

WESTMORLAND AND FURNESS COUNCIL CABINET

Minutes of a Meeting of the **Cabinet** held on Tuesday, 13 February 2024 at 10.00am at Penrith Town Hall, Penrith

PRESENT:

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

Officers in attendance:

Mrs J Currie	Democratic Services
Ms P Duke	Director of Resources (Section 151 Officer)
Mrs K Edmondson	Democratic Services Manager
Ms A Hatcher	Assistant Chief Executive
Mrs K Johnson	Senior Manager - Safe and Strong Communities
Ms L Jones	Chief Legal Officer (Monitoring Officer)
Ms S Plum	Chief Executive, Westmorland & Furness Council
Ms S Roberts	Assistant Director – Finance (Deputy S151 Officer)
Mr P Robinson	Director of Enabler Services
Ms S Turnbull	Senior Manager - Communications
Mr M Vasic	Director of Children's Services

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

118. APOLOGIES FOR ABSENCE

There were no apologies for absence on this occasion.

119. DECLARATIONS OF INTEREST/DISPENSATIONS

Cllr Brook declared a pecuniary interest in Agenda Item No 10 – Early Years Funding Formula 2024-25 as his wife is a childminder, and also a personal interest in respect of both his daughters being childminders. He would leave the meeting during this item.

The Monitoring Officer reminded members that all Councillors had a dispensation granted under Part 4 Section 1 Code of Conduct for Councillors Table 3 “ Standard Dispensations “ 2 (F) the setting of the authority’s council tax requirement, council tax, levy or a precept under the Local Government Finance Act 1992 (exemption does not apply if you are more than 2 months in arrears with their council tax).

120. 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.

121. MINUTES OF THE PREVIOUS MEETING

RESOLVED, that the minutes of the previous meeting held on 23 January 2024 be agreed as a true and accurate record.

122. PUBLIC PARTICIPATION

Mr Jonathan Davies wished to ask the Leader the following question in relation to Agenda Item No 9 – 2024/25 Budget Proposals. He spoke to say ‘On the 17 of October 2023 this cabinet approved what it called a compact with town and parish councils, with an apparent commitment made by Westmorland and Furness Council stating “this document sets out how town and parish councils and Westmorland and Furness Council will work together” it goes on to state “Westmorland and Furness Council will define and develop ways of engaging with and working together with town and parish councils.”

Yet any semblance of engagement appears to be a one-way street more of a top down this is what is going to be done and Westmorland and Furness will give no explanation and town and parish councils have no say or input.

An example of this and one of great concern is contained in the budget papers that cabinet will today be asked to approve and recommend to full council. On page 27 of the Draft Revenue Budget 2024/25 and Medium Term Financial Plan (2024-2029) Is table 13 titled as Savings.

The first line of the table covers Parish Council Tax support Grant payments moving forward in future financial years from 2025/26 showing a year on year financial saving for Westmorland and Furness Council.

This CTSG is an amount that is paid to parish councils to help of-set the reduction in precept as a result of the number of households who are receiving council tax reductions in the parish.

This money is part of the annual funding from central government Westmorland and Furness Council receive on district wide basis.

In December town and parish councils in Westmorland and Furness district received an email from the Assistant Director of Finance & Deputy Section 151 Officer setting out the Council Tax Support Grant amount to the parish for the upcoming financial year 2024/25.

The email went on to state “I am also writing to advise you that 2024/25 is the final year of the Council Tax Support Grant. By giving advance notice, any impact upon your budgets can be considered when setting your precept demand for 2024/25 and 2025/26.”

At no time has any engagement or consultation taken place on the ending of the CTSG to town and parish councils and there is no public record of this council having resolved on such an action in any official meeting of the council to date.

Government has previously written to all collection authorities reminding them “it would only be appropriate not to pass on any local council tax support grant if there were no claimants in that parish.”

Based on current public information central government will still be making local government finance settlements to Westmorland and Furness Council including the amounts for the council tax support scheme and this still including the amounts attributable to town and parish councils.

Can the leader therefore explain on what level Westmorland and Furness council consider it has the right to withhold these amounts from town and parish councils in the area for its own budgetary savings benefits, as the council you are leader of will be receiving public money from government intended to be passed on to town and parish councils but will in reality be retaining the funds for its own purposes, raising the question of how this action will be anything other than an act of misappropriation of public money by Westmorland and Furness council.’

The Leader responded to say ‘ Thank you for your question, Mr Davies.

As part of a package of savings proposed to deliver a balanced budget for 2024/25, and reduce the budget gap for future years, it is recommended that a £109k saving is achieved from 2025/26 by ending the Council Tax Support Grant to parish councils.

The award of the Council Tax Support Grant to parish and town councils is a matter for each billing authority to determine. The Local Government Financial Settlement does not identify a separate amount for Council Tax Support for local authorities and there is no amount identified for parish and town councils.

The Council Tax Support Grant was historically linked to the overall movement in the Tax base from providing Council Tax support but that is no longer the case and the grant has remained at a static amount for each parish council for a number of years.

Most authorities ended the Council Tax Support Grant to parish and town councils in previous financial years. Two of the legacy authorities had previously indicated the ending of this Grant to Parishes but the grant remained in place for 2023/24 as part of the decision making by the new Westmorland and Furness Council to commit to maintaining legacy grant decisions in the first year.

As part of the budget setting process, it was proposed that the grant should continue for a final year – 2024/25 but that it should stop in 2025/26. This was included in the 2024/25 Budget consultation and Medium Term Financial Plan (MTFP) 2024-2029 update report to Cabinet on the 12th December 2023. It formed part of the budget consultation.

The Council sent letters at the beginning of December 2023 to all Parish Councils to provide over 12 months' notice of the grant ending.

The Council also met with the members of the Cumbria Association of Local Councils on the 12 December 2023 as part of the budget consultation process, and this discussion included the proposal to end of the Council Tax Support Grant to parish and town councils.

The proposed increase in the Second Homes Premium from 1 April 2025, will increase the Taxbase of parish and town councils. This will provide some compensation for the loss of the Council Tax Support Grant.'

123. STATEMENTS FROM THE LEADER AND CABINET MEMBERS

The Leader of the Council informed Cabinet that last week he had attended a Health and Wellbeing Workshop which highlighted for him the challenges to be faced by Westmorland and Furness in relation to life expectancy, and some of the vast differences within wards in the district.

He had also attended a meeting with Electricity Northwest about network resilience, and had recently visited West Shore on Walney to talk about coastal erosion

The Cabinet Member for Climate and Biodiversity made a statement about the recently published UN report on Biodiversity Loss which highlights that the world's migratory species of animals were in decline, and the global extinction risk was increasing. He also mentioned the importance of tackling climate change for those such as the residents of West Shore Caravan Park who he had met with recently.

The Cabinet Member for Housing and Homelessness made a statement about council houses in the Barrow area and the budgets for the Housing Revenue Account. In order to help balance this budget it would be possible for the council to increase rents by 7.7%. However, the council was proposing to increase these by only 3½%. She also thanked the Housing team in Barrow for the work they had been undertaking on dwelling rents.

The Cabinet Member for Transport and Environmental Services was delighted to participate in the Joint Enhanced Bus Partnership Forum recently, which had been attended by a number of stakeholders.

The Cabinet Member for Sustainable Communities and Localities had recently attended an event with representatives from the University of Cumbria where the university had undertaken to consider how best it could support health and art initiatives in the area. She had also attended an event which focused on youth and youth provision.

124. QUESTIONS TO CABINET MEMBERS

There were no questions to Cabinet Members.

125. REFERRALS FROM COUNCIL OR OVERVIEW AND SCRUTINY COMMITTEES

There were no referrals from Council or Overview and Scrutiny Committees.

126. 2024/25 BUDGET PROPOSALS

The Cabinet Member for Finance presented the 2024/25 Draft Budget and Medium Term Financial Plan Report to Cabinet, which presented the draft budget for 2024/25 for Westmorland & Furness Council and the associated Medium Term Financial Plan and Capital Programme. He was proud to be presenting this, and took members through the proposals.

As a Council Westmorland and Furness was not yet a year old, and this was the first budget that had been completed with a full leadership team. It represented the next step in the council's progress to being both financially stable and delivering upon both our Council Plan and manifesto priorities.

He thanked all of the Finance Officers and the wider Leadership Team that had worked to make this budget a reality.

He outlined the background and key themes to the budget, and then moved the recommendations.

The budget had been set with the council facing the highest inflation that the Country had seen for over 40 years. Although inflation was now subsiding, prices across the economy were more than 20% higher than only three years ago. The pressure of this inflation, and the knock on impacts on salaries and demand for services directly affected all local Councils.

The council also continued to face adverse demographic pressures, with an older-than average population, and the numbers over retirement age were growing rapidly.

Similarly, the pressures on Children's Services, particularly the spiralling pressure from SEND/home-to-school transport, which was an issue for councils across the nation.

The Cabinet Member outlined a clear path for the council that delivered both on financial sustainability and on delivering for its residents. The budget could be summarised in three clear themes.

- The first theme was continue the job of integration and stabilisation after LGR. This council was only 10 months old, and the process of reorganisation had probably been even more difficult than was expected. A number of areas had been identified that required further investment, and the Cabinet Member highlighted some of these specifically:
 - Ensuring that we are putting in the necessary additional spend for areas under most pressure – particularly Children’s & Adult Social Care.
 - The pressures on SEND/home-to-school transport alone requiring £2m more budget next year. Many of the key pressures were listed in Table 6 and sections 3.79-3.95
 - We have included additional budgets for areas that had suffered most from disaggregation, including some of those areas being disaggregated since vesting (sections 3.97-3.98). We needed to ensure that these services were both structured and funded in a way that was sustainable.
 - We had also identified a number of areas that were under-invested in legacy authorities. This was most notable in maintenance expenditure for corporate assets.
- The second key theme was the need to drive improvements and efficiencies across the Council. This budget contained around £10m of savings – over half of which were permanent. It was now critical that the Council identified and then delivered the savings that were required to close the financial gaps over the next five years. This meant that it needed to consider fundamental change to the way it operated and delivered services.
- The third key theme was progressing to deliver the manifesto and Council Plan commitments. It was not possible to do everything at once, but this budget made significant strides towards delivering on the council’s ambitions. In particular, this year’s budget included further investment in Climate & Natural Environment along with £10m of capital investment for decarbonising the estate; Permanent investment in Bus Travel/Subsidies, and continuing to support those most in need.

The Cabinet Member was asking Cabinet to reconfirm the key assumptions that were taken in the consultation and recommend them to Council, including,

- Council Tax to be increased by 2.99%, with a further 2% increase for the Adult Social Care Levy. This total increase of 4.99% was in line with the Government’s assumption on the council’s Core Spending Power. The vast majority of other councils in the country would also be increasing Council Tax by this amount;
- Bringing forward the empty homes premium from two years, to one. The maximum charge would be increase to 400% of the Council Tax once a home was empty for 10 years;

- Following the assent of the Levelling Up Act the council would charge a 100% premium on second homes from 1 April 2025;
- Fees and charges would be increased in line with inflation, consistent with council policy. On average fees and charges would increase by 6.7% based on September's CPI.

The Cabinet Member then took members through the feedback to the consultation, as detailed in Appendix 2 of the report.

Apart from the public consultation the Cabinet Member asked Cabinet to take into consideration the Equality Impact Assessment attached at Appendix 9. He also thanked the Corporate Overview & Scrutiny Committee for their helpful input which was also included in Appendix 2.

The Council had been working hard to close the projected budget deficit of £5m for 2024/25. Since December the Council had been able to close this gap through a combination of the additional funding announced by the government in January and the inclusion of some additional savings. However, this still meant that about £12m of reserves would still be needed. He was happy that this left the reserves in a satisfactory position.

The Cabinet Member made some brief comments about Capital Expenditure. During this year a thorough review of all major capital projects had been undertaken, The Capital Programme had also been reviewed as part of the Q3 monitoring, which had resulted in a number of adjustments being proposed. The details for these could be found in Appendix 7 and Appendix 8 of the report.

The Cabinet Member then took members through the recommendations in the report and asked Cabinet to agree that under 2.7 of the Cabinet's approval of the Senior Leadership Pay Policy statement be deleted as this would be considered by Staffing Committee tomorrow. He then moved the recommendations.

The recommendations were seconded by the Leader of the Council.

The Cabinet Member for Customer and Waste Services said that creating a new authority and budget was difficult especially following years of austerity but she felt this was a budget to be proud of. The Council was responding to the needs of its communities and improving its assets. She hoped for some stability and wanted to protect the future for Westmorland and Furness.

The Cabinet Member for Transport and Environmental Services was delighted to support this budget and was particularly proud to see the Bus Travel Bursary Scheme which was a permanent investment in bus travel to support the 'connections' priority.

The Cabinet Member for Climate and Biodiversity was also proud of this budget and hoped there would be cross party support for this when it was considered by council. He was aware that there were severe financial pressures across the country with 11 million people struggling and food banks being used more and

more. Westmorland and Furness Council wanted to do all it could to help support its communities.

The Cabinet Member for Highways and Assets mentioned the capital spending and what has been achieved this year. The council had a good reputation with Government for delivery of projects and the Team Barrow project was a good example of this.

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

RESOLVED, that Cabinet

- (1) considers and took into account the response to the Budget Consultation including Overview & Scrutiny Committee feedback set out in Appendix 2 of the report;
- (2) notes the Director of Resources & Section 151 Officer Section 25 Report as at Section 5 including her review of the robustness of the estimates and the adequacy of the reserves;
- (3) **RECOMMENDS** to Council a 2.99% increase in the general Council Tax and an additional 2% increase for the Adult Social Care precept for 2024/25 resulting in an overall increase of 4.99%;
- (4) **RECOMMENDS** to Council to approve charging the empty homes Council Tax premium of 100% after 1 year empty, and 300% after 10 years empty; from the 1 April 2024;
- (5) **RECOMMENDS** to Council:
 - a Council Tax requirement of £163.663m which results in a Band D Council Tax of £1,827.76 for Westmorland and Furness Council,
 - noting that a separate report on calculating the total 2024/25 Council Tax charges will be presented at the Council meeting on the 22 February 2024.
- (6) **RECOMMENDS** to Council to approve the introduction of a 100% Council Tax premium on second homes effective from 1 April 2025;
- (7) **RECOMMENDS** to Council the draft Net Revenue Budget requirement of £272.121m for 2024/25 (See Appendix 10 of the report) and:
 - a five-year Medium Term Financial Plan 2024-2029 (see Appendix 1).
 - the schools budget for 2024/25 of £215.521m including £80.507m for academies and free schools and other providers.
 - the use of reserves and levels of forecast reserves contained in the Medium Term Financial Plan.
 - the Capital Programme for 2024/25 of £110.507m (set within a six year programme 2023-2029 of £499.946m) (Appendix 7 and 8).

- the Locality Board budgets of £2.868m for 2024/25 (Appendix 3).
 - Housing Revenue Account - balanced budget including the use of £0.633m earmarked reserves and a 3.5% increase on dwelling and garage rents (Appendix 4).
 - Treasury Management Strategy for 2024/25 (Appendix 5).
 - Equality Impact Assessment (EIA) for Council Tax charges, fee and charge increases, and the housing and garage rent increases (Appendix 9)
- (8) **RECOMMENDS** delegation to the Director of Resources & Section 151 Officer in consultation with the Finance Portfolio Holder, to transfer any additional funding announced through the Final Local Government Settlement to the Financial Volatility Reserve and if there is a reduction in funding announced the Financial Volatility Reserve would be used to balance the budget;
- (9) **RECOMMENDS** to Council to approve that the slippage or accelerated position on the Capital Programme at 31 March 2024 is included within the 2024/25 Capital Programme and reviewed as part of Quarter 1 budget monitoring;
- (10) Approves the Strategic Highways and Transport Committee budget of £1.386m revenue and £21.937m capital subject to agreement by Council of the overall budget;
- (11) Approves the Locality Boards revenue budget allocation of £2.868m as set out in Appendix 3, subject to agreement by Council of the overall budget, and the draft guidance in respect of allocations and the limitations of virements;
- (12) **RECOMMENDS** to Council the proposed increases in fees and charges (see paragraphs 3.113-3.125). All are in accordance with the Fees and Charges Policy approved by Council in March 2023;
- (13) **RECOMMENDS** delegation to the Director of Thriving Communities in consultation with the Housing & Homelessness Portfolio Holder and Finance Portfolio Holder, to make arrangements to administer any specific grant received for the Household Support Fund in 2024/5.

127. EARLY YEARS FUNDING FORMULA 2024-25

Cllr Brook left the room at this point.

Cabinet had before it a report which set out the proposed arrangements for early years funding in 2024/25 and updated Members on the outcome of a recent consultation with schools.

The government were extending the eligibility to free early years education provision so that all eligible working parents would be able to access 30 hours of free entitlement for 38 weeks of the year from the term after their child turns 9 months old.

The DfE had consulted local authorities on its proposals for funding local authorities for the new early years free entitlement and the local authority was obliged to consult Schools Forum and all early years providers in Westmorland & Furness on the funding formula to be used to allocate the new entitlement funding to providers in 2024/25.

Currently all parents of 3-4 year olds could access 15 hours of free early education for 38 weeks of the year and eligible working parents could access an additional 15 hours of free entitlement. Parents of disadvantaged 2 Year Olds could access 15 hours of free entitlement. The government were extending the eligibility to free entitlement so that all eligible working parents would be able to access 30 hours of free entitlement for 38 weeks of the year from the term after their child turns 9 months old. This would be rolled out in stages:

- From April 2024 all eligible working parents of 2 Year Olds can access 15 hours per week
- From September 2024 all eligible working parents of children aged 9 months up to 3 Years Old can access 15 hours per work extending to 30 hours from September 2025

The DfE had consulted local authorities and early years providers on its proposals for funding local authorities for the new early years free entitlement and in July 2023 published illustrative local authority level hourly funding rates for 2 Year Olds and Under 2s.

The DfE proposed to apply the same funding rules to the new 2 Year Old and Under 2s funding which currently apply to the 3-4 Year Old funding.

The outcome of the DfE consultation was published in early December. DfE had decided to apply the majority of its proposals set out in paragraph 3.3 except that the deprivation supplement would not be mandatory in the 2 Year Olds and Under 2s funding formulae. It also published updated LA level funding rates for each local authority which for Westmorland & Furness were as follows:

Phase	Illustrative LA Hourly Rate Funding	Final LA Hourly Funding Rate
2 year olds	£7.09	£7.20
Under 2s	£9.61	£9.78

Despite the final LA funding rates being slightly higher than the illustrative rates published in the DfE’s consultation Westmorland & Furness was the third lowest funded LA in the country due to the impact of the area cost adjustment in the formula at LA level which diverted more funding to urban based authorities.

The Schools Forum had consulted early years providers on the proposed funding formulae to be used to distribute the new 2 Year Old and Under 2s free entitlement funding to early years providers which included the following proposals:

- A centrally retained budget of £0.037m (less than 1% of the total funding available) for the early years team to support the roll-out of the new entitlements;
- A SEN Inclusion Fund budget of £0.098m;
- A 2 Year Olds hourly funding base rate and a deprivation supplement;
- An Under 2s hourly funding base rate and deprivation supplement.

The Cabinet Member informed members that following analysis of the results of the consultation at its meeting on 17 January the Schools Forum recommended to Cabinet that the new 2 year olds and under 2s funding in 2024/25 be allocated to early years providers in Westmorland and Furness, after taking into account the budget for centrally provided services and the SEN Inclusion Fund, by using a base rate of funding of £7.04 for 2 Year Olds and £9.62 for Under 2s and a deprivation supplement of £0.21 to be based on children living in IDACI Bands A to F which should also be adopted as the methodology used to allocate the deprivation supplement in the existing 3-4 year old funding formula.

She then moved the recommendations which were seconded and put to a unanimous vote.

Cabinet commented that once again rural areas had been granted less funding than urban areas, which they felt was unfair.

RESOLVED, that Cabinet allocates the new 2 Year Olds and Under 2s funding in 2024/25 to early years providers in Westmorland & Furness, after taking into account the budget for centrally provided services and the SEN Inclusion Fund, by using a base rate of funding of £7.04 per hour for 2 Year Olds and £9.62 per hour for Under 2s and a deprivation supplement of £0.21 per hour to be based on children living in IDACI Bands A to F which should also be adopted as the methodology used to allocate the deprivation supplement in the existing 3-4 year old funding formula.

128. COUNCIL GRANTS POLICY

Cllr Brook returned to the meeting at this point.

Cabinet considered a report which informed them that grant giving was a contributory function in supporting the delivery of the Council Plan to create a great place to live, work and thrive. It enabled direct support to communities and empowered local people; it ensured the delivery of services; and it invested locally in business and culture.

The Cabinet Member for Sustainable Communities and Localities said grant giving was integral to one of the operating model's key pillars regarding Community Focus and was a vital ingredient in developing confident, empowered, and resilient communities. In many cases, it could lead to voluntary and community groups

progressing to become social enterprises, providing employment, and generating surpluses to be directed back into the community.

The Council recognised the great importance of grant giving and the valuable role this investment made in supporting the activities which were important to communities. Grant giving demonstrated the Council's confidence in the community's ability to build on their assets to carry out a range of activities, which supported individuals, built cohesion and created thriving communities which in turn create great places to live and be part of.

The Council Grant Policy would provide the umbrella under which its grant funds were to be distributed, ensuring robust and efficient processes regarding governance, probity, audit and assurance.

As custodians of public funding, the new Westmorland & Furness Council requires a corporate Grant Policy which sets out for the community and wider stakeholders, its intentions, its approach and the governance with regards to grant giving.

The policy would enable and support council officers from across the organisation to design and deliver grant funding programmes in a consistent, transparent and fair manner following agreed and established legal, financial and governance requirements.

The Cabinet Member moved the recommendations which were seconded and put to a unanimous vote.

RESOLVED, that Cabinet approves the Council Grant Giving Policy as set out in Appendix 1 of the report, which will be publicised and rolled out across the organisation as a consistent and transparent approach.

129. URGENT ITEMS

There were no urgent items of business.

The meeting ended at 11.15 am