

# WESTMORLAND AND FURNESS COUNCIL

## Cabinet

<b>Report Title</b>	Investment in Council Plan Priorities
<b>Date of Meeting</b>	6 June 2023
<b>Report Author</b>	Alison Hatcher – Assistant Chief Executive
<b>Director</b>	Pam Duke, Director of Resources
<b>Lead Cabinet Member</b>	Cllr Andrew Jarvis – Cabinet Member for Finance
<b>Why is this a key decision?</b>	<p>1. Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates. For these purposes, savings and expenditure are "significant" if they are equal to or greater than £500,000 and/or <b>yes</b></p> <p>2. Is likely to be significant in terms of its effects on communities living or working in an area comprising one or more wards in the area of the Council - <b>yes</b></p>
<b>Wards Affected</b>	All
<b>Identify exempt information and exemption category</b>	N/A
<b>Reasons for urgency (<u>only</u> where applicable)</b>	N/A
<b>Appendices (if any)</b>	N/A

### 1. Executive Summary

- 1.1 Council approved the 2023/24 revenue budget and 2023/4-2027/8 MTFP and capital programme at its meeting on the 7 March 2023.
- 1.2 The budget set out the financial considerations and estimates on the different elements of Local Government funding (including the Council Tax requirement for 2023/24), national and local financial pressures and proposed savings as well as plans for the future to invest and transform the Council to achieve its Council Plan priorities.
- 1.3 The ambition of Westmorland and Furness Council is to ensure that it is a great place to live, work and thrive; placing people at the centre of everything it does, working hard to maximise the opportunities that the natural environment brings and being ambitious for the local communities and residents.
- 1.4 The Council wants to support people to have healthy lives, reduce inequality, drive delivery of carbon net zero, support our communities and enable

sustainable economic growth. The focus on these issues will make a positive difference. It also knows that achieving the transformation of services and the delivery of the Council Plan must be delivered in a financially sustainable way.

- 1.5 Included in the 2023/24 revenue budget is a one off net £5m investment to start immediate activities to deliver on the Council Plan priorities. Council approved that Cabinet approve the details of the investments.
- 1.6 Work has been ongoing with CMT and Cabinet to review the immediate activities for 2023/24 and the purpose of this report is for Cabinet to approve allocation of £4.450m of the one off £5m priority investment fund to support delivery of immediate priorities.
- 1.7 Cabinet will approve the use of the remaining unallocated element of £0.550m when business cases are identified and approved.
- 1.8 Decisions about continuity of the priority schemes into future financial years will form part of the strategic planning and budgeting process for 2024/25 and the medium term. The Council has a statutory requirement to set a balanced budget for each financial year.
- 1.9 It is recognised that a number of the proposed activities will require funding in 2024/25 due to the nature of the activity e.g. travel bursary scheme. These future financial commitments will be funded from contingency in 2024/25 to ensure that commitments can be fully funded. Any decisions to continue activities on a permanent basis will need to be fully funded within the permanent budget financial envelope.
- 1.10 Separate to this one off £5m priority investment fund Council approved a separate one off £6.5m investment to support Integration and Improvement. The focus of the LGR programme was to ensure that services are safe and legal when they transfer to the Unitary Councils on 1 April 2023. There is still a significant amount of work required to integrate and stabilise many of the council's services during 2023/24 and beyond. In a number of key areas such as housing, waste and planning services there is a need to develop the strategic vision for these services and this will require additional capacity to support those change programmes. It is expected that this will drive out improvements and efficiencies and also improve services through integration and stabilisation. An update on the delivery of these areas of activity will be provided as part of the Q1 2023/24 budget monitoring report to Cabinet in September.
- 1.11 Finally Cabinet are asked to confirm the continuation of the individual members' £1k allocations for 2023/24. Councillors can use the funding to support community groups in their wards to help purchase equipment, hold events, or run services that will benefit local residents. The funding can also be used in combination with money from other organisations, to contribute to larger projects
- 1.12 The scheme was previously in place for South Lakeland District Council (SLDC) members and it is proposed that this is extended to all members of Westmorland and Furness Council and that the governance, strict criteria for declaration of conflicts of interest and reporting on the allocations of this

funding developed by SLDC will be adopted by Westmorland and Furness to ensure that Value for Money and impact can be reported and transparent. The approval process for authorisation of the use of the funding is through the chief legal officer and Director of Resources (sct 151 officer). The budget for 2023/24 is £51k and this will be increased to £65k through the proposed use of £14k of the £1.1m contingency budget.

## 2. Recommendations

**For the reasons set out in this report, Cabinet is recommended to:**

- 2.1 Approve £3.250m of priority investment schemes for 2023/24, as outlined in para 3.9 that deliver on the Council Plan priorities.
- 2.2 Delegate to the Director of Thriving places and the chief legal officer and Director of Resources the guidance and criteria for the allocation of the proposed grant programme for the Climate and Environment Fund.
- 2.3 Approve the delegation of £0.900m to the three Locality Boards (based on 80% population/ 20% road length formula) for investment in sustainable travel and transport (in accordance with the constitution)
- 2.3 Approve the delegation of £0.300m to allow Locality Boards to support priority improvements in communities, making a real and visible difference to the quality of life in local areas. Delegate to the Director of Thriving communities and the Chief Legal Officer and Director of Resources (sct 151), in consultation with the relevant portfolio holder the guidance and criteria for the allocation of this funding.
- 2.4 Approve the overall budget delegation to Locality Board's of:

	Local sustainable travel and transport fund £	Strong and connected communities programme £	Total £
Eden	250,200	100,000	350,200
Furness	230,400	100,000	330,400
South Lakeland	419,400	100,000	519,400
<b>Total</b>	<b>900,000</b>	<b>300,000</b>	<b>1,200,000</b>

- 2.4 Approve an individual member allocation of £1,000 for 2023/24 to be utilised in accordance with the conditions and criteria established to provide effective governance and Value for Money. Delegate to the Chief Legal Officer and Director of Resources (sct 151) in consultation with the finance portfolio holder to finalise the conditions and criteria for the £1k member scheme.

### 3. Information: the Rationale & Evidence for the Recommendations

- 3.1 The Westmorland and Furness Council Plan was approved on the 19<sup>th</sup> December 2022. It sets out the Council's long-term vision and priorities for the next five years.
- 3.2 The Council's vision for Westmorland and Furness Council is presented in its Council Plan with a Vision to be a great place to live, work and thrive:
- As a **great place to live**, with strong local and community leadership, housing for all making best use of land and existing buildings, empowered places, proud and resilient, communities, a green and biodiverse environment, support for those that need it, when they need it, and opportunities for children and young people to live healthy, happy lives;
  - As a **great place to work**, with a sustainable, inclusive, diverse economy with a growing work force delivering opportunities for high quality jobs, learning, skills and enterprise, support to encourage business creation and improved infrastructure and connectivity.
  - As a **great place to thrive**, with opportunities for education, health, and wellbeing, a diverse visitor offer, and thriving cultural economy, support for all to start well, live well and age well, holistic early intervention to support people in need and excellent walking and cycling routes.
- 3.3 The Council Plan also outlines **seven priorities**, which will form a framework for the new Council to work towards:
- For People – Supporting active, healthy happy lives for young and old
  - For People – Supporting people in need and reducing inequality
  - For the Climate – Providing leadership in the drive to become carbon net zero
  - For Communities – Confident, empowered, resilient communities
  - For the Economy and Culture – Sustainable, inclusive economic growth
  - For our Customers – At the heart of everything we do
  - For our Workforce – Confident, empowered, and inclusive workforce.
- 3.4 The Council Plan also set out the values for the new Council which will underpin everything that it does and being a caring council is the golden thread that will run through everything that it delivers. The Vision, priorities and values provide the framework for the Council's transformation over the next five years and these aspirations and ambitions will be reflected in service and operational plans that are being developed for all service areas.
- 3.5 Westmorland and Furness Council approved its 2023/24 revenue budget and Medium-Term Financial Plan (MTFP) and capital programme for 2023-2028 on 7 March 2023. This set out how the Council's available budget would be allocated over the next five years in order to deliver on the priorities the Council have committed to in the Council Plan and supports the delivery of that ambition and transformation journey.
- 3.6 To support the Transformation programme, the 2023/24 Revenue Budget included an additional £16.5m of investment, £5m of which was for prioritised investment to deliver on Council Plan priorities.

- 3.7 Following initial discussions with portfolio holders regarding where investment would be required to effectively deliver the Council Plan priorities in 2023/24, it was agreed that proposals would be developed using a business case template in order to assess strategic fit with Council Plan priorities, deliverability, benefit realisation, investment required and risk.
- 3.8 A total of 24 proposals were received which all had good strategic fit. Further assessment was undertaken on deliverability in order to identify schemes which could be delivered this financial year recognising that the funding is one off. Following that assessment 14 proposals have been identified for Cabinet to approve.
- 3.9 The table below summarises the 12 schemes that are recommended for investment in 2023/24. The total investment value is £3.250m.

Priority Scheme	Summary Description	Investment
Biodiversity Boost	Boosting biodiversity across Westmorland and Furness by investing in the development of baseline information and developing a new biodiversity credit scheme. The funding will help set Westmorland and Furness on the path to restoring and enhancing biodiversity in our area.	£440,000
Climate & Environment Fund	A new grant fund to support local organisations to tackle climate change, support nature recovery and ensure a fair transition to a low carbon future for our communities, contributing to our aspiration for Westmorland and Furness to be a leader on biodiversity and carbon net zero.	£500,000
A2B Now Card - The children and young people's discount bus travel scheme	A discount bus travel card scheme for all children and young people aged 5-20 across Westmorland and Furness, reducing transport costs and boosting the use of sustainable transport.	£70,000
Youth education and training travel bursary	An area wide travel bursary scheme for 16-19 year olds, supporting them to access education and training, including support to schools and to individual young people, ensuring travel costs are not a barrier to young people achieving their potential.	£500,000
20 mph zones	Funding to support Locality Boards to implement 20mph zones where communities want them, improving road safety, reducing noise and encouraging walking and cycling. (Delegations agreed in September 2023 following	£300,000

Welfare support top up fund	Additional funding to help alleviate poverty and meet people's welfare needs, including investing in financial advice services to help people manage their income, and school food initiatives to ensure children get the support they are entitled to.	£500,000
Supporting families	Providing additional funding to supplement the new Family Hub government funded programme which aims to support children, young people and families at the earliest opportunity, helping them have the best start in life and setting them up to achieve their full potential.	£300,000
Occupational Therapy equipment fast track	A short-term, high impact programme to get simple, but vital, equipment to people who need it to help them live independent lives and who have been waiting for too long.	£80,000
Virtual care pilot programme	A new pilot programme using video and telephone technology to support people with basic social care support needs, like medicine reminders, to live healthy independent lives and ensuring social care staff can focus on those with more serious needs.	£80,000
Culture recovery support fund	Investment in Westmorland and Furness's cultural sector to help venues and organisations manage the ongoing legacy of the COVID-19 pandemic and the pressures of the cost of living crisis, aiming to secure the continuation and growth of our rich and vibrant cultural offer, a vital part of our vision for a thriving Westmorland and Furness.	£250,000
Trauma informed practice development programme	The impacts of trauma, particularly in childhood, can have profound and long-lasting effects on people's health and well-being. This investment in the training and development of our workforce and that of partner and community organisations will give us the best chance of helping people in need of support to have independent, thriving lives.	£80,000
Local sustainable travel and transport fund (capacity)	Provide officer capacity to support delivery of the delegated Local sustainable travel and transport fund delegated to local committees.	150,000
<b>Total</b>		<b>£3,250,000</b>

3.10 In addition to the above, two proposals related to devolving funding to Locality Boards for local decision making on investments immediately. The table below summarises the funding that is to be devolved to Locality Boards and describes the type of schemes that can be supported.

Priority Scheme	Scheme Description	Investment Value
Local sustainable travel and transport fund	Delegate £0.900m to Locality Boards to support the development of local sustainable travel and transport schemes, including footpaths and rights of way, cycling, school streets and community transport. The fund will help improve public health and the environment by reducing congestion, air pollution, carbon emissions and supporting healthier lifestyles.	£900,000
Strong and connected communities programme	Flexible funding to allow Locality Boards to support priority improvements in communities, making a real and visible difference to the quality of life in local areas.	£300,000
<b>Total</b>		<b>£1,200,000</b>

3.11 The funding allocated to the Locality Boards for the proposal for Local sustainable travel and transport is to be allocated based on 80% population and 20% road length. This results in an allocation of:

- Furness £230,400
- Eden £250,200
- South Lakeland £419,400

3.12 The funding allocated for the proposal for stronger and connected communities programme is proposed as an equal split of £100k per Locality Board. The detailed criteria is still be finalised but the funds will be to test and support delivery against the Locality Boards' emerging Place Plans, particularly focusing on services / areas aligning with Thriving Communities

3.13 The allocation of funding to Locality Boards will be determined in September when the new 20mph Policy has been developed. The Policy will set out the criteria we will use to consider whether to introduce such limits and how potential schemes would be prioritised. In the meantime officers will monitor and assess the demand for 20mph schemes in each Locality area.

3.14 It is proposed that the individual members £1k allocations for 2023/24 will continue. The scheme was previously in place for South Lakeland District Council (SLDC) members and it is proposed that this is extended to all members of Westmorland and Furness Council and that the governance, declaration of conflicts of interest and reporting on the allocations of this funding developed by SLDC will be adopted by Westmorland and Furness to ensure that Value for Money and impact can be reported and transparent. The budget for 2023/24 is £50k and this will be increased to £65k through the proposed use of £15k of the £1.1m contingency budget.

3.15 The funding will delegated to each individual to be used to support community groups in their wards to help purchase equipment, hold events, or run services that will benefit local residents. The funding can also be used in combination with money from other organisations, to contribute to larger projects.

#### **4. Link to Council Plan Priorities: (People, Climate, Communities, Economy and Culture, Customers, Workforce)**

4.1 The investment allocations proposed are intrinsically linked to the contribution of the Council Plan priorities. An initial prioritisation exercise of the proposals put forward included a strategic fit assessment.

#### **5. Consultation Outcomes**

5.1 The Council Plan was developed following a comprehensive consultation process and these proposed investments will deliver on the priorities as identified in the Council Plan.

5.2 This proposed decision was entered on the Councils Forward Plan of Key decisions on the 28 April 2023.

#### **6. Alternative Options Considered**

6.1 Cabinet could choose not to support the use of the £5m priority Investment Fund however this could result in a missed opportunity to deliver prioritised investment in 2023/24 which was outlined as a strategic priority in the MTFP.

6.2 Cabinet could choose to support the priority investment activities. This is the preferred option.

#### **7. Financial Implications and risk**

7.1 Council approved the £5m Priority Investment as part of the 2023/24 revenue budget on 7 March 2023. A robust process of identifying the priority activity areas, reviewing the strategic fit and deliverability and developing a business case to determine the outcomes from the investment has been followed. Detailed business cases will be finalised by the relevant Directors responsible for delivery of the activities, in consultation with the relevant portfolio holders. Monitoring of the delivery of the activities and the outcomes will be through the quarterly budget monitoring and performance monitoring reports.

7.2 The funding for the £5m investment is one off as it is funded from the exceptional financial support which has been approved in principle by Department of Levelling Up Housing and Communities (DLUHC) to assist the Council in managing the transition and transformation. Overall DLUHC have approved in principle exceptional financial support of £26m in recognition of the exceptional circumstances that the Council is in due to the pace and complexity of the Local Government Reorganisation. This allows the Council to use capital financing to fund the revenue investment required in setting up and establishing the new Council and stabilise service delivery in the short term and plan effectively for delivering efficiencies from 2024/25 onwards.

7.3 The £26m exceptional financial support also included a £5m investment to facilitate the development and start the implementation of transformation. Transformation is essential in order that the Council can deliver on its Council priorities and ambition. It is also a key driver for delivering a financially sustainable organisation. It is recognised that strong business cases will be required to deliver improved services and this funding is available to support



that initial development and investment needed to start the transformation journey. This work is ongoing.

- 7.4 It also included £6.5m for 23/24 to support Integration and Improvement. The focus of the LGR programme has been to ensure that services are safe and legal when they transfer to the Unitary Councils on 1 April 2023. There is still a significant amount of work required to harmonise, integrate and stabilise many of the council's services during 2023/24 and beyond. In a number of key areas such as housing, waste and planning services there is a need to develop the strategic vision for these services and this will require additional capacity to support those change programmes. It is expected that this will drive out improvements and efficiencies and also improve services through integration and harmonisation.
- 7.5 Decisions about continuity of the priority schemes included in 2023/24 will form part of the strategic planning and budgeting process for 2024/25 and the medium term. The Council has a statutory requirement to set a balanced budget for each financial year.
- 7.6 It is recognised that a number of the proposed activities will require funding in 2024/25 due to the nature of the activity e.g. travel bursary scheme that will run from September 2023 to July 2024. These future financial commitments will be funded from the £1.1m contingency in 2024/25 to ensure that commitments can be fully funded. Any decisions to continue activities on a permanent basis will need to be fully funded within the permanent budget financial envelope.
- 7.7 The £1k member schemes will be funded from the original permanent budget of £50k and increased by £15k in year to enable all members to receive the delegated funding. This will be funded from contingency in 2023/24 and reviewed as part of the budget setting process for 2024/25.

## **8. Legal and Governance Implications**

- 8.1 The Investment priorities £5 million was added to the Forward Plan of key decisions on the 28 April 2023. Council having approved the £5m Priority Investment as part of the 2023/24 revenue budget on 7 March 2023 and delegating it to the Cabinet,
- 8.2 The officer scheme of delegation provides a general delegation to Chief Officers in 2.3 to take all necessary actions (including the letting of contracts, undertaking statutory processes and incurring expenditure) to implement decisions of Council, the Cabinet, a Committee or Sub-Committee, or an Officer.
- 8.3 Legal advice will be provided as the priorities are developed and delivered. Governance will be required around the allocation of grants.
- 8.4 S1 of the Localism Act 2011 gives the council a general power of competence, the council has the power to enter into a grant agreements in accordance with the requested recommendations.
- 8.5 The council may distribute grants in accordance with its agreed criteria to ensure consistency and transparency across the process. Due weight must be given in terms of equalities duties and procedural fairness. Should the council

distribute funds not in accordance with these principles, then it could be at risk of legal challenge.

- 8.6 All grant agreements are reviewed by legal services based upon the council's standard template agreement which includes obligations to ensure delivery such as meeting project timeframes and clawback arrangements.
- 8.7 The Contract Procedure Rules will be followed for the awarding of any contracts from the proposals.
- 8.8 Officers will liaise with Legal Governance and Democracy Specialists regarding Subsidy Control compliance. A subsidy is a financial benefit granted from public funds which confers an advantage on a recipient, and which has at least the potential to distort competition. Subsidies can be unlawful, and the Council is legally obliged to ensure that when it makes a subsidy, it does so in compliance with the legal rules in force at the time. Subsidies can arise as a result of many things that the Council does. Obvious examples include grants but subsidies may also occur when the Council leases land at below market value, forgoes a debt, or otherwise provides support to an organisation. This is not a complete list of the matters which might involve subsidies.
- 8.9 Whilst the UK was a member of the European Union (EU), it had to comply with the EU's State aid regime. The State aid regime is one part of the EU's competition regime, and its purpose is to control the use of subsidies by public bodies within the EU. Since the end of the Brexit transition period on 31 December 2020, the UK is no longer required to comply with the State aid rules (save in respect to matters which may have an impact on trade between the EU and Northern Ireland). The Council is under a legal obligation to comply with the Subsidy Control Act 2022. Decisions of the Council may be challenged by judicial review if the subsidy control rules are not followed or not followed correctly. Grants or other measures may be suspended, and orders for damages or recovery of any unlawful subsidy made. The Council may suffer reputational damage if an unlawful subsidy is made.
- 8.10 When a subsidy is granted, certain information must be made publicly available. It is therefore particularly important that clear and accurate records of decisions and supporting information are kept, and that all decisions on subsidy control are justifiable on the basis of accurate and robust evidence.
- 8.11 Officers will liaise with Legal Governance and Democracy Specialists in the preparation of appropriate grant funding terms and conditions for the funding, including for example consideration of appropriate monitoring and reporting, liability and clawback provisions.
- 8.12 The Constitution provides that Locality Boards would have the remit local sustainable Highways and Transport. This allocation meets the following parts of the constitution. (14.12.2)
  - (a) To agree and keep under review the implementation of a one year programme of Locality Highways schemes for the area. Locality highways schemes could include street lighting, drainage clearing, traffic calming schemes, sign cleaning, white line painting.

- (b) To agree and keep under review the implementation of a one year programme of Local Sustainable Transport schemes for the area. Local Sustainable transport schemes could include footpaths and rights of way, cycling and walking improvements, school streets, community transport support.
- (d) To consider and determine traffic regulation orders, speed limit orders, experimental orders, parking places orders and revocation orders, with the exception of those that require urgent determination or are temporary in nature, in all cases, the relevant local member will have been notified of the matter.

## **9. Human Resources Implications**

- 9.1 The majority of the proposed activities, as identified within this report, will be delivered by existing services and teams within the council. Where additional capacity is required, this will be resourced on a temporary basis, providing opportunities for secondments internally where possible.
- 9.2 As highlighted above there is significant work required to integrate and stabilise many of the council's services. This is likely to require additional temporary capacity from key support services including HR/OD, finance and legal services to support the delivery of these change programmes.

### **9.1 Equality and Diversity Implications (including the public sector equality duty, Armed Forces Families, Care Leavers and Health inequalities implications)**

- 9.3 As the method for delivery for the investments will vary, and remains subject to final business case approval, equality and diversity impacts will be considered and assessed at the individual project level.

## **10. Other Relevant Implications (where applicable e.g. procurement, other)**

### **10.1 Environment & Climate Change/ Net Zero**

- 10.1.1 Due to the nature of the investments, some are designed to contribute positively towards the Council's key priorities linked to environmental, climate change and Net Zero. Impacts will be considered and assessed proportionately at the individual project level as part of the delivery of the activities.

### **10.2 Social Care & Corporate Parenting Implications**

- 10.2.1 Due to the nature of the investments, some are designed to contribute positively towards the Council's key priorities linked to Social Care. Impacts will be considered and assessed proportionately at the individual project level as part of the delivery of the activities.

## **11. Public Health Implications**

- 11.1.1 Due to the nature of the investments, some are designed to contribute positively towards the Council's key priorities linked to Public Health. Impacts will be considered and assessed proportionately at the individual project level as part of the delivery of the activities.

## **12. Background Documents**

- 12.1 Draft Budget 2023-24 and MTFP and capital programme 2023/24 -2027/28 report to Council 7 March 2023