 people per sq km. This masks local disparities with only 25 per sq km in Eden

but 867 per sq km in Barrow. This presents challenges in terms of sustaining and delivering services to small and widely distributed communities. Sparseness and rurality also present challenges in terms of public transport, connectivity more generally and broadband connectivity.

- 3.19 A further challenge is represented by changes to farm subsidies following the end of the Common Agricultural Policy and the introduction of Environmental Land Management schemes. This will have profound impacts on rural land-use, earnings and an ageing and shrinking work force.
- 3.20 It has an ageing population and a declining workforce. By 2043, if current trends continue, it will have 10,400 fewer people of working age. So it needs to grow its economy, provide housing and employment opportunities to encourage the young to stay and attract young families, skilled people and wealth creators to locate in the District. At the same time there will be an additional 15,000 people of 65 or older. So we need to encourage people to stay active and healthy for longer and promote housing and care options which promote active life.
- 3.21 Westmorland and Furness has some high levels of deprivation and health inequality. 7.9% of the District is amongst the most deprived 10% areas in England (all in the Barrow area) whilst 20% of the District is in the least deprived 30% including nearly 50% of the South Lakeland. Meanwhile hidden deprivation within more affluent areas is also an issue. Parts of Eden and South Lakeland are deprived on some indicators and fuel poverty is a particular and worsening issue.
- 3.22 Health disparities are particularly acute. 17% of the District is amongst the most deprived 10% in health terms and this includes 53% of Barrow whilst nearly 70% of Eden is amongst the 30% least health deprived areas in England. Health and wellbeing is a critical issue and is increasingly being looked at in the widest sense. The linkages with poverty and inequality are obvious but possible priorities such as economic growth, demographic change, climate change, community empowerment all impact on health and wellbeing both now and in the longer term. It is likely that functions which are currently County functions such as Adult Services, Childrens Services and Public Health will be critical to addressing inequality and deprivation issues.
- 3.23 Housing inequality in terms of price, quality and choice is also a major issue across the District. In South Lakeland median house prices are 10.12 times median workplace income – some of the least affordable housing in the North of England. The equivalent figures for Eden is 8.39% and for Barrow 3.79%. In addition the standard and energy efficiency of much of the existing housing stock is an issue giving rise

to rural and urban fuel poverty. This has consequences for young people and families being able to source housing. Particularly in National Parks, housing is under pressure from second homes and holiday lets, with serious consequences for small rural communities.

- 3.24 The authorities of Westmorland and Furness are also at the forefront of the challenge of climate change with ambitious carbon reduction targets – areas include promoting a transition to a low carbon economy, adapting to flood risk, promoting carbon sequestration and biodiversity through efficient land-use and promoting zero carbon energy generation.
- 3.25 Towns and villages are at the heart of the new District's identity, its character and the offer to investors, residents and visitors. Many have served the communities around them for centuries. Many have been hit by changing shopping patterns, economic change, the impact of car borne and remote shopping, working patterns and the impact of the pandemic. In some places, the impact of visitor spend has helped to cushion the impacts of these changes. Communities have also been hit by the high cost of housing, the shortage of suitable and affordable housing for local people and competition for a limited supply of housing from second homes and holiday lets. So we need re-imagine our towns for the future.
- 3.26 In a large and diverse District it will be important to empower local communities to use local knowledge to develop local solutions to their issues and to ensure that local areas evolve in ways which reflect their distinctive identities and priorities. There is significant experience in locality based and asset based working in the existing authorities and an opportunity to build on this approach in the new authority.

The Council Plan Preparation Process

- 3.27 An officer level working group from the LGR Policy and Strategy Theme group has been set up to co-ordinate the preparation of a Council Plan for Westmorland and Furness. The group is being led by Dan Hudson of South Lakeland District Council and has representation from the County Council, Barrow Borough Council, SLDC and Eden District Council.
- 3.28 On July 22, Cabinet agreed the following timetable and outcomes for the delivery of a Council Plan for Westmorland and Furness

July 2022

- Cabinet discussions and initial thoughts on the vision and priorities for the new authorities
- Cabinet Paper setting out approach, issues and options (The Cabinet report)

August 2022

- Initial conversations about emerging vision and priorities with key stakeholders
- Consideration by Overview and Scrutiny

September 2022

- Preparation of draft plan
- Consideration by Cabinet
- Equalities impact assessment

October 2022

- Approval of first high-level Council Plan vision and priorities by the Shadow Authority

April 2023

- In first year of new council, commence further community/stakeholder engagement to support development of the strategies and more detailed aims and objectives underpinning the Council Plan vision and priorities

4.0 Consultation

- 4.1 Whilst it will not be possible to undertake a major consultation exercise within the constraints of the timetable, conversations with key stakeholders will be undertaken and the intention is that the plan be subject to early review and a full public engagement exercise, planned and resourced by the new authority

5.0 Alternative Options

- 5.1 The shadow authority could decide not to prepare a Council Plan. This would however leave it without an overall direction to inform the development of budgets, structures, operating models, strategies, projects and initiatives. It would also leave it without a basis for commissioning services, projects and initiatives. This in turn will lead to duplication, lack of focus and waste. It would however allow greater flexibility to respond to short term pressures.
- 5.2 The shadow authority could prepare a Council Plan at a later date. This would have the advantage that there would be greater certainty about the new Council in terms of structure, budget, functions and capacity. However this would mean that important decisions on structure, budgets and operating models would not be informed by agreed priorities or strategic direction. The Council Plan is intended to be iterative and can be refined as the shape of the new authority emerges.

6.0 Implications

Financial, Resources and Procurement

6.1.1 The Council Plan does not contain specific proposals at this stage. The assumption is that it is deliverable from available resource but both plan and budget will be revised and more closely aligned in future years.

Human Resources

6.2.1 The Council Plan does not contain specific proposals at this stage. Any workforce implications identified as the plan develops will be fully consulted on as appropriate.

Legal

6.3.1 There is no statutory requirement to prepare a Council Plan.

6.3.2 The Council Plan is identified in Article 15 of the Council's constitution as part of the Council's Policy Framework which the Shadow Authority will be responsible for adopting in preparation of the Westmorland and Furness Authority assuming local government functions and full local authority powers on 1 April 2023. This policy framework and the annual budget are the responsibility of the Shadow Authority

Health and Sustainability Impact Assessment

6.4 Have you completed a Health and Sustainability Impact Assessment? No

6.5 This is a proposal to prepare a Council Plan. Health and Sustainability Assessment is designed into the process and will be undertaken as the substance of the plan emerges.

Equality and Diversity

6.6 Have you completed an Equality Impact Analysis? No

6,7 This is a proposal to prepare a Council Plan. Equality Impact Assessment is designed into the process and will be undertaken as the substance of the plan emerges.

Risk Management	Consequence	Controls required
That the Council plan does not provide a strong enough basis for prioritisation.	Efficiencies are not achieved. The plan does not influence budget and structure	The plan process will be integrated with budget process. The plan will take an iterative approach, including member

Risk Management	Consequence	Controls required
		engagement on priorities
That the plan does not reflect the priorities of the District and its Communities	The plan does not have external credibility with stakeholders and delivery partners	The plan will be subject to conversations with stakeholder and frequent review
That the plan becomes dated	The plan becomes ineffective and loses credibility	The plan will focus on strategic objectives not individual projects, and will be frequently reviewed
That the plan does not reflect the diversity of issues within the District	The plan does not address major issues which are of importance to localities within the District	The plan will draw on existing Council Plans from all Districts and County. Plan is subject to conversations with stakeholders, frequent review

Contact Officers

Dan Hudson, Strategy Lead Specialist, South Lakeland District Council,
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Appendices Attached to this Report

Appendix No.	Name of Appendix
None	

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Westmorland and Furness Shadow Overview and Scrutiny Committee

Date: 10 August 2022

Title: LGR Programme Implementation Plan Update

Report from: Kathryn Griffiths – Senior Manager – LGR Programme

Report Author: Kathryn Griffiths – Senior Manager – LGR Programme

Wards: All

Key Decision: No

1.0 Purpose/Summary of report

1.1. To provide the Shadow Authority Scrutiny Committee with an update on the LGR Implementation Plan.

2.0 Recommendation

2.1 It is recommended that the Shadow Authority Scrutiny Committee:-

(1) Notes the report details and key point in section 3 of this report.

3.0 Background and Proposals

3.1 Background


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 which are included below for reference. In addition, it also shared the overall timeline that the programme is working to.

This May 2022 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 (August 2022) will focus 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.


Vision and Ambition for Cumbria



- We have a once-in-a-generation opportunity to shape the county's public services for the better.
- This implementation plan, which will develop overtime, will facilitate the development and the creation of two distinct councils focused on the specific communities they will serve.
- Vesting Day, on April 1, 2023 is a significant milestone and will be the start of the next stage of the journey, with the process of transformation continuing after this point.

May 2022

Local Government Reorganisation
Delivering Two New Councils for Cumbria



Two New Councils for Cumbria

Our Vision for Cumbria is that in creating the two new Councils we will promote Cumbria with strong and fair representation for our communities and businesses. Our services will drive sustainable economic growth, enable safe and healthy lives and deliver value for money for everyone.


Our Ambition as we move through the LGR programme is that we create:

- Two new financially sustainable unitary authorities, that operate safely and legally from day one, whilst providing improved access to services, a seamless transition for our customers and stakeholders, and a great place to work for employees. We will ensure that on vesting day services operate to at least the standard they did before.
- Foundations to enable the new organisations to further transform and improve outcomes for residents, businesses, partners and the environment with Vesting Day being a milestone on a transformation journey which is likely to take 5-7 years.
- Governance structures that enable the two new councils to raise ambitions and become more successful in terms of place, so that the economy is transformed, and the opportunities and life chances of all residents are significantly improved.

- Ways of working that deliver local, responsive, accessible, high quality, services efficiently and in collaboration with our partners.
- Governance structures that realise the opportunities of creating two unitary authorities to reflect the distinctiveness of place, but also facilitate operating on a Cumbria wide basis when this will bring investment to the area or mean they function more effectively.
- Councils who share decisions and power with the communities of Cumbria.
- Councils who ensure staff are fully supported through the process and are able to see and benefit from the opportunities LGR presents.
- Councils who elect and induct Members to lead the new unitary authorities and provide community leadership.

May 2022

Local Government Reorganisation
Delivering Two New Councils for Cumbria



Our Implementation Approach – Values

To achieve this, we have adopted a set of values to guide our work together, and a set of design principles to guide the transition of services to the two new Councils.

Underpinning this is a One team – One Programme – Two Plans approach.

Our Core Values are:


- Open and transparent
- Collaborative
- Supportive and strength based
- Put organisational boundaries aside
- Committed

....and we are committed to:

- Sharing resources (for the programme and to support service needs in the transition period)
- Using principles of co-design and production
- Being evidenced based and giving due consideration to professional expertise
- Once and together – a single hub model
- Remaining conscious of what is best for the communities of Cumbria, and the different needs and opportunities in Cumberland and Westmorland in Furness
- Acting and speaking collectively for the programme, whilst respecting the sovereignty of authorities

May 2022

Local Government Reorganisation
Delivering Two New Councils for Cumbria



3.2 Service Baseline Blueprints and Planning for Service Transition

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

It was agreed that further reports on development would go back to the Shadow Executive. This would include recommendations on the services with potential for hosting (both long term or for a transitional period) and those where future arrangements were not yet defined and include feedback from the Overview and Scrutiny Committee.

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

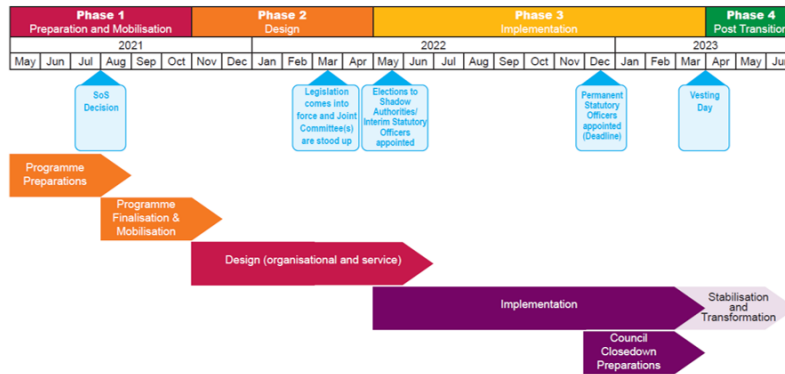
At the same time other activity is underway across the programme to support the planning for services as they transition into the new Authority. This activity includes:

- 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.

3.3 Implementation Phase and Governance

The timeline and phasing of the programme was outlined in the previous update

LGR Programme -Timeline and Phasing

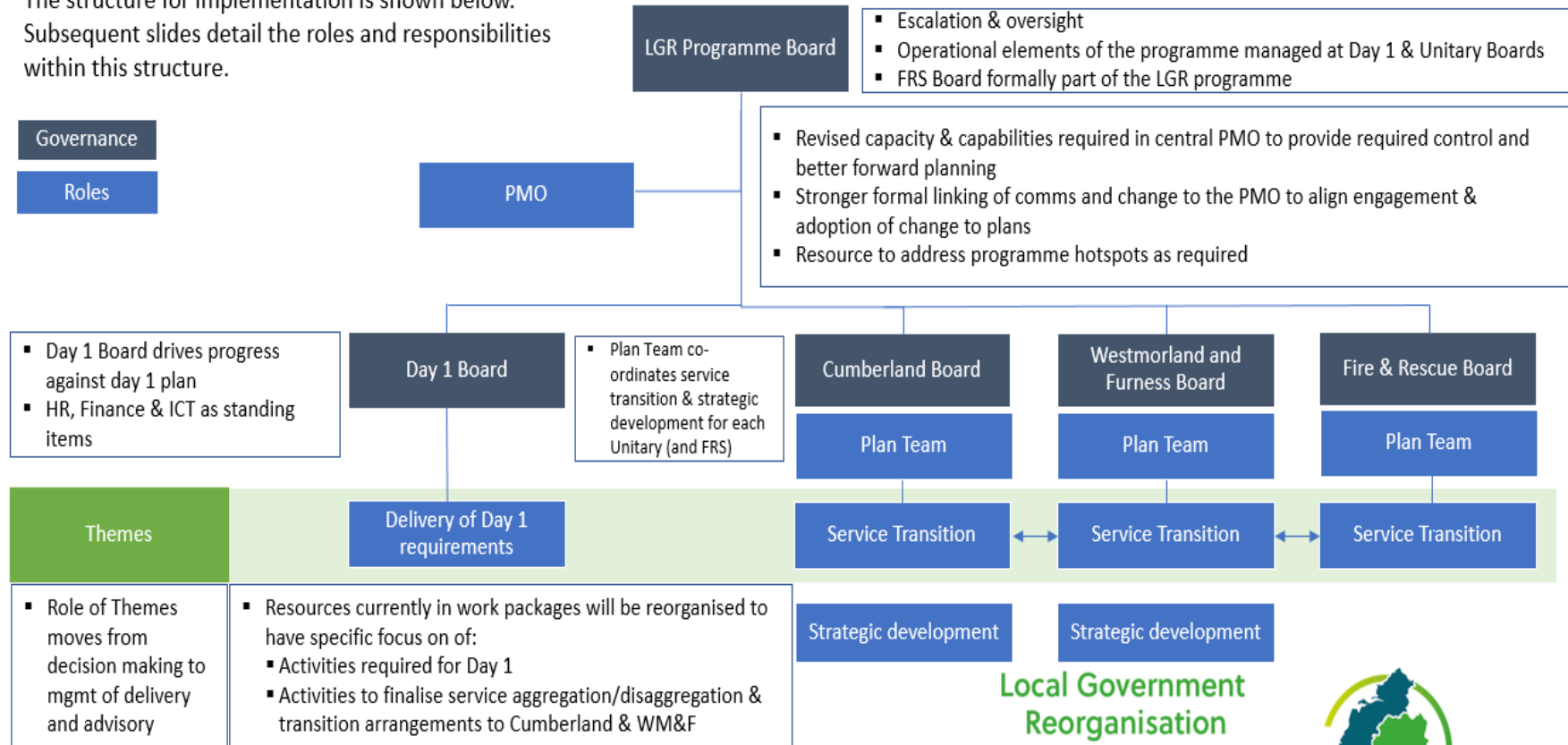


The programme is now in its implementation phase and the focus has shifted to delivery; with an increased overview and management of the delivery of day one requirements (to be safe and legal) and associated critical milestones.

Programme governance has shifted to reflect this with the creation of new boards and processes to support this (see below)

Programme Structure for Implementation

The structure for implementation is shown below. Subsequent slides detail the roles and responsibilities within this structure.



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

The Day One Board has oversight of all plans, delivery is monitored weekly with any critical issues escalated to the board for resolution.

Westmorland and Furness and Cumberland Boards have also been created to ensure a focus on the strategic development of the new councils alongside the coordination of service transition. These boards are chaired by the interim head of paid service. Their focus includes:

- supporting the development of the new council plan
- the medium term financial strategy
- council operating model and structure
- communication and engagement

The former CLOF (Cumbria Leaders Oversight Forum), now renamed MLG (Members Liaison Group), has 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 17th June.

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

Risk Management has been further developed including Thematic Risk Registers and Strategic Risk Register. These log what the programme team and Boards consider as the main risks for each of the themes such as the People and Place. They detail what the risks are and what will be put in place to reduce the risk happening. Reporting will run alongside programme performance reports.

Kim Rennie, Programme Director, left the programme team on 8 July 2022. Kim has been replaced by Hari Pillai from KPMG. Hari began his new position on 18 July 2022.

3.4 Forthcoming Priorities

- Decisions by Shadow Executive on hosting arrangements, and then development of the required memorandum of understanding on the principles of hosting and detailed legal agreements,
- Planning for services to safely transition to the new councils informed by all actions below
- Development of draft budgets in time for proposed budget consultation in November
- Ongoing staff engagement (including monthly all staff live briefing sessions), and the roll out of staff conversations on allocation to the new councils using the agreed allocation framework, proposed completion in November
- Decisions by Shadow Executive (September) on new council headquarters, alongside work to develop a clear set of assumptions on accommodation usage in year one.
- Continuing with senior staff appointments, statutory officers and tiers 2 and 3 of the new councils
- Development of operating models and officer structures for the new councils
- Progressing with implementation of delivery plans across the programme and the achievement of necessary milestones to achieve Day One readiness.

4.0 Consultation

4.1 Not Applicable

5.0 Alternative Options

5.1 Not Applicable

6.0 Implications

Financial, Resources and Procurement

6.1 A single LGR implementation Reserve of £18.920m has been established through contributions from all District Councils (£1.577m each) and the County Council (£9.460m) and it is being hosted by the County Council with governance through a Memorandum of Understanding signed by the seven Chief Finance Officers of the District Councils and Cumbria County Council. The Reserve funds

capacity within the LGR Programme to ensure the two new unitary authorities can provide efficient, safe and legal services from 1 April 2023, and to develop the future structure of the two new authorities' services.

Human Resources

6.2 The Report sets out the Implementation Phase and forthcoming key priorities with an increased overview and management of delivery of day one requirements (to be safe and legal) and associated critical milestones related to the workforce.

Legal

6.3 Legal advice will be provided across the project and will underpin all relevant themes and work streams. Detailed work is ongoing to ensure all relevant milestones will be achieved with appropriate legal advice and support.

Health and Sustainability Impact Assessment

Not Applicable

Equality and Diversity

Not Applicable

Contact Officers

Kathryn Griffiths, LGR Senior Manager, Kathryn.griffiths@cumbria.gov.uk, 07384241477.

Background Documents Available

Name of Background document	Where it is available
LGR Implementation Plan June 2022 – Item 9 (Report to Westmorland & Furness Shadow Overview & Scrutiny Committee)	<u>June 22 Shadow Overview & Scrutiny Committee</u>
Service Baseline Blueprints July 2022 – Item 9 (Report to Westmorland & Furness Shadow Authority Cabinet)	<u>July 22 Shadow Authority Cabinet Papers</u>

Westmorland and Furness Shadow Overview and Scrutiny Committee

Date: 10 August 2022

Title: Strategic Financial Planning

Report from: Andrew Jarvis, Cabinet Member for Finance

Report Author: Helen Smith, Interim s151 Officer

Wards: All

Key Decision: No

1.0 Purpose/Summary of report

- 1.1. This report sets 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.
- 1.2. This report also provides 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.
- 1.3. This report sets out 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).

2.0 Recommendation

2.1 It is recommended that Overview and Scrutiny Committee:-

- (1) Notes the progress to date and the next steps in preparing budgets for 2023/24.

3.0 Background and Proposals

Background

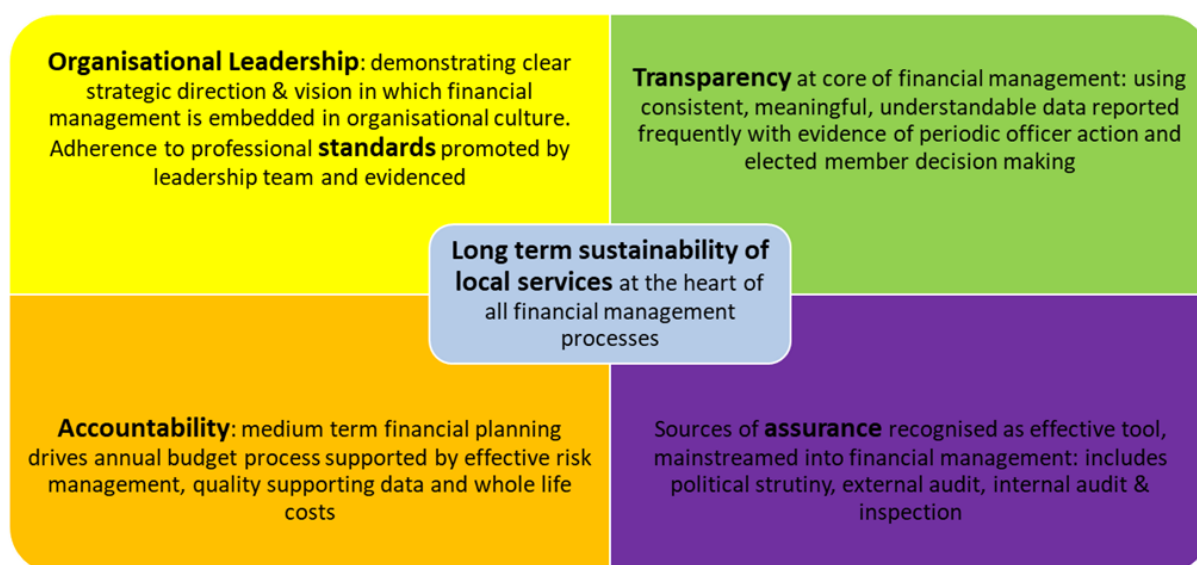
- 3.1 As part of the LGR Implementation Plan a strategic planning process has been proposed that enables the two new Unitary Councils and CFRS to determine how they will deliver services to achieve their Council Plan priorities and deliver them within a balanced budget.

- 3.2 For 2023/24 the strategic planning process requires decisions and information to be provided as part of the overall financial disaggregation work. It will 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 can be finalised for approval by the Executive and Full Council in February 2023.
- 3.3 In respect of the Financial Disaggregation work there are a number of decisions which will need to be taken jointly by both unitary authorities and CFRS to approve the principles and approach taken to allocate the existing resources.
- 3.4 These decisions include capital and revenue funding and expenditure and all balance sheet items (which include reserves, liabilities, and assets).
- 3.5 This report sets out which decisions are joint, and which will be decisions for individual authorities.
- 3.6 Disaggregation in this context is the identification and transfer of services currently provided by Cumbria County Council to residents and service users in the Westmorland and Furness Council area to the new Westmorland and Furness Council and for services provided by CCC to residents and service users in the Cumberland Council area to Cumberland Council. The Fire and Rescue service will also be disaggregated from Cumbria County Council. This splitting includes service delivery, customer data, funding, expenditure, assets, liabilities, contracts, shared services, partnerships, and staff.
- 3.7 Alongside this there is the aggregation of the District Council services into the Unitary Councils including service delivery, customer data, funding, expenditure, assets, liabilities, contracts, shared services, partnerships, and staff.
- 3.8 This report set out the basis for agreement on the disaggregation of finances, as a fair and equitable split between the new authorities, and the principles to be applied during this process.
- 3.9 Once this is approved as a fair and equitable split by both Shadow Executives, the implementation of this will be incorporated into the 2023/24 budget preparation process including preparing Medium Term Financial Plans, budget setting priorities and setting balanced budgets for 1 April 2023.

Financial planning process

- 3.10 The Medium-Term Financial Plan (sometimes called a Medium-Term Financial Strategy) is the framework for how the Council uses its financial resources to fund the activity to deliver the Council's vision

and outcomes. It is a key element of the financial management structure of local authorities:



- 3.11 Statute requires a balanced budget must been set for 2023/24 and good practice requires a 3-5 year planning period for the Council's finances to support delivery of the Council Plan.
- 3.12 As part of the Council Plan there will be an aspiration for transformational change delivering transformational savings for future years and to achieve that there will need to be an understanding of the investment required and how that is funded, linked to option appraisals for the relevant services.
- 3.13 Capital programmes will merge, and financial sustainability of each Council will need to support the investment plans. Also treasury management, asset management and investment strategies will all need to be updated and the value for money principle applies to everything.
- 3.14 This report sets out the work carried out to date and the work required as part of the strategic planning process that will enable a Medium-Term Financial Plan to be prepared for 2023/24 – 2027/28 and approved and balanced budgets to be produced for 2023/24.

Process and Principles

- 3.15 The disaggregation and aggregation process will be iterative. It is necessary to agree the principles so that draft budgets can be prepared. These budgets will be based on the latest financial information available (2022/23 revenue budgets, capital programmes, funding etc).

- 3.16 A final position for assets and liabilities transferred will be based on the audited Statement of Accounts 2022/23. As these will not be available until after the 1 April 2023, some technical adjustments to the new Council's budgets may be required.
- 3.17 The application of the principles to disaggregation and aggregation will affect the distribution of budgets and funding and could potentially have a significant impact on the future financial sustainability of all the new organisations.
- 3.18 The financial disaggregation and aggregation process also cannot 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 principles being developed.
- 3.19 The Finance Officers Group (now the Finance and Commercial Theme Board) were originally tasked to develop draft principles based on the overall objectives:
- to agree an approach and mechanism to establish two financially sustainable Unitary Councils for Cumbria from 1 April 2023 and a Cumbria Fire and Rescue Service (PCC or standalone fire authority)
 - to ensure that in total both Unitary Councils and Fire Service revenue budgets can be funded from the existing funding envelope for Cumbria (uplifted where possible for inflation/finance settlement updates and Council Tax and Business Rate assumptions)
 - to develop opening balance sheet positions for both Unitary Councils and Fire Service that supports agreed options for delivery of services, transformation activities and the organisation design and vision
 - establish a realistic timeline and effective governance arrangements.
- 3.20 The group followed the values of:
- A general duty to cooperate
 - Application of the principles will be evidence based and use approved data sources
 - The final agreed approach will require local pragmatism around a fair and reasonable approach
 - Core consideration is of value for money and financial sustainability
 - Statutory and accounting requirements will be primary to developing the principles including the general matching principle of assets and liabilities;

- Independent advice and guidance will be provided and a mediation process in place if required.

3.21 It is important to understand that there is no additional funding for Cumbria for LGR so all spend for delivery of the LGR programme and the costs of delivering services in the future must be achieved within the existing Cumbria funding envelope.

Government Funding

3.22 Government funding for local government is announced each autumn in the Provisional Local Government Finance Settlement based on high-level announcements included in the Government Spending Review. There are 2 types of Government Grants: General and Specific. General grants support overall spend, are not earmarked for a specific purpose, and do not need to be re-paid if not spent. Specific grants are for a particular service or project, often have conditions and may have to be repaid if not used for that reason.

3.23 The Department for Levelling Up and Housing and Communities (DLUHC) establish the funding formula that drives Local Government funding nationally. This includes an assessment known as the Settlement Funding Assessment (SFA) to determine the baseline funding required by local authorities. This is calculated through many formulas and data sources and results in a calculation that determines the level of Revenue Support Grant and the Baseline Funding Level for setting how much of business rates collected locally are retained locally.

3.24 The Government initially planned to replace the current funding allocation model with a new Fairer Funding model, but this has been delayed many times and is not expected to apply until at least April 2024.

3.25 The disaggregation and aggregation work is required for 2 main purposes:

- a) To form a basis for budget setting
- b) To inform DLUHC and other relevant Government departments how the funding previously allocated to Cumbria County Council and the six district councils should be split between the new unitary authorities and Cumbria Fire and Rescue service for the 2023/24 Finance Settlement and until the Fairer Funding review or other new allocation bases are agreed nationally. Government will assume the total amount of funding that would have gone to the 7 Cumbrian authorities will be paid to the two new unitary authorities and Cumbria Fire and Rescue Service so LGR will have a neutral impact on the funding of all other local authorities across the UK.

3.26 A 2-phase approach has been adopted in preparing financial models for the new Unitary Councils:

Phase 1

- To disaggregate and aggregate major funding streams (Settlement Funding Assessment and grants) based on 2022-23 allocations
- To estimate proposed resources for Cumberland, Westmorland and Furness, and a separate fire authority/ function
- To estimate council tax income and retained business rates income based on the latest returns from each of the billing authorities

Phase 2

- To estimate projected funding allocations for 2023-24 based on disaggregation and aggregation and assumptions for funding changes in 2023-24

3.27 Initial work is complete for phase 1 but this is an iterative process which will be updated as more data is received, including as funding allocations are updated.

3.28 The proposed principles for the disaggregation of major funding streams are:

- SFA and specific grants disaggregated using the latest national funding distribution methodologies (2013/14 formulas) but updated for the latest data available.
- Where the original methodology and basis for distribution could not be adequately replicated due to data no longer being available an updated methodology has been proposed. The only grant affected by this is the Public Health grant and it is proposed that the formula proposed by DHSC (ACRA) in 2016 is used. This updated formula hasn't yet been adopted but is likely to be part of the Fair Funding changes and is supported by the Director of Public Health.
- For smaller service grants we have proposed using overall population as a proxy for need.
- For the Fire Authority grant allocations are proposed to be based on the SFA and direct grant allocations within the Local Government Settlement for 2022/23 and includes proportion of other general grants.

3.29 The updated data that has been used to inform the disaggregation and aggregation calculations have been provided through the data hub for the LGR programme. This has ensured that the appropriate quality assurance has taken place and it is consistent with the data sources being used for other decision making across the programme.

- 3.30 The main reason for using updated data sources is that they will better reflect the need and cost drivers within the services at this time and hence will support delivery of financially sustainable services for the future.
- 3.31 No assumptions around Fairer Funding changes have been assumed – they will form part of the MTFS modelling for each unitary authority. Each unitary authority will also need to make its own assumptions about inflation and indexation to be applied to individual grants when preparing their draft budgets and MTFP.
- 3.32 Appendix 1 to 3 show the grants currently considered and the latest approach and indicative figures.

Council Tax

- 3.33 Council tax is set based on the council tax base (the estimated total number of Band D properties in the area) multiplied by the council tax for the year. There are 3 main issues effecting the council tax for 2023/24:
- Different levels of council tax are set for each of the three billing authorities (Barrow Borough Council, Eden District Council and South Lakeland District Council). There are specific rules on how this is harmonised for 2023/24 onwards as part of LGR (details of council tax harmonisation will be covered in separate briefings and reports).
 - The tax-base is reduced for reliefs and increased by premiums. Each billing authority sets its own reliefs and premiums, and these will need to be aligned for 2023/24 onwards for each Unitary council.
 - An element of council tax will need to be split for Cumbria Fire and Rescue Service – this needs to be notified to DLUHC by the end of September 2022.
- 3.34 Options around harmonisation are being prepared and a final decision will need to be taken by each Unitary council as part of the 2023/24 budget setting in February 2023.
- 3.35 Options around reliefs and premiums are being prepared by the Revenues and Benefits workstream and will be considered by each Unitary.

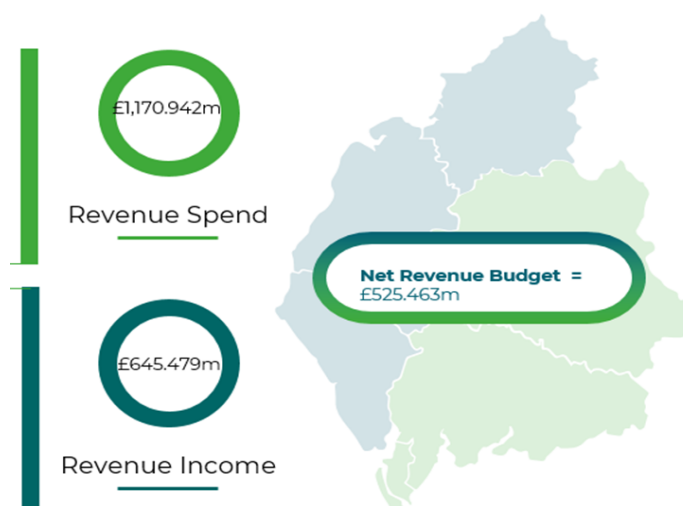
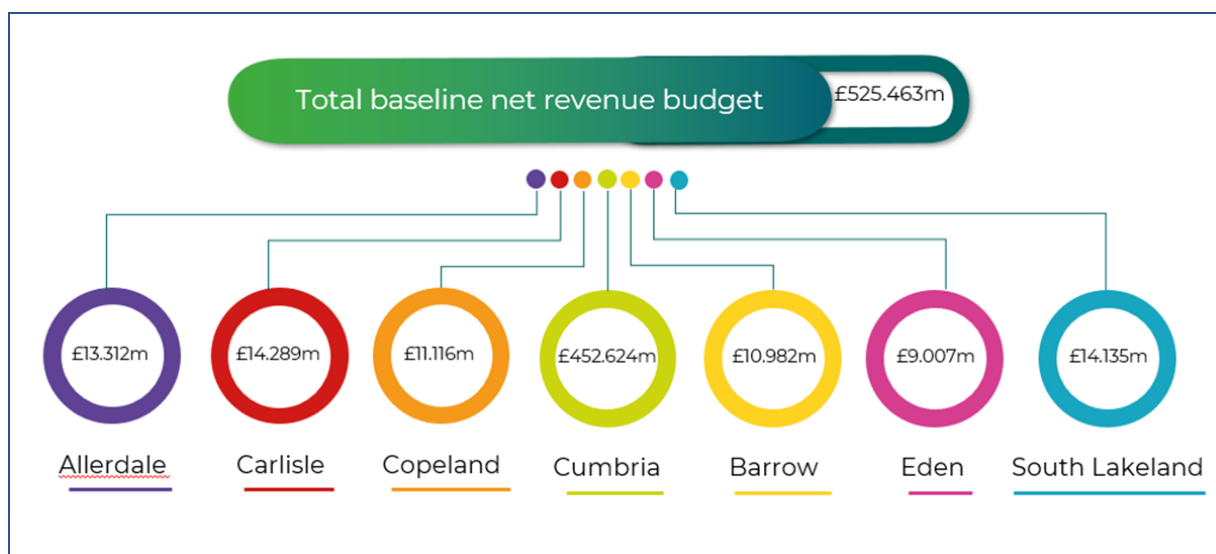
Business Rates

- 3.36 Income from business rates basically split 50% to Government and 50% to local authorities (currently 10% Cumbria County Council and 40% to district Councils) with tariffs and top-ups against baseline shares and levy for income above baseline. From 1 April 2023 the national of 48% to the unitary authority and 2% for the fire and rescue authority will be applied. The Cumbria County Council

baseline will need to be allocated to each unitary authority: this is included in the funding allocation set out above. Each unitary authority will need to make its own assumptions about growth in properties and rateable values, potential increases in the business rate multiplier to be set by Government and provisions for bad debts and appeals. These assumptions are all part of business-as-usual budget setting.

Revenue Budgets

- 3.37 The starting point for the 2023/24 budgets are the aggregation, disaggregation, and integration of the existing Council revenue budgets. There is not sufficient time or resources for a zero-based budget approach.
- 3.38 Officers have combined the 2022/23 detailed budgets for district and county at the cost centre and nominal level. One-off budgets and internal charging has been removed to make the baseline budgets as comparable across all authorities. The overall baseline net revenue budget for 2022/23 for all seven authorities is just over £0.5billion and a gross budget of circa £1.2bn:



Revenue budgets have been aggregated and disaggregated using proposed principles many of which are consistent with the principles being adopted for the disaggregation and aggregation of funding. These have been informed by services and have used data from the data hub to maintain consistency and quality assurance. Initially the mechanism will be applied to the current 2022/23 baseline-budget.

3.39 This approach will provide:

- An indicative base net expenditure budget for each Unitary and CFRS that reflects need as best as possible for each authority i.e. a realistic split of existing commitments/responsibility to deliver existing service provision
- An equitable starting position for evaluating service design options – allowing implications of service design options to be fully understood and costed
- An opportunity to check and challenge the ‘equitable’ position for each authority compared to the proposed funding allocations

3.40 At this stage a RAG (red, amber, green) rating of disaggregation approaches has been done to understand which ones needed more work or more detail. Government departments may have a view on the disaggregation approach, particularly for certain service areas and discussions with them are continuing.

3.41 The disaggregation principles proposed are:

1	Location Service Delivered: e.g. location of assets - buildings, parks, geographic footprint of service
2	Residence of service user: e.g. ‘Ordinary Residence’ principle for Social Care, where split may be based on ‘home’ postcode of service user, not location service is delivered
3	Population: e.g. where costs/income based upon demand/usage. May include whole population or sub-set (e.g. 0-17, 18-64, 65+)
4	Other Cost/Income drivers: underlying drivers for service areas, e.g. road length, FTE ‘s, number of households, council tax base or business rates tax base, demand data, activity data, performance data
5	Funding Formula: split prescribed within funding terms and conditions e.g. Dedicated Schools Grant (DSG), Public Health Grant, Better Care Fund (BCF), Improved Better Care Fund (IBCF) may have specific grant formula / data to allocate the funding. Work ongoing to review formula’s where seen as out of date
6	Technical: disaggregation to follow responsibility e.g. corporate costs such as residual pension, teacher additional pension, MRP –specialist advice being provided, depreciation (follows assets split)

- 3.42 The revenue budgets for 2023/24 will be developed using the 2022/23 baseline data, but they will then need to be updated for any additional pressures that are emerging either from national impacts or blueprint service delivery options and savings identified by the blueprint process and existing saving proposals.
- 3.43 As part of the usual financial management arrangements within each sovereign council, any in-year additional pressures from 2022/23 will be reviewed by each existing council and included as appropriate. Each unitary authority will make its own assumptions on changes in service demand, inflation, income from fees and charges etc.

Balance Sheet Disaggregation

- 3.44 It is necessary to split or merge all other financial matters of all seven current councils. The main areas are:
- Land and buildings: initial dis-aggregation being undertaken now
 - Other Balance sheet items: this work is complex and will require close working with all sovereign councils. Aggregation (at district level) is straightforward
 - Capital Debt allocation: dis-aggregation being undertaken by a third party (Link)
 - Reserves: Work ongoing matching reserves with specific risks where appropriate, principles for disaggregation of wider reserves to be completed
- 3.45 Members will be updated separately on the principles and proposed allocations for the balance sheet disaggregation and aggregation work. It is progressing well, and briefings will be available through July and August to reach agreement on those principles.

Shared and Hosted Services

- 3.46 While the majority of services have been disaggregated for 1 April 2023 there are some services where this is either not possible due to statutory requirements (Coroners Services) or may not be practical or represent value for money. In these cases recommendations have been / will be made about how a single service can be provided, either in the short or long-term, through a shared or hosted service and timescales for the splitting of services if it is not intended to be a permanent hosting arrangement.
- 3.47 Even where a service is to be provided jointly the budget will need to be disaggregated as the host authority will need to bill the client authority for the value of services, they have hosted, and the client authority will need a budget to pay for the services they are receiving so funding will also need to be disaggregated. As for all other services and additional costs pressures or savings will be identified when the

blueprints are costed to feed into 2023/24 budgets. Arrangements will be established for funding to be passed from client to host authority after initial disaggregation.

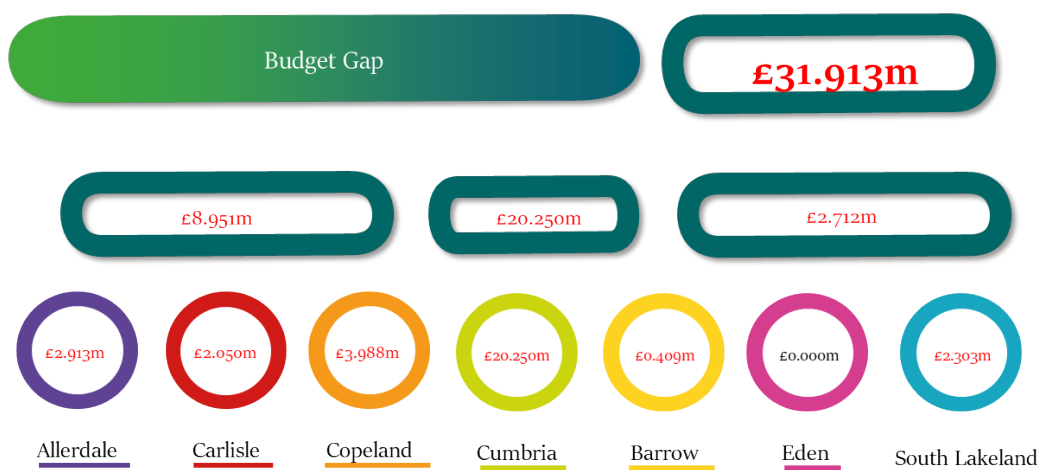
- 3.48 Principles for deciding which authority will act as host are being developed and will be reviewed through the Member Liaison Group to then inform formal decision making by the two executives.

Implementation and Transition Costs

- 3.49 There are no additional resources from Government or elsewhere to fund the LGR process so all expenditure must be funded from existing budgets or resources.
- 3.50 The LGR Implementation reserve has been established to fund implementation costs required to create the two unitary authorities and a separate fire and rescue service for 1 April 2023. It has been funded by the sovereign councils and any balance remaining on the reserve will be allocated back to the two Unitary Councils.
- 3.51 A programme of transition and transformation will be required for each unitary during the first few years of their operation to determine, fund and deliver savings and improvements. Any funding for these programmes will need to come from either existing resources or additional savings above those needed to balance the 2023/24 budgets and will be incorporated into the MTFPs and Council Plans for each unitary. The potential for transformation is built into the day one efficient, safe, and legal work to ensure the opportunity is not hindered.

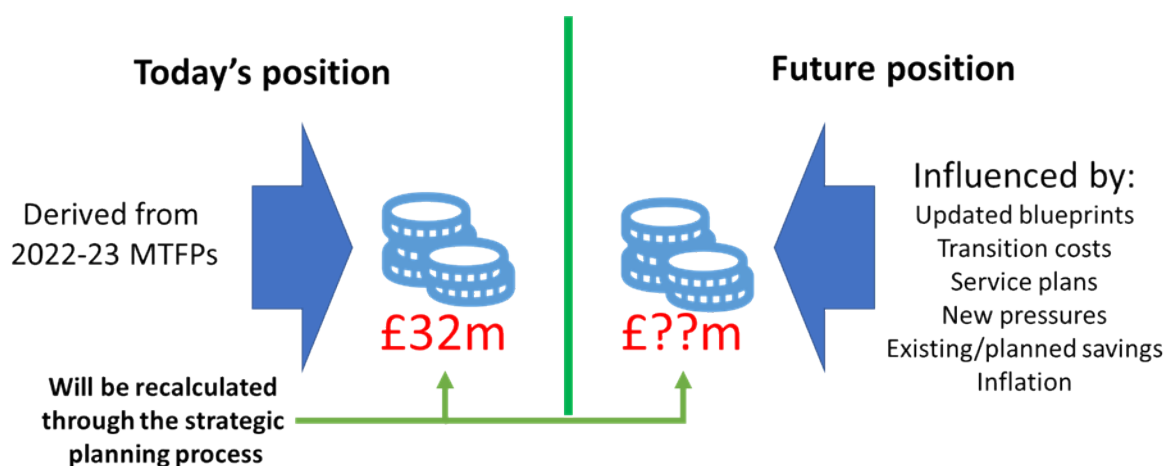
Budget Gap 2023/24

- 3.52 Each sovereign authority has a MTFP for at least a 3-year period and many for a 5-year period. Each MTFP has 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 is around £32m for 2023/24 and £35m for 2024/25:



3.53 The sovereign authority budget gaps are not based on like-for-like assumptions and harmonising assumptions would result in a different funding gap. An example of the difference is the assumed pay award for 2022/23 which varies between 1.75% and 5% with most councils assuming 2%. In terms of significance, a 1% change in assumption for the County Council staff pay (currently assumed 3%) equates to a £2m change in the budget gap while a 1% change in assumption for one district (currently assumed 2%) equates to a £0.20m change in the budget gap.

3.54 Each Unitary council and Fire Service will need to determine their own assumptions for pay awards, inflation, growth etc. This work is underway and will feed into the draft budgets for 2023/24.



3.55 The key strategic planning decisions for the Shadow Authorities to set their draft 2023/24 budgets and MTFP's are shown in the table below. Ultimately it is a Full Council decision to approve the Budget. It is proposed that draft budgets are established by the end of October 2022 in order that the appropriate consultation on the budget decisions can take place. This will include level of Council Tax increases and harmonisation and proposed savings and pressures to enable a balanced budget for 2023/24 to be delivered:

What	Who	When
MTFS assumptions re inflation etc	Interim team and Executive	October 2022
Council Tax increases and harmonisation	Interim team and Executive for proposal to Full Council	October 2022
Business rates	Interim team and Executive ahead of Full Council	October 2022
Fees and charges harmonisation	Interim team and Executive ahead of Full Council	October 2022
Capital programme and associated financing	Interim team and Executive ahead of Full Council	October 2022
Risk profile and risk appetite	Interim team and Executive ahead of Full Council	October 2022

Conclusion and Next Steps

- 3.56 This report has set out proposals for disaggregating and aggregating the funding, revenue costs and balance sheets of the existing sovereign authorities. It has given high level indicative funding envelopes for the two new unitary authorities and fire and rescue authority.
- 3.57 The 2023/24 strategic planning process will require decisions and information to be provide as part of the overall financial disaggregation work.
- 3.58 There are a number of decisions which will need to be taken jointly by both unitary authorities and CFRS to approve the principles and approach taken to allocate the existing resources.
- 3.59 It will also require the new unitary authorities 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 can be finalised for approval by Executive and Full Council in February 2023.
- 3.60 An initial full Member briefing has been held to cover the background requirements for financial planning arising from Local Government Reorganisation (LGR) and to give a high-level steer on the principles and numbers.
- 3.61 This briefing concentrated on the disaggregation and aggregation work on funding. Decisions will be required on this so that Government can be informed about how the funding previously allocated to Cumbria County Council and the six districts councils, can be allocated to the new authorities.
- 3.62 Further briefings will be arranged and will cover Revenue Budgets, Assets, Debt and Reserves.

4.0 Consultation

- 4.1 The Structural Change Order requires us to establish two new authorities by 1 April 2023.
- 4.2 Formal consultation will be undertaken on the proposed budgets before the budgets are approved by Council.

5.0 Alternative Options

- 5.1 The report sets out proposals to agree an approach and mechanism to establish two financially sustainable Unitary Councils from 1 April 2023 and a Cumbria Fire and Rescue Service.
- 5.2 The proposals for funding have followed the national formulas used by Government (DLUHC) but have been updated with the latest data sets.

6.0 Implications

Financial, Resources and Procurement

6.1 This report sets out the basis for agreement on the disaggregation of finances, as a fair and equitable split between the new authorities, and the principles to be applied during this process.

Human Resources

6.2 There are no direct implications associated with this report.

Legal

6.3 There are no direct implications associated with this report.

Health and Sustainability Impact Assessment

6.4 Have you completed a Health and Sustainability Impact Assessment? No

6.5 If you have not completed an Impact Assessment, please explain your reasons: There are no direct implications arising from this report.

Equality and Diversity

6.6 Have you completed an Equality Impact Analysis? No

6.7 If you have not completed an Impact Analysis, please explain your reasons: There are no direct implications arising from this report.

Risk Management	Consequence	Controls required
Do not agree an approach and mechanism to establish two financially sustainable Unitary Councils for Cumbria and a Fire and Rescue Service	Council priorities will not be delivered nor a balanced budget and MTFP	Identification of decisions required and timing of decision. Implementation of decisions incorporated into Budget Preparation Process

Contact Officers

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Appendices Attached to this Report

Appendix No.	Name of Appendix
1	List of Corporate, service and fire grants for disaggregation and aggregation
2	Summary of disaggregation choices and approach
3	Indicative corporate resource allocations for 2022/23
4	Blueprints, service plan and strategic financial planning timeline
5	Strategic Planning – High level timeline and key stages

Background Documents Available

Name of Background document	Where it is available
None	

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Corporate, service and fire grants

Revenue Support Grant	Corporate	Fire PFI (received via Merseyside Fire & Rescue)	Fire
Rural Services Delivery Grant	Corporate	Fire Rev Grant - Firelink	Fire
New Homes Bonus	Corporate	Fire Rev Grant - New Dimensions	Fire
Returned NHB	Corporate	Fire Pension Grant	Fire
Tariff Adjustment ("Negative RSG")	Corporate	Public Health Grant	Service
Lower Tier Services Grant	Corporate	Improved Better Care Fund (Original Allocation)	Service
22-23 Services Grant	Corporate	Improved Better Care Fund (Budget 2017)	Service
Social Care Support grant	Corporate	The Adult Social Care Support Grant	Service
Social Care Support grant (SR19 and SR20)	Corporate	Adult Social Care Support grant	Service
Social Care Grants (new Adult RNF distribution)	Corporate	Winter Pressures grant	Service
Independent Living Fund	Corporate	LCTS Admin Support Grant	Service
CNDR PFI	Corporate	Housing Benefit Admin Support Grant	Service
extended Rights to Free Transport	Corporate	Dedicated Schools Grant	Service
Flood Lead Authority	Corporate		
Local Reform and Community Voice	Corporate		
Social Care in Prisons	Corporate		
War Widows Grant	Corporate		
Phonics Screening Check	Corporate		
Remand Placements - assume to continue (Dec 15)	Corporate		
Focused Families (Troubled Families)	Corporate		
Special educational Needs Reform Grant	Corporate		
School improvement Brokering Grant	Corporate		
Market reforms grant	Corporate		

Existing formulas will be maintained

Based on available data and existing formulas

To be negotiated with DfE



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Summary of disaggregation choices and approach

Grant	Assumption made
Social care grants (IBCF and Social Care Services grants)	Updated Adult Relative Needs Formula (RNF) (using latest data)
Rural Services Grant	Split between Cumberland and Westmorland based on district distribution Fire share based on the original ESSSA allocations (6%)
Lower Tier Services Grant	EPCS RNF (using latest data)
22-23 Services Grant	Overall Settlement Funding Assessment (updated for latest data)
New Homes Bonus	Based on district council allocations in 2022-23 (no share for fire)
Public health grant	Latest proposals from ACRA (2016)
Other grants	Overall population (2018-based projections)



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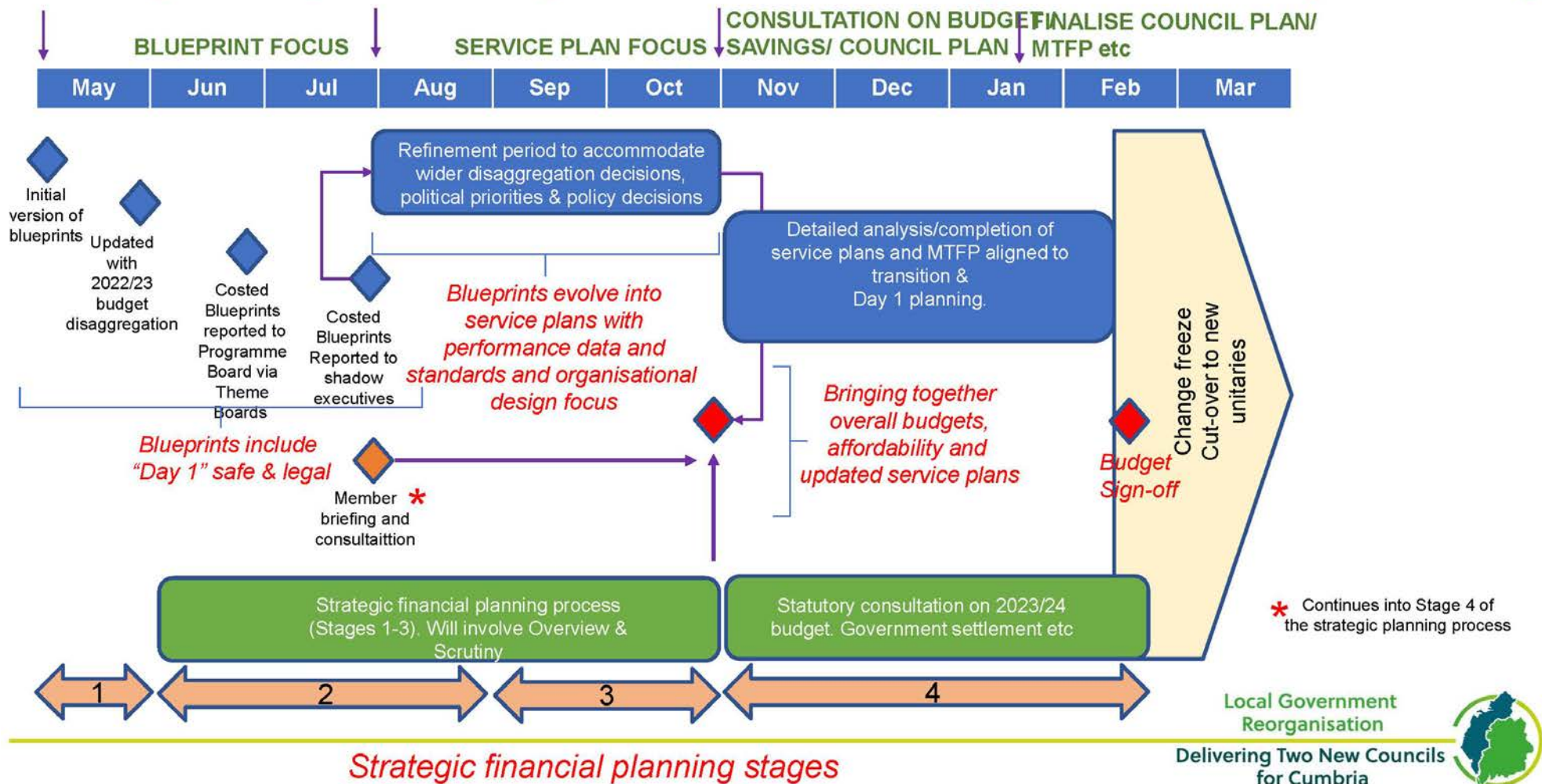
Indicative core funding allocations for 2022-23 based on relative need

	Total	Westmorland and Furness	Cumberland	Fire
	£'m 2022-23	£'m 2022-23	£'m 2022-23	£'m 2022-23
Business rates	135.423	52.328	76.527	6.568
Council tax	302.519	144.122	143.504	14.893
Corporate grants (Excludes BCF, lbcf, DSG, Public health etc)	86.594	30.520	49.246	6.828
Total Corporate Resources	524.536	226.970	269.277	28.289
Share (%)		43.3%	51.3%	5.4%
Unitary split (%)		45.7%	54.3%	
Total Corporate Resources per head (without service grants)		1,004	981	56



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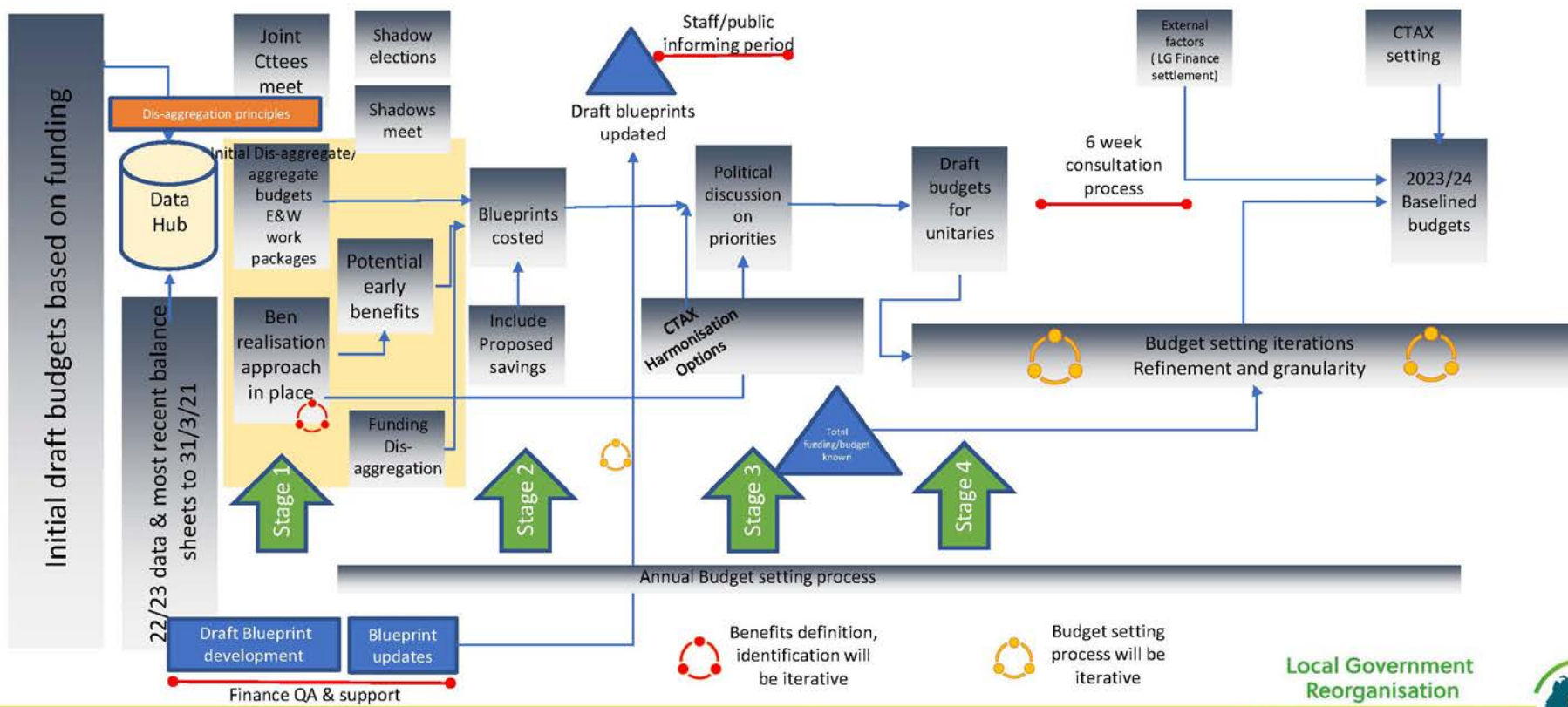
Blueprints, service plans and strategic financial planning



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Strategic Planning - High level timeline and key stages

Dec 21	Mar 22	Apr 22	May 22	Jun 22	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23
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Westmorland and Furness Shadow Overview and Scrutiny Committee

Date: 10 August 2022

Title: Scrutiny Overview Report

Report from: David Stephens, Strategic Policy and Scrutiny Advisor

Report Author: David Stephens, Strategic Policy and Scrutiny Advisor

Wards: All

Key Decision: No

1.0 Purpose/Summary of report

1.1. This briefing paper informs members 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.

2.0 Recommendation

2.1 It is recommended that the Committee:-

(1) review the Shadow Authority's Forward Plan

(2) consider the proposed topics for task & finish group activity

(3) consider the Committee's Work Programme

(4) note the feedback provided to Shadow Cabinet on the baseline blueprints

3.0 Background and Proposals

3.1 Attached at Appendix 1 is the Forward Plan of Key Decisions from 1 August 2022 to 30 November 2022 for consideration by the Shadow Scrutiny Committee.

3.2 Members of the Committee are asked to consider the options for potential topics for Scrutiny Task & Finish Group activity attached at Appendix 2.

- 3.3 Members are invited to consider the updated Scrutiny Work Programme as it stands at August 2022. Please see Appendix 3 attached.
- 3.4 Attached at Appendix 4 is the feedback provided by the Shadow Scrutiny Members to Cabinet to help inform their consideration of the baseline blueprints on the 22 July 2022.

4.0 Consultation

- 4.1 The Committee's work programme was considered and agreed by Members at its June meeting which also included discussion on possible topics for Task & Finish Group activity.

5.0 Alternative Options

- 5.1 The Terms of Reference for the Committee state that the Committee will oversee the Shadow Authority's overall overview and scrutiny function including the preparation, implementation, monitoring and review of an annual work programme for overview and scrutiny. The content of that work programme is for the Committee to decide and agree.

6.0 Implications

Financial, Resources and Procurement

- 6.1 There are no direct financial implications of this report.

Human Resources

- 6.2 There are no direct workforce implications relating to this report.

Legal

- 6.3 The Shadow Authority's Constitution sets out the role of the Overview and Scrutiny Committee at Article 6 with the detailed Procedure Rules contained in Part D.

Health and Sustainability Impact Assessment

- 6.4 Have you completed a Health and Sustainability Impact Assessment?
No

6.5 If you have not completed an Impact Assessment, please explain your reasons: None required

Equality and Diversity

6.6 Have you completed an Equality Impact Analysis?

No

6.7 If you have not completed an Impact Analysis, please explain your reasons: None required

Risk Management	Consequence	Controls required
No Work Programme in place	Lack of direction for the Committee to enable it to adequately fulfil it's function	Engagement from Members of the Committee on the content of the work programme to ensure ownership

Contact Officers

David Stephens Strategic Policy and Scrutiny Advisor

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07900 698361

Appendices Attached to this Report

Appendix No.	Name of Appendix
1	Forward Plan of Key Decisions
2	Task & Finish Group options
3	Scrutiny Work Programme
4	Feedback to Cabinet on baseline blueprints

Background Documents Available

Name of document	Background	Where it is available
None		

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**SHADOW AUTHORITY FOR
WESTMORLAND AND FURNESS
COUNCIL**

**FORWARD PLAN OF KEY DECISIONS
(1 AUGUST 2022 - 30 NOVEMBER
2022)
PUBLISHED ON 30 JUNE 2022**

SHADOW AUTHORITY FOR WESTMORLAND AND FURNESS

FORWARD PLAN OF KEY DECISIONS

Explanatory Note

The Council is required to publish a Forward Plan of all key decisions to be taken in the following four months. This Plan begins on 1 August 2022 and replaces the Plan published on 31 May 2022. It will be updated monthly and will be available on the last working day of each month. Previous versions of the Plan can also be found on the Council's website.

<https://westmorlandandfurness.moderngov.co.uk/mgListPlans.aspx?RPIId=139&RD=0&bcr=1>

The Forward Plan shows details of key decisions to be taken by the Council's Shadow Cabinet.

A key decision is one which is likely to be:-

- (a) To result in the relevant local authority incurring expenditure which is, or the making of savings which are, over £500,000; or
- (b) To be significant in terms of its effect on communities living or working in an area comprising two or more wards in the area of the relevant local authority."

In determining the meaning of "*significant*" for these purposes the Shadow Authority will have regard to any guidance for the time being issued by the Secretary of State in accordance with section 9Q of the Local Government Act 2000, and the advice of the Shadow Authority's statutory officers

The Plan shows:-

- when these decisions will be made
- who will make the decision
- to whom representations can be made and how
- what documents relating to those decisions will be available and when.

Once they are available copies of documents referred to in the Plan may be obtained on the Internet, or by e-mail Jackie.currie@cumbria.gov.uk . A report to the decision maker will be available one week before the Meeting, via the Council's website, and will include all the relevant documents for decisions.

<https://westmorlandandfurness.moderngov.co.uk/mgListCommittees.aspx?bcr=1>

However, in a small number of cases it may not be possible to make available certain documents as they contain confidential information.

Representations, including any supporting documents, can be made to the relevant person named in the representations field in the plan.

The Plan is available free of charge on request from Jackie.currie@cumbria.gov.uk .

Jonathan Brook
Leader of the Council

FORWARD PLAN OF KEY DECISIONS 1 AUGUST 2022 TO 30 NOVEMBER 2022

INDEX OF CONTENTS

Date of Decision	Subject	Decision Maker	Lead Cabinet Member	Lead Officer to who representations can be made	Consultation , if any	Type of Decision Key or Non-Key	Public (Part I) or Private (Part II) Decision
12 Aug 2022	Service Baseline Blueprints Cabinet to consider any updates following circulation of the baseline blueprints.	Shadow Cabinet	Leader of the Council	Linda Fisher, Interim Monitoring Officer Linda.Fisher@westmorlandandfurness.gov.uk		Key	Open
12 Aug 2022	Section 24 Direction and General Consent For Cabinet to consider specific consents under Section 24 direction and general consent.	Shadow Cabinet	Cabinet Member for Finance	Helen Smith, Interim Section 151 Officer Helen.Smith@westmorlandandfurness.gov.uk		Key	Part exempt
12 Sep 2022	Section 24 Direction and General Consent For Cabinet to consider specific consents under Section 24 direction and general consent.	Shadow Cabinet	Cabinet Member for Finance	Helen Smith, Interim Section 151 Officer Helen.Smith@westmorlandandfurness.gov.uk		Key	Part exempt

Date of Decision	Subject	Decision Maker	Lead Member / Portfolio Holder	Lead Officer to who representations can be made	Consultation, if any	Type of Decision Key or Non-Key	Public (Part I) or Private (Part II) Decision
7 Oct 2022	Draft Budget 2023/24 and Medium Term Financial Forecast/Blueprints For Cabinet to consider the latest proposals for a balanced budget proposal in February 2023, for consultation.	Shadow Cabinet	Cabinet Member for Finance	Helen Smith, Interim Section 151 Officer Helen.Smith@westmorlandandfurness.gov.uk		Key	Open
7 Oct 2022	Discretionary Housing Payments For the Executive to consider the Discretionary Housing Payments.	Shadow Cabinet, Shadow Authority for Westmorland and Furness Council	Cabinet Member for Finance	Helen Smith, Interim Section 151 Officer Helen.Smith@westmorlandandfurness.gov.uk		Key	Open
7 Oct 2022	Discretionary Non Domestic Rates For the Executive to consider the Discretionary Non-Domestic Housing Rates and associated reliefs.	Shadow Cabinet, Shadow Authority for Westmorland and Furness Council	Cabinet Member for Finance	Helen Smith, Interim Section 151 Officer Helen.Smith@westmorlandandfurness.gov.uk		Key	Open

Date of Decision	Subject	Decision Maker	Lead Member / Portfolio Holder	Lead Officer to who representations can be made	Consultation, if any	Type of Decision Key or Non-Key	Public (Part I) or Private (Part II) Decision
7 Oct 2022	Council Tax Reduction Scheme For Cabinet to consider the draft Council Tax Reduction Scheme for consultation.	Shadow Cabinet	Cabinet Member for Finance	Helen Smith, Interim Section 151 Officer Helen.Smith@westmorlandandfurness.gov.uk		Key	Open
7 Oct 2022	Section 24 Direction and General Consent For Cabinet to consider specific consents under Section 24 direction and general consent.	Shadow Cabinet	Cabinet Member for Finance	Helen Smith, Interim Section 151 Officer Helen.Smith@westmorlandandfurness.gov.uk		Key	Part exempt
11 Nov 2022	Section 24 Direction and General Consent For Cabinet to consider specific consents under Section 24 direction and general consent.	Shadow Cabinet	Cabinet Member for Finance	Helen Smith, Interim Section 151 Officer Helen.Smith@westmorlandandfurness.gov.uk		Key	Part exempt

Westmorland and Furness Shadow Overview and Scrutiny Committee

Task & Finish Group – Potential topics for consideration

The Terms of Reference for the Committee outlines that the Committee may establish task and finish groups, appointing the Chair with such membership as it sees fit, to undertake overview and scrutiny on a task and finish basis.

Having decided that an issue or topic could benefit from greater examination, there are a number of options open to Members. They may decide to request a specific briefing session, undertake a one-off working group. They may also carry out an in-depth scrutiny review, with non-executive councillors invited to participate in a small task and finish group.

These task group reviews can be carried out in two distinct ways:

1. A group of councillors undertakes an in-depth review of an issue over a single day
2. A group of councillors undertakes an in-depth review of an issue over a two to three month period

Whichever method is adopted a similar process applies. The broad focus of the review is set by the Shadow Scrutiny Committee Board who then commission a Task Group to undertake a detailed review.

The Task Group take this initial broad focus, developing it into a more detailed project outline (scope) which identifies the parameters of the review work, how it supports the Shadow Authority's activities and who it will need to speak to in order to examine the topic properly. Once completed this draft scope is taken back to the Shadow Scrutiny Board for final agreement.

The potential topics for Scrutiny Review identified by the Members of the Shadow Scrutiny Board for consideration are listed below:

1. Contracts / Commissioning

This would look at how contracts and commissioned services are being managed through the LGR process, specifically the

communication and engagement being undertaken with the providers.

2. Models of Locality Working

To examine and provide recommendations on the potential model of Locality Working for Westmorland and Furness Council. This would build on the work undertaken previously by the Cumbria Scrutiny Management Board.

3. Future Scrutiny Arrangements

To review and provide a view on the potential structure for the Scrutiny function in Westmorland and Furness Council.

There may be further topics which Members of the Committee would like to be discussed.

Members are asked to consider when making their determination that there is limited capacity to support Task & Finish Group activity and any activity would need to happen sequentially not concurrently i.e. one topic at a time.

Once the first topic has been finalised, the Task Group then meet over a time-limited period to gather information to enable them to gain a thorough understanding of the issue, potential problems and solutions and what best practice shows nationally. This information gathering can take place in a number of ways including interviewing witnesses, considering relevant written information and research, and, where possible, undertaking site visits (within and outside Westmorland & Furness as appropriate), to give a '360 degree' view of the topic.

The Task Group then consider the evidence gathered and what conclusions they have drawn from this, enabling them to develop the recommendations and report that they wish to be put forward. A final report is produced outlining their findings and evidence-base, along with any specific recommendations they would like to make.

Once finalised the Task Group's final report is taken to the Shadow Scrutiny Committee for agreement. Once agreed this is then presented to Shadow Cabinet (or the appropriate decision making body) for its consideration.

Shadow Authority for Westmorland and Furness Council
Shadow Overview and Scrutiny Committee
Work Programme

Timing	Items / Activity	Comments
Wednesday 21 September 2022 @ 10am	<ul style="list-style-type: none"> • Implementation Plan update – incl. progress, risks and benefits realisation • Overview of critical issues, using the LGR programme risk register • Update on Medium Term Financial Planning and Budget 2023/24 development • Final version of Council Plan • Update on adopted Baseline Service Blueprints • Scrutiny arrangements for Westmorland and Furness Council • Shadow Executive – Forward Plan • Scrutiny Committee Work Programme 	<i>Budget consultation scheduled for October – December 2022</i>
Wednesday 23 November 2022 @ 10am	<ul style="list-style-type: none"> • Implementation Plan update – incl. progress, risks and benefits realisation • Overview of critical issues, using the LGR programme risk register • Response and recommendations – Budget 2023/24 consultation • Shadow Executive – Forward Plan • Scrutiny Committee Work Programme 	<i>Potential for a separate budget consultation session to be held – either before or after this session (subject to exact budget consultation timelines).</i>
Monday 23 January 2023 @ 10am	<ul style="list-style-type: none"> • Implementation Plan update – incl. progress, risks and benefits realisation • Overview of critical issues, using the LGR programme risk register • Draft Westmorland and Furness Council Constitution • Response and recommendations – Budget 2023/24 consultation <i>(subject to exact budget timings)</i> 	<i>Draft Constitution could be earlier – subject to development timescales.</i>

	<ul style="list-style-type: none"> • Shadow Executive – Forward Plan • Scrutiny Committee Work Programme 	
<p>Wednesday 15 March 2023 @ 10am</p>	<ul style="list-style-type: none"> • Implementation Plan update – incl. progress, risks and benefits realisation • Assessment of preparedness on critical issues (focus to be identified), e.g. ICT, customer services, children’s safeguarding • Shadow Executive – Forward Plan • Scrutiny Committee Work Programme 	

Westmorland and Furness Shadow Overview and Scrutiny Committee Feedback On Baseline Blueprints

Report from:	Westmorland and Furness Shadow Overview and Scrutiny Committee
Report Author:	David Stephens – Strategic Policy & Scrutiny Advisor
Wards:	All
Key Decision:	No

1.0 Purpose of report

- 1.1. This report summarises the feedback on the Baseline Blueprints provided by the Westmorland and Furness Shadow Overview and Scrutiny Committee at it's informal session on the 6th July 2022.

2.0 Recommendation

- 2.1 It is recommended that the Shadow Executive take into account the feedback from the Shadow Scrutiny Committee in their decision-making.**

3.0 Summary of Feedback

- 3.1 The Interim Head of Service made members aware of the timeline and phasing of implementing the blueprints and ensuring the council was safe and legal on Vesting Day.
- 3.2 Members felt that where there is a proposal to host a service initially with a transition period to separate services then a specific end date for that transition period be agreed by Shadow Executive(s).
- 3.3 Members expressed the view that contracts should not be an impediment to the separation of services and there would need to be very clear legal or technical reasons which would compel a shared or hosted service.
- 3.4 Questions were raised around the hosting arrangements for the Resilience and Emergency Planning function, it was clarified that it was proposed that the Local Resilience Forum would stay on a Cumbria wide footprint to align with blue light services. The team is

small and primarily supports the LRF in dealing with incidents which usually cross boundaries.

- 3.5 Education services should if possible be separated with any hosted model being placed on a transitional basis. Members expressed similar views about Children's' Care models where they felt all members would benefit from more information to better understand the frameworks within which these services sit.
- 3.6 Members reflected on the new Integrated Care Systems and the importance of considering how we can partner to improve the integration of services and engagement with the Integrated Care Partnership for Morecambe Bay (and for North Cumbria which will cover Eden)
- 3.7 Members also recommended that clarification be provided on the rationale for hosting QA and Partnerships (Children's') teams and whether this would be on a transition basis.
- 3.8 Members raised a number of questions over how the hosted authority for those services where this model is proposed, will be decided, what criteria will be used. Whilst it was clarified that budget and staffing will be taken into consideration concerns remained that as these are mainly County services where staff are predominately based in Carlisle the majority would be hosted by Cumberland. There was therefore in the view of Members a risk to budget sustainability for Westmorland and Furness. It needs to be clear that whichever authority is not the 'host' it is getting fair share.
- 3.9 Hosted / Shared Customer and Digital services should be kept under review rather than an assumption that these remain hosted on a permanent basis. It will be inevitable that as time passes there will be greater demand for local discretion of how these services are managed.
- 3.10 Consideration should be given to how the LGR risk register aligns with the blueprints. Members reflected on the importance of the Shadow Scrutiny Committee seeing the register to help it focus on those key 'challenged' areas.
- 3.11 It was clarified that the discussions around the rationalisation of estates would be looked at post vesting day, but the importance of customer access would be a key principle.
- 3.12 Members queried the timeline for the Staff Allocation Framework and at what point the staff would be made aware of which authority they would be employed by to deliver on the blueprints.
- 3.13 Members asked to see the budgets alongside the blueprints when that information was available so that there was a clear idea on how much Westmorland and Furness Council will be managing directly and how much will be shared with Cumberland Council.

Appendix 4

- 3.14 Members asked for a summary of when service contracts and grants are due to end or be recommissioned, and what the future plans are for each provider. Particularly for Third Sector organisations who are managing risk, losing staff due to the uncertainty of LGR, and not able to match fund council monies to draw down new money into the authority.
- 3.15 Members asked that clarification be provided on Adult Learning and why this was proposed as a hosted service.
- 3.16 A request was made to continue the process of engagement of members, residents, customers and partners to ensure Westmorland and Furness Council is delivering on what is needed, that improvement of services is prioritised, and that the council is continually working towards excellence.
- 3.17 Members welcome the engagement and support received from Interim Head of Paid Service and other officers as well as the approach adopted by the Shadow Executive to take the views of Scrutiny into account.

Contact Officers

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