

WESTMORLAND AND FURNESS COUNCIL CABINET

Minutes of a Meeting of the **Cabinet** held on Tuesday, 12 December 2023 at 10.00 am at South Lakeland House, Kendal

PRESENT:

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

Also in attendance: Cllr J Battye

Officers in attendance:

Ms S Cordon	Director of Thriving Communities
Ms P Duke	Director of Resources (Section 151 Officer)
Ms C Gould	Assistant Director - Climate and Natural Environment
Ms A Hatcher	Assistant Chief Executive
Ms A Jones	Director of Thriving Places
Ms L Jones	Chief Legal Officer (Monitoring Officer)
Mr A Moffatt	Democratic Services
Ms S Plum	Chief Executive, Westmorland & Furness Council
Mr P Robinson	Director of Enabler Services
Ms S Turnbull	Senior Manager - Communications
MS C Wagstaff	Assitant Director of Housing
Ms C Whalley	Director of Adult Social Care

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

87. APOLOGIES FOR ABSENCE

An apology for absence was received from Cllr Bell.

88. DECLARATIONS OF INTEREST/DISPENSATIONS

There were no declarations of interest made on this occasion.

89. EXCLUSION OF PRESS AND PUBLIC

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

90. MINUTES OF THE PREVIOUS MEETING

RESOLVED, that the minutes of the previous meeting held on 14 November 2023 be agreed as a true and accurate record.

91. PUBLIC PARTICIPATION

Mr Jonathan Davies attended to ask the Leader of the Council the following question:-

“At the September full council meeting I questioned the council on its failure under the local government transparency code to publish its monthly spending reports.

The monthly reports are now thankfully appearing on the council’s website with a few months delay.

However, as part of the financial transparency, Westmorland and Furness Council has a duty under the local government transparency code to publish its expenditure and spending on procurement cards.

Westmorland and Furness Council currently have 251 active procure cards. 86 corporate credit cards along with Westmorland & Furness schools holding a further 165 cards, for a total of 251.

251 individuals are authorised to make transactions with the corporate credit cards.

Yet since the 1 of April Westmorland and Furness Council has failed to publish as is required any details of the spending on any of the 251 corporate credit cards.

The Local Government Transparency Code 2015 requires local authorities in England to publish information related to procurement card transactions.

Given that in the final Month of Eden District Council who held just one corporate credit card that council spent over sixteen thousand pounds in March 2023 giving the potential across 251 council credit cards for concerning levels of unreported spending.

Could the leader please explain why Westmorland and Furness Council has failed to disclose the expenditure to date on any of the 251 corporate credit cards held by the council for public scrutiny and given that the council has told departments of the council it’s not interested in anything under 15k overspend this year. Does the council know the amounts spent on its 251 credit cards since the 1 of April 2023?”

The Leader of the Council responded to say:

‘Thank you for attending today to ask your question.

Westmorland and Furness Council do have 86 corporate credit cards allocated to individuals within the organisation for use for critical/ emergency expenditure items. We also have a 165 cards issued to schools in the Westmorland and Furness.

All expenditure via corporate credit cards need to comply with the council expenditure rules, be within agreed budgets and is subject to monitoring and audit. It is individually identified and authorised.

This information should be published as part of the transparency information on the Council website but to date hasn't yet been included. The Council is working on producing the information into a format for publishing as soon as possible.

Mr Davies asked a supplementary question regarding the publication of decisions taken by officers. The Chief Legal and Monitoring Officer explained that all Officer Decision Records were published on the Council's website and that she would be happy to provide a link to the website.

92. STATEMENTS FROM THE LEADER AND CABINET MEMBERS

The Leader thanked the staff in the Highways Team for their response to the recent heavy snow fall and paid testament to the hard work and dedication of the staff to keep the highways open, where possible.

The Cabinet Member for Highways and Assets also paid tribute to the Highways staff and commented on the exceptional snow fall seen across the Westmorland and Furness area. He noted that the Highways Team had done a brilliant job and that a review of the response would be undertaken to improve the Council's response for future events. It was noted that other teams within the Council had co-ordinated the opening of various village halls across the affected areas to ensure that those stuck in the snow where able to rest.

The Cabinet Member for Climate and Biodiversity echoed the comments made regarding the Council's response to heavy snowfall across the area. He informed Members of a report due to be published by the Environment Agency, which would include data on the level and sources of pollution. It was noted that the publication of this report would allow the Council to hold constructive conversations with stakeholders to reach consensus on how reach a solution future actions regarding the level of water pollution in Windermere.

93. QUESTIONS TO CABINET MEMBERS

None for this meeting.

94. REFERRALS FROM COUNCIL OR OVERVIEW AND SCRUTINY COMMITTEES

Councillor J Battye, Chair of the Health and Adult Overview and Scrutiny Committee addressed Cabinet Members following a report from Lancashire and South Cumbria Integrated Care Board, regarding the Dental Access and Oral Health Improvement Programme.

The presentation identified five key factors which were challenging NHS dental services nationally, which were:-

- Reduced care during the pandemic;
- Worsening oral health of the population;
- Funding;
- Dissatisfaction with the national contract; and
- Workforce challenges.

Cabinet Members were informed of actions being taken locally to improve the service and the underlying issue of funding which was causing Dentists to withdraw from providing NHS Services, resulting in some areas having limited or no availability.

The Health and Adults Scrutiny Committee agreed to draw this matter to the attention of Cabinet and ask for support to raise the issue nationally alongside other Councils through the Local Government Association and any other appropriate routes.

The Leader thanked Councillor Battye for bringing the matter to the attention of Cabinet and noted that Cabinet supported this approach and would follow up with a response to the Health and Adults Scrutiny Committee and provide updates on progress.

95. 2024/25 BUDGET CONSULTATION AND MEDIUM TERM FINANCIAL PLAN (MTFP) 2024 - 2029 UPDATE

The Cabinet Member for Finance presented a report which updated members on the development of the 2024/25 revenue budget and 2024-2029 Capital programme and Medium Term Financial Plan for Westmorland and Furness Council.

This would be the first full budget setting process that Westmorland and Furness Cabinet and Council would deliver as the 2023/24 Revenue Budget and Capital Programme 2023-2028 was set by the Westmorland and Furness Shadow Authority Council in March 2023.

The report updated on the approach being taken to deliver a balanced budget for the 2024/25 financial year and set out financial planning assumptions for 2025/26-2028/29. The importance of a five-year financial planning period was to demonstrate ongoing commitments to deliver change and transformation programmes which would be essential for the long-term financial sustainability of the Council.

In September 2023 the Council published its first Council Plan Delivery Framework. The Delivery Framework built on the Council Plan and explained the approach for delivery; and also established ten intentionally bold mission statements that when delivered, in collaboration with our partners and communities, will enable delivery of our vision.

This required the Council to change and transform not just what we do but how we do it. This meant that the Medium Term Financial Plan needed to enable and support those changes and provide an ability to 'pivot' the existing budgets into areas of investment whilst also ensuring that capacity and the legacy impacts of Local Government Reorganisation (LGR) were sufficiently resourced and the benefits of becoming a unitary council are realised.

The report set out the parameters of the Councils consultation with stakeholders on the potential increases in the level of Council Tax and Adult Social Care precept for 2024/25. The Council was also consulting on other proposed changes to Council Tax charges as part of the approach to delivering a balanced budget in 2024/25. This was in readiness for Cabinet to recommend the Budget Proposal 2024/25 and Medium Term Financial Plan (2024-2029) to Council at its meeting on 13 February 2024.

The budget consultation document would seek views on the Council's general increase to Council Tax for 2024/25. The proposed Council Tax increase for 2024/25 was 2.99% and was consistent with the existing MTFP and the proposed Council Tax Referendum threshold as stated by Government in the two year financial settlement last year. In addition, the Council proposed to increase the Adult Social Care Precept by 2% to support Adult Social Care Services and this was in line with the MTFP assumptions.

Since 1 April 2023, a significant amount of work had been undertaken to review the detail within the combined legacy budgets to ensure the Westmorland and Furness directorate budgets aligned with their service responsibilities. This had been a significant task and had resulted in some changes being made to the original allocation of budgets between directorates. A restated directorate budget position will be provided within the MTFP 2024-2029.

The Cabinet Member informed members that inflation was expected to be more persistent and domestically fuelled than previously thought with the expectation that it would be below 5% by the end of this year but not returning to its 2% target until the first half of 2025.

Budget pressures

A review of potential recurring and one-off pressures has been undertaken as part of the quarterly budget monitoring in 2023/24 (Q1 and Q2).

One of the budget pressures being faced by the Council was the same as the national pressures in children services ranging from children's social care, SEND, to home to school transport. Cabinet recognised that further work was required before Cabinet could propose a balanced budget to Council in February 2024. Given the uncertainty of potential additional funding for local government and the need for further analysis and understanding of the Council's new budget, further work was ongoing and final proposals to deliver a balanced budget would be presented in February 2024.

The estimated pressure in homecare costs and the increased cost for those being supported through a supported living service had increased. Through the pandemic individuals were supported at home rather than attending day service provision and this had continued as the preference and independent living choice for many.

The estimated pressure for supported accommodation was due to an increase in enhanced housing benefit that the Council was unable to reclaim from the Department for Works and Pensions (DWP).

Another budget pressure was around the increase in Ash Dieback affecting trees and there was a risk that an increasing number of trees each year would require to be felled because of the disease and additional inspection would be required.

The final proposed pressure was as a result of the Coronation Hall in Ulverston being returned to the Council from 1 January 2024, which would enable it to be a vital cultural and arts venue and an accessible community centred building. Officers were preparing a detailed operational model and business case for the operation of Coronation Hall and the business case would consider the required capital investment in the facility in order to enhance the user experience and improve the long-term sustainability and viability of the venue.

Fees and Charges

Income from fees and charges represented an important source of funds to the Council and enabled a range of services to be provided within the area and beyond.

Discretionary fees and charges were proposed to increase by 7% to reflect inflationary cost pressures, which was in accordance with the current policy, apart from some specific exceptions that would increase at a higher rate.

There were also some fees and charges that were changing for other reasons, such as the statutory increase on planning fees, or reflecting income recovered from other organisations.

Capital Programme

Through Q2 monitoring the Capital Programme for 2023-2028 was updated and following quality assurance work, the programme had been reprofiled to reflect expected delivery timescales and the programme was fully funded.

Work was ongoing to progress the pending capital schemes identified in the 2023-2028 MTFP. The solar farm and the affordable housing investment fund had been already included in the Capital Programme whilst others were nearing completion of robust business cases in order that the scheme can progress.

The Cabinet Member moved the recommendations, which were seconded by the Leader of the Council.

In seconding the recommendations, the Leader thanked officers for their hard work in drafting the report and appendices. He expressed his support for the proposals and looked forward to the results of the consultation.

The Cabinet Member for Climate and Biodiversity echoed the Leader's thanks to officers and emphasised the importance of delivering and implementing the Council's priorities.

The Cabinet Member for Transport and Environmental Services thanked officers for their hard work in producing the report and noted the difficult economic environment. He emphasised previous comments regarding delivering on improvements, particularly regarding sustainable travel throughout the Westmorland and Furness area.

The Cabinet Members for Highways and Assets expressed his support for the investment into public rights of way and commented on the role of the Council in setting Council Tax for the coming year.

The recommendations were then put to a vote, which was unanimous. It was

RESOLVED, that Cabinet

- (1) notes the revised budget gap position of £5m for 2024/25 and support the ongoing work to continue to identify funding and saving proposals to enable a balanced budget for 2024/25 to be proposed to Council in February 2024 (Year 1 of the Medium Term Financial Plan 2024-2029);
- (2) approves consultation on the level of Council Tax for 2024/25 of a 2.99% increase in general Council Tax and a 2% increase in Adult Social Care Precept;
- (3) approves consultation on the introduction of the second homes 100% premium from the 1 April 2025;
- (4) approves consultation on the proposal to charge a 100% empty homes property premium on homes that are empty after 1 year and for homes that are empty after 10 years increase the premium to 400%;
- (5) notes the revised budget gap for planning purposes only for the period 2025/26- 2028/29; and

(6) notes that discretionary fees and charges will be uplifted in accordance with the current policy unless otherwise agreed.

96. 2023/24 REVENUE AND CAPITAL BUDGET MONITORING REPORT TO 30 SEPTEMBER 2023 - QUARTER 2

Cabinet considered a report from the Director of Resources, and presented by the Cabinet Member for Finance which set out the Council's forecast year-end financial position as at 30 September 2023, Quarter 2 (Q2); covering the 2023/24 Revenue Budget and Capital Programme 2023-2028. This is the second budget monitoring report for Westmorland and Furness Council and provides an update on the latest financial forecast for 2023/24.

Since 1 April 2023 a significant amount of work had been undertaken to review the detail within the combined legacy budgets to ensure the Westmorland and Furness directorate budgets aligned with their service responsibilities. This had been a significant task and had resulted in some changes being made to the allocation of budgets between directorates. Overall, the net budget of £268.478m has reduced to £263.478m.

The forecast outturn position as at 30 September 2023 (Q2) was a net £264.339m. Compared to the revised net budget of £263.478m this was an overspend position of £0.861m.

In preparing this report there were several known financial risks that needed to be highlighted, including:-

- Staffing allocation v establishment budget - The budgets were disaggregated by Cumbria County Council before the staff allocation exercise was undertaken, therewais a risk that the staffing allocation was greater than the staffing budget. This was currently being reviewed on a service-by-service basis.
- Inter Authority Agreement (IAA) – For the services being hosted by Cumberland Council it was assumed that at this stage, there were no pressures that the authority may need to fund under the terms of the IAA or underspends for which the authority may get a refund against the advance payments being made.
- Fees and Charges income - It was assumed at this stage that all fees and charges income would be achievable unless otherwise noted in the body of the report, such as the Windermere Ferry.
- Pay award 2023/24 - The Local Government Green Book pay award for 2023/24 had been agreed and finalised. The impact of this was still being worked through but at this stage it was assumed that overall this will be within budgeted levels i.e., 5%.

- Budgeted Inflation v contract inflation - Several contracts had annual inflationary uplifts applied to them, at the time of budget setting where the uplift was not based on September CPI an estimate was made for the % that was likely to be applied. There was a risk that the actual inflationary uplift would be greater than that budgeted.

The overall forecast outturn position for school transport at Q1 was a £2.870m overspend, the Q2 forecast of £2.100m represented an improvement in the position of (£0.770m). A programme of work had been established by the service with the intention of reviewing the systems, processes and controls being used in the procurement, recording, and monitoring of transport routes. Work had progressed on understanding the root cause of the financial pressures and to identify solutions to reduce the overspend.

The school transport overspend was caused by overspends in the Special Educational Needs and Disabilities (SEND) Transport - £1.511m overspend which was after the increase in the SEND transport budget of £1.372m approved within the 2023/24 MTFP.

Home to School Transport - £0.589m overspend which continued the trend experienced during 2022/23.

The Westmorland and Furness Shadow Authority Council set the 2023/24 Capital Programme 2023-2028 in March 2023. It brought together the Capital Programmes of the sovereign District and Borough Councils (Eden, South Lakeland, and Barrow) and the disaggregated Cumbria County Council Capital Programme and presented them as the first Westmorland and Furness Capital Programme.

The approved Capital Programme, an aggregation of the forecasted profiles from each of the legacy authorities as of Quarter 2 2022/23, was confirmed as £251.849m for schemes to be directly delivered, plus £0.936m for accountable body schemes, totalling £252.785m.

The Capital Programme 2023-2028 for schemes directly delivered begins at £251.849m. Slippage from 2022/23 (from legacy authorities) net of accelerated spend, had been identified as £31.814m.

The net changes during Q2 in grant funding and updates, increases the programme by £4.499m.

In Q2 there had been in-year virements for 2023/24 and future years which were a gross £0.792m moved from schemes/headings to others; these do not change the annual total and are and were detailed in Table 29 of the report.

In Q2 the Capital Programme Delivery Team had further reviewed the schemes, to forecast the Capital Programme that could be delivered in 2023/24 which identified £1.297m of reprofiling and accelerated spend.

The Capital Programme 2023-2028 for accountable body schemes begins at £0.936m. Slippage from 2022/23 (from legacy authorities) had been identified as £0.655m.

During Q1 £12.726m was added to the Accountable Body schemes through additional grant funding and the reclassification of the Town Deal – Learning Quarter scheme from schemes directly delivered.

There had been in-year virements for 2023/24 and future years which were a gross £1.400m moved from schemes/headings to others; these do not change the annual total and were detailed in Table 23 of the report.

Appendix 3 of the report detailed the treasury management activities during the first half of the 2023/24 financial year. It highlighted performance and activities which confirmed all Treasury Management activities undertaken during the period, including adherence to limits with the approved Prudential Indicators, were in compliance with the Annual Treasury Management Strategy Statement agreed by Members of the Shadow Authority in March 2023.

The Cabinet Member for Finance thanked officers for their hard work and dedication in producing the report.

The Cabinet Member for Climate and Biodiversity echoed the previous comments thanking officers and highlighted the importance of treasury management as well as the impressive work being done as outlined in the Capital Programme. He added that it was important for the Council to monitor the impact on the environment and any opportunities to enhance biodiversity through the Council's projects.

The Cabinet Member for Customer and Waste Services thanked the Cabinet Member for Finance for his dedication and hard work.

The Cabinet member moved the recommendations and these were seconded and put to a unanimous vote.

RESOLVED, that Cabinet

- (1) notes and recommends to Council the reduction in the Net Revenue Budget as at Q2 of £5m to £263.478m (see Paragraph 3.3 of the report);
- (2) notes that the forecast Net Revenue Budget outturn as at Q2 is a projected overspend of £0.861m; (see Table 2 of the report);
- (3) notes the use of £0.450m of the £1.1m contingency budget for 2023/24 (see Paragraph 3.9 of the report);
- (4) notes that the earmarked reserves continue to be held for the purposes established by the legacy authorities and will be reviewed as part of the 2024/25 budget setting process;
- (5) approves the creation of a £0.732m Local Government Reorganisation (LGR) Reserve funded from Westmorland and Furness' allocation following the disaggregation of the currently hosted LGR reserve, to fund disaggregation pressures in 2023/24 and future years;

- (6) approves Capital Programme grant funding changes and updates from Q2 that total £4.499m:
- £0.466m Highways & Transport – Bridges & Structures; grant funded.
 - £0.435m Non-Principal Road Network (NPRN); grant funded.
 - (£0.772m) Additional Pothole Action funding; grant funded.
 - £0.477m Devolved Formula Capital 2023/24; grant funded.
 - £0.500m Barrow Cemetery; internal funding.
 - £0.193m Strategic Highways Match Funding Integrated Transport Block (ITB) Funded; grant funded.
 - (£0.350m) Applethwaite Green Car Park, Windermere; internal funding.
 - (£0.351m) Strategic Highways and Transport; grant funded.
 - £0.693m Frenchfield Stadium Improvements; grant funded
 - £0.861m Highways & Transport Principal Road Network (PRN) Schemes; grant funded.
 - £0.268m Highways & Transport – Bridges & Structures; grant funded.
 - £1.596m Non-Principal Road Network (NPRN); additional grant funded.
 - £0.483m Highways & Transport Principal Road Network (PRN) Schemes; grant funded.
- (7) Approve Capital Programme virements within 2023/24 at Q2; £0.179m moves from the scheme noted 1 to scheme 2, and £0.613m from schemes 3,4,5,6 and 7 to scheme 8:
1. Virement from Major Projects Match Funding (£0.179m).
 2. Virement to Strategic Highways Match Funding (ITB Funded) £0.179m.
 3. Virement from IT Renewals (ex Eden) (£0.037m).
 4. Virement from Development Management System (£0.081m).
 5. Virement from IT Replacements (ex SLDC) (£0.318m).
 6. Virement from IT Development (ex Barrow) (£0.057m).
 7. Virement from Mobile Working (£0.120m).
 8. Virement to ICT Investment/Additional ICT Investment £0.613m.
- (8) approves the addition of new schemes to the Capital Programme of £1.794m:
- Youth Investment Fund £0.542m (grant funded).
 - Shipyard Town £0.549m (grant funded).
 - LEVI Infrastructure Fund £0.703m (grant funded).

(9) approves the reprofiling of the Capital Programme from 2023/24 to future years as detailed in Table 34 within the report:

- Reprofile (£1.186m) from 2023/24.
- Reprofile £0.961m to 2024/25.
- Reprofile £0.225m to 2025/26.

(10) approves the accelerated expenditure of the Capital Programme to 2023/24 from 2024/25 as detailed in Table 36 within the report:

- Accelerate £0.111m to 2023/24.
- Accelerate (£0.111m) from 2024/25.

For the reasons set out in this report, Cabinet is recommending that Council:

(11) approves the reduction of net budget by £5m to £263.478m. (see Paragraph 3.3 of the report);

(12) approves Approve the reprofiling of the Capital Programme from 2023/24 to future years as detailed in Table 31 within the report:

- Reprofile (£1.750m) from 2023/24.
- Reprofile £0.364m to 2024/25.
- Reprofile £0.462m to 2025/26.
- Reprofile £0.462m to 2026/27.
- Reprofile £0.462m to 2027/28.

(13) approves the accelerated expenditure of the Capital Programme to 2023/24 from 2024/25 as detailed in Table 33 within the report:

- Accelerate £1.528m to 2023/24.
- Accelerate (£1.528m) from 2024/25.

(14) notes the projected 2023-2028 Capital Programme of £310.691m at Quarter 2, consisting of directly delivered schemes at £296.374m, and accountable body schemes at £14.317m.

(15) notes the mid-year treasury management report.

97. INTERIM CORPORATE PERFORMANCE MONITORING REPORT - QUARTER 2 2023/24

The Leader of the Council presented a report which provided Cabinet with oversight of performance for Westmorland and Furness Council for Quarter 2 2023/24 (1 July 2023 to 30 September 2023).

The report suggested an overall positive position of performance at Quarter 2 2023/24 in the context of significant organisational change, transition and stabilisation into the new Westmorland and Furness Council.

The Leader said in the future, the Corporate Performance Report would be developed to include metrics aligned with the Performance Monitoring Framework (PMF) which would enable more effective oversight and scrutiny of delivery of the Westmorland and Furness Council Plan priorities.

However, until the PMF had been approved by Cabinet, the Corporate Performance Report would continue to use the same metrics as used in Quarter 1; which were aligned to the six Westmorland and Furness Council Plan priorities and focus on providing assurance against core service delivery and fulfilment of statutory responsibilities.

The report contained 67 interim performance metrics; a subset of the core metrics that previously supported corporate performance reporting across the four sovereign authorities. The metrics included both qualitative and quantitative performance information and provided a narrative update against progress.

Appendix 1 of the report provided individual performance updates for each key metric, categorised by Westmorland and Furness Council Plan priority.

Whilst every effort had been made to ensure accurate and robust data to support effective monitoring and scrutiny of performance, due to the complexity of integrating four different systems, process and practices the validity of the data cannot be guaranteed and ongoing data quality assurance is taking place wherever possible.

The overall position by the end of Quarter 2 2023/24 was that the majority, 35 of the 67 (52%) Westmorland and Furness Council Plan metrics were performing well, met or were on track to meet the planned milestone and rated green. A further 5 indicators (8%) were in progress and at risk of missing the milestone and rated amber. Finally, 10 indicators (15%) were expected to miss a key milestone or not fully deliver as intended and therefore rated red.

The Cabinet Member for Finance commented on the importance of the contents of the report, particularly how the Council reflect on how issues for residents and staff were dealt with and how emergencies were responded to. He noted that as a Council in the process of change that performance monitoring of services and reflecting on how the Council's values were being met was crucial. It was noted that as the Council move forwards, the data used would improve and provide a deeper understanding of the Council's performance.

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

RESOLVED, that Cabinet notes the overall performance relating to delivery of the six Westmorland and Furness Council Plan priorities against the Quarter 2 interim performance metrics.

98. SCHOOL FUNDING FORMULA 2024-25

Cabinet considered a report from the Director of Children's which set out the proposed arrangements for school funding in 2024/25 and updated them on the outcome of a recent consultation with schools.

On 17 July 2023 the Education Skills & Funding Agency (ESFA) announced details of the Dedicated Schools Grant (DSG) funding arrangements for 2024/25. This was subsequently amended on 6 October 2023 following the discovery of an error.

Local Authorities were obliged to consult their local schools and academies and Schools Forum on an annual basis regarding changes to school funding arrangements and whether to continue to apply the National Funding Formula (NFF). For 2024/25 the Department for Education (DfE) had placed further restrictions on local flexibility as it moved closer towards bringing in a direct NFF whereby individual maintained school and academy budgets would be set directly through one single NFF.

Local Authorities were allowed to transfer up to 0.5% of the Schools Block DSG to the High Needs block.

All schools in Westmorland & Furness were consulted on the school funding formula, and a proposed transfer to the High Needs block if there was sufficient funding, or the methodology to be applied in order to adhere to the principles of the NFF if the school funding formula was not sufficient.

At its meeting on 1 November Westmorland & Furness Schools Forum recommended that Cabinet, as the statutory decision maker on the formula through which funding was allocated to schools, should accept the recommendations outlined in this report.

In relation to the Schools Block Funding it was expected to increase from £155.509m to £163.400m, a gain of £8.611m, although the provisional allocation excluded funding for the Growth which had not yet been announced.

The provisional High Needs Block funding for Westmorland & Furness was £28.468m, an increase of £0.675m compared to 2023/24.

Despite the provisional increase in High Needs funding, there continued to be significant pressure on the High Needs Block budget, largely related to the increasing numbers of pupils with Education and Health Care Plans (EHCPs), the increasing number of pupils in specialist placements and the increasing costs of those settings.

Between the period April 2018 and March 2023 the total number of children and young people with an EHCP in Cumbria increased by a total of 1,527 to 4,456 which represented an increase of 52%.

The current number of pupils with an EHCP in Westmorland & Furness as at September 2023 was 2,513 (to be confirmed once disaggregation exercise has been completed) which represented 6.54% (tbc pending disaggregation exercise) of the total 2 to 18 year old population. However, the 2 to 18 year old population numbers had remained relatively static over the same period.

In addition to this, a significant proportion of the High Needs Block funding was based on historic spend in 2017/18 and therefore does not fully recognise the significant growth in the number of children and young people with SEND. For 2024/25 the provisional allocations indicated that £7.953m (29%) of the funding available would be based on the historic spend factor.

Pressure on High Needs budgets was a national issue. The Department for Education (DfE) had invested £300m through the Safety Valve Programme and were supporting 14 authorities with the largest deficits and working with a further 20 this year. It had also committed £85m in the Delivering Better Value in SEND programme, working with 55 authorities, including Westmorland & Furness which had received funding of £1m. However, the outcomes from this would take a while to unwind. The aim was to reach an in-year balanced position, although this would not be achieved in the first year of the programme.

With reference to the DSG Reserves, the main pressure on the Council's DSG reserves related to the deficit on the High Needs Block. As at 31 March 2023 there was a deficit on the High Needs Block earmarked reserve of £12.017m and as at Q1 budget monitoring the deficit on High Needs was projected to be £17.180m by 31 March 2024.

Cabinet Members thanked officers and the Cabinet Member for Children's Services, Education and Skills and officers for the detailed report and clear presentation. It was noted that Westmorland and Furness had good schools across the area and that exclusions being below the projected targets was a symbol of the positive work being done.

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

RESOLVED, that Cabinet

- (1) allocates funding to schools and academies in Westmorland & Furness using the National Funding Formula in 2024/25;
- (2) after taking into account the growth fund budget, any residual balance up to a maximum of 0.5% to be transferred from the Schools Block into the High Needs block;
- (3) any balance remaining in the Schools Block after transfer of a maximum of 0.5% should be allocated to schools through the school funding formula and;

- (4) if the school funding formula is not affordable, the basic per pupil factor values in the formula will be reduced.

99. CONSIDERATION OF THE BIODIVERSITY DUTY

The Cabinet Member for Climate and Biodiversity presented a report which sought recognition that Westmorland and Furness Council was meeting the 'biodiversity duty' that was introduced in the Environment Act 2021.

As a public authority, the Council must evidence that it: consider what it can do to conserve and enhance biodiversity; agree policies and specific objectives based on its consideration; and act to deliver its policies to achieve these objectives.

The actions Westmorland and Furness Council would take through the biodiversity duty would contribute to the achievement of national goals and targets on biodiversity.

The Environment Act 2021 introduced the strengthened biodiversity duty for public authorities as a statutory approach to improving biodiversity in the UK. The Council must complete its first consideration of what action it would be taking for biodiversity by 1 January 2024.

The Council must agree the policies and objectives as soon as possible after the above date, and for Westmorland and Furness Council this would include due consideration of the Cumbria Local Nature Recovery Strategy, Biodiversity Net Gain and the Council's Biodiversity and Nature Action Plans (Part 1 and 2) due for publication in 2024.

This aligns closely to the council's ambition to be an exemplar organisation for nature recovery, striving to restore habitats, protect wildlife and combat climate change through collective action.

This year the council was committing £0.9m funding to support many partnerships in encouraging biodiversity enhancement and protection. Along with supporting newer schemes that linked in with green skills development and assessing our area's natural capital.

The council had also committed £0.51m to help prepare for Biodiversity Net Gain becoming mandatory, including employing three ecologists to help with the roll-out, exploring options for a biodiversity unit trading scheme, carrying out a land assessment of its land to see what biodiversity enhancement opportunities it had, as well as working with landowners for this purpose.

Tree Planting continued to be a major priority for the council, and it was working closely with the Cumbria Community Forest along with successfully bidding for the Coronation Living Community Tree Planting Fund.

The Cabinet Member for Sustainable Communities and Localities emphasised the importance of protecting the rare landscapes and species found within Westmorland and Furness, with every species and habitat being as important as the others within the ecological system. She expressed her support for the Council taking a leading role in nature recovery, striving to restore habitats, protecting wildlife and combating climate change.

The Cabinet Member for Customer and Waste Services acknowledged the importance of communities and individuals who were willing to contribute to enhancing biodiversity across the area. She noted that people engaging in the process would make a huge difference in the progress being made.

The recommendations were moved and seconded and put to a unanimous vote.

RESOLVED, that Cabinet

- (1) acknowledge the work being carried out by Westmorland and Furness Council to comply with the Biodiversity Duty and consider what it will do to meet our obligations to conserve and enhance biodiversity in our area.
- (2) note Westmorland and Furness Council's appointment as Responsible Authority for the Cumbria Local Nature Recovery Strategy, which feeds into the policies and objectives for meeting the biodiversity duty.

100. AFFORDABLE HOUSING GRANTS POLICY

Cabinet Members had before them a reports which sought to establish the Affordable Housing Grant Policy which would set out the governance and procedural requirements of Westmorland and Furness Council.

The Cabinet Member for Housing and Homelessness said Westmorland and Furness Council recognised the need for affordable housing and that was a key priority within the Council Plan. The provision of more affordable homes could help to increase the range of housing options, to help meet the increasing demand and assist the Council in meeting its required housing responsibilities.

The Council's funds for the Affordable Housing Grant provided an opportunity to add to other sources of funding available to local communities.

Eden District Council and South Lakeland District Council had both held Affordable Housing Reserves, and Community Housing Funds.

3.5 The Affordable Housing Reserve position at 1 April 2023 was £6.000m:

- £4.804m South Lakeland District Council
- £1.196m Eden District Council

There were several schemes identified against those reserves which fell into two categories; those that have formal approval from the legacy authority, and those that did not receive formal approval through the legacy sovereign councils' decision making processes and which it was proposed would be considered under the Westmorland and Furness Affordable Housing Grant Policy.

The value of the schemes identified at 1 April 2023 was £2.548m:

- £1.635 South Lakeland District Council
- £0.913m Eden District Council

The South Lakeland District Council Affordable Housing Reserve held the legacy share of capital receipts relating to the dwelling stock transferred to South Lakes Housing (SLH) in March 2012; the Council's share was a capital receipt which was ring-fenced for affordable housing.

Eden District Council and South Lakeland District Council both held Community Housing Funds (CHF). This was central government funding to support community led housing in areas where high levels of second home ownership were contributing to high housing costs and housing unaffordability. CHF could be spent on both capital and revenue items and could be used both for spending by the Council and by housing providers but the key criterion was that the housing it supported must be community led.

The Community Housing Fund position at 1 April 2023 was £1.644m:

- £1.177m South Lakeland District Council
- £0.885m Eden District Council

There were several schemes identified against those reserves which fell into two categories; those that have formal approval from the legacy authority via the governance arrangements that were in place at the time, and those without formal approval from the legacy sovereign authority that will be considered under the Westmorland and Furness Affordable Housing Grant Policy.

Affordable Housing Grant Delivery

Approved Grant Payments would be made in line with a Grant Agreement prepared by Legal Services. The new Affordable Housing Grant Policy for Westmorland and Furness Council offered an opportunity to consider how the Fund could best deliver the new Council Plan priorities. It also offered an opportunity to consider the resource implications of delivering the Fund alongside other priority programmes.

Westmorland and Furness Council was responsible for all elements of Affordable Housing Grant management from grant approvals, and in order to ensure the Council was able to provide effective and efficient programme management, it was recommended that the established internal Investment Board be used to oversee the approval of grant applications. Its role would include making recommendations on investment decisions, overseeing financial and performance management.

In order to ensure the Council was able to provide effective and efficient programme management of the Westmorland and Furness UK Shared Prosperity Fund, an internal Investment Board was established to oversee the delivery of the programme. Its role included making recommendations on investment decisions, overseeing financial and performance management and considering any required changes to the programme. The establishment of the Investment Board, and its Membership was approved by Cabinet at its meeting on the 24 April 2023.

The Terms of Reference (attached at Appendix B to the report) for the Investment Board had been updated to include grants from the Affordable Housing Policy.

It was recommended that the views of the Investment Board were provided to the relevant officers outlined in the amended Terms of Reference who would then have delegated responsibility in consultation with the Chief Legal and Monitoring Officer for making the award, entering into funding agreements and/or approving any scheme changes, in consultation with the Leader and Cabinet Member for Housing and Homelessness.

The proposed delegations were:

- Awards up to £50,000— grant award decisions to be made by the Senior Manager Housing Standards / AD Housing (ODR)
- Up to £100,000— grant award decisions to be made by the Assistant Director of Housing (ODR)
- Over £100,000 - Approval through Investment board (up to £500,000 ODR; £500,000 or above individual projects to be entered on Forward Plan and an Officer Key Decision Record completed).

Cabinet Members expressed their support for the policy and noted that affordable housing was a key aspiration of the Council. It was felt that the policy would support the Council's ambition in providing a mix of affordable housing to residents.

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

RESOLVED, that Cabinet

- (1) approves the Affordable Housing Grant Policy attached at Appendix A of the report:
- (2) agrees the governance for grant awards as set out in Appendix A and delegate responsibility to the relevant officers outlined in Appendix A, in consultation with the Chief Legal and Monitoring Officer, the Leader and Cabinet Member for Housing and Homelessness to agree investment decisions and enter into grant funding agreements with successful projects.

101. URGENT ITEMS

None for this meeting.

The meeting ended at 11.23 am