

## **CUMBERLAND SHADOW SCRUTINY COMMITTEE**

Minutes of a Meeting of the Shadow Scrutiny Committee held on Wednesday, 15 February 2023 at 4.00 pm at Council Chamber, Allerdale House, Workington

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### **PRESENT:**

Cllr A Pratt (Chair)  
Cllr T Allison  
Cllr Dr H Davison  
Cllr J Forster, substituting for Cllr M Eldon  
Cllr A Glendinning, substituting for Cllr L Jones-Bulman  
Cllr J Ghayouba  
Cllr J Gridale  
Cllr J Mallinson  
Cllr C McCarron-Holmes, substituting for Cllr L Patrick  
Cllr S Pollen  
Cllr G Troughton  
Cllr H Tucker

### **Officers in attendance:**

|                |   |  |
|----------------|---|--|
| Mr A Seekings  | - | Chief Executive for Cumberland Council                                       |
| Ms C Nicholson | - | Section 151 Officer for Cumberland Council                                   |
| Ms C Liddle    | - | Monitoring Officer for Cumberland Council                                    |
| Mr W Johnston  | - | Group Finance Manager (Cumbria County Council)                               |
| Mr A Gilbert   | - | Strategic Advisor, Communications & Marketing<br>(Allerdale Borough Council) |
| Ms R Jones     | - | Policy and Scrutiny Officer (Carlisle City Council)                          |
| Mr J Rasbash   | - | Policy and Scrutiny Officer (Cumbria County Council)                         |
| Miss R Blaney  | - | Democratic Services Officer (Scrutiny) (Copeland<br>Borough Council)         |

Councillor Barbara Cannon (Portfolio Holder for Financial Planning and Assets) and Councillor Chris Southward (Portfolio Holder for Digital Connectivity and Customer Focus) were also in attendance.

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

### **1. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors M Hawkins, R Betton, M Eldon, L Jones-Bulman and L Patrick.

### **2. DECLARATIONS OF INTEREST**

There were no Declarations of Interest received.

### **3. EXCLUSION OF PRESS AND PUBLIC**

**RESOLVED** that the press and public not be excluded from the meeting for any items of business on this occasion.

### **4. BUDGET 2023-24 AND MEDIUM-TERM FINANCIAL PLAN GENERAL FUND REVENUE AND CAPITAL**

The Cumberland Section 151 (S151) Officer and the Portfolio Holder for Financial Planning and Assets provided the committee with an overview of the report before inviting members to ask questions.

Members thanked all the staff who worked on the Budget report for all their hard work.

Members had a discussion regarding the conversations had with the Department for Levelling Up, Housing and Communities (DLUHC), the possible options for financial assistance to fund transformation costs post vesting day and the consequences/risks that could come from both receiving and not receiving the money. The Portfolio Holder for Financial Planning and Assets noted that conversations were ongoing at high levels with DLUHC. The Chief Executive explained that detailed thought was being put in to deliver public services, whether permission for financial support arrangements was agreed by DLUHC or not, so that all outcomes were considered to ensure that all residents and especially the most vulnerable could receive the services they required. The S151 Officer noted that the budget included the repayment of any borrowing to fund transformation costs, including the 20 year time limit and MRP interest rate, and that Cumberland only had to start repaying once the borrowed amount was taken out.

A member asked about the capital assets of the council; the Chief Executive remarked that assets were part of an ongoing discussion, as an option was being given to be able to use capital receipts to pay off capital debt, especially with how

assets are being used differently post-pandemic. But noted that discussions were still ongoing.

A member requested that a 'Glossary of Terms' be included within the Budget report in the future to help understand the acronyms included within the report.

Members had multiple discussions throughout the meeting regarding budget monitoring and Treasury Management. The S151 Officer confirmed that the Treasury Management included the financial delegation scheme which they would be happy to bring to the appropriate Scrutiny panel when practicable. It was then explained that the normal Treasury Management monitoring process through the Audit Committee and then Full Council but, as the strategy was not currently in place, the process had been delegated to the S151 Officer and the strategy would not be available until after April 2023. The Portfolio Holder for Financial Planning and Assets highlighted that all councillors needed to be involved in budget monitoring, with Cumberland planning to have an Executive monitoring process in place with regular quarterly reporting and the Executive minutes would also be available for Full Council to scrutinise. They also commented that it would be up to Scrutiny to decide within their work programme how they would like to participate in budget monitoring.

Members had multiple discussions throughout the meeting regarding outstanding accounts of the sovereign councils and their potential risks. The Chief Executive and S151 Officer noted that they were aware of all the potential risks from the outstanding accounts, especially in Copeland, but that further work would need to be done, through creating legacy plans, that would provide further detail and would help Cumberland deal with any risks from outstanding accounts. It was also noted that Cumberland would need to trust the integrity of the current officers and auditors during the end of financial year close down process, that outstanding accounts are acknowledged as a risk but the details would only be known once the audits had been completed.

A member asked about potential risks and scope for additional budget if required regarding transformation. The S151 Officer and the Portfolio Holder for Financial Planning and Assets explained that transformation costs were built into the budget (in Section 9), with detailed analysis of what would be needed and the impact/risks having been completed. That ideas for driving out savings through streamlining and removing duplication had been factored in. They also noted that, should there be issues, consideration would be given to other methods such as increased service cuts and hiring freezes to limit those pressures.

Members discussed the properties that Cumberland would be inheriting from the sovereign councils with the Chief Executive noting that a property realisation and rationalisation plan would need to be created, commenting that members would be kept updated on any changes and that there was a commitment to communities that Cumberland would be sensitive to the buildings with crucial community ties.

A member asked about savings being realised for which the Chief Executive explained that, though savings are not predicted within the next financial year, they

are possible, especially once structures are in place to integrate the appropriate systems and duplications are removed.

Members had a discussion regarding the reserves. The S151 Officer explained that there is no set amount for reserves and that no comparisons to other councils can be made in terms of reserves, as deciding on reserve amounts and limits is for the S151 Officer to decide and is unique to each authority. The S151 Officer then highlighted that the reserves are reviewed with a risk based approach to saving plans and reserves with contingencies including a range of assumptions.

Members had a discussion regarding harmonisation of council tax, fees and charges and staff wages. The S151 Officer noted that council tax was being harmonised for day one and that all the fees and charges that could be harmonised for day one would be, as seen in the appendices of the report, but highlighted that there were some fees and charges that would need to be investigated further. The S151 Officer and Chief Executive also explained that, for harmonisation of staff wages, there needed to be an economic reason, which they would work with Unions on. They then explained that there were no current plans to harmonise staff wages, as all staff are protected under the TUPE regulations, but that they would work to ensure that there were no tensions between staff during this process of building a new organisation.

A member asked about staff and the TUPE process. The Chief Executive noted that all staff will be transferred under the TUPE regulation to the appropriate council, with an opportunity to look at how the council operates with an aim to improve the operating model at a lower cost with better services, keeping in mind the idea of intervention and prevention rather than crisis management. It was highlighted that this does not mean a reduction in numbers of staff, but rather reviewing the way of working, such as looking at agency worker numbers. The Chief Executive and Portfolio Holder for Financial Planning and Assets noted that staff health and wellbeing was being taken into account and support was available.

A member asked about the Leconfield site which was confirmed to be in Cleator Moor.

A member asked about the Pension Fund, which the Portfolio Holder for Financial Planning and Assets explained would be hosted by Westmorland & Furness Council and it would be the sole purpose of that board to focus on the Pension Fund.

A member asked about Britain's Energy Coast (BEC) going forward with the S151 Officer and Portfolio Holder for Financial Planning and Assets highlighting that it's not a budget issue but rather a separate organisation, of which the sovereign councils are part owners.

Members had a discussion regarding Climate Change, with a focus on carbon reduction, and the terminology being included within the budget report. The Portfolio Holder for Financial Planning and Assets noted that carbon literacy training for officers and councillors was being planned, along with planning for improvements and changes with lessons learned being taken into account. They also noted that

specific terminology, such as 'net zero', would normally be linked into the budget, but this year would instead be found in the references to the Council Plan.

A member asked about diversification within the workforce and agile working productivity. The Chief Executive noted that agile working is a balance for Cumberland, looking at productivity gains and offsetting the carbon footprint (through heating buildings and commutes), while also considering the process to create a new organisation with new bonds needing to be formed, which in person meetings would be needed for. The Chief Executive also questioned the view that home working was less productive than just being in the office and explained that flexible working needs to be underpinned by a performance based approach to work. The Chief Executive additionally commented on the diversification of the workforce, helped by agile working, that has allowed for strategies to be put in place to reach and employ those who had previously not been able to come back into the workforce.

A member asked about balancing the budget and projecting a deficit. The S151 Officer explained that there is a legal requirement to balance the budget and that the projected deficit is part of the forecast included within the Medium-Term Financial Plan to help balance the budget for next year.

Members had a discussion regarding improving and expanding communications with the public to highlight both the positives and negatives of the budget process, to help improve transparency and answer questions. The S151 Officer and Portfolio Holder for Financial Planning and Assets agreed that more could be done to help improve the communications to improve public understanding for the difficult but important aspects of the decisions that are being made and reach as many people as possible, to highlight the help that is being provided such as the Council Tax Reduction Scheme.

The committee discussed and amended the proposed recommendations which they wanted presented to the Executive on their behalf and came up with the following:

- 1) Note that this budget is based heavily upon the information provided by sovereign councils. Assumptions are held to give a good level of assurance by the S.151 Officer for Cumberland, but there is the possibility that end of financial year close down of accounts could produce new issues or some changes.
- 2) There is a risk around the assumption within this budget that a request to DLUHC for exceptional financial support to cover costs of transformation, in order to deliver long term benefits and well-managed transformation, will be successful. It is recognised that this is an assumption. If DLUHC refuse this request, then this issue should be referred to Scrutiny for further consideration.
- 3) Note that the amounts of Reserves within this budget are estimates and advise that the recommendation of the S.151 Officer for Cumberland for prudent levels should be given due regard.

- 4) Identified that harmonisation of fees and charges across the Cumberland Authority area is important and should be a priority for the new Authority, where it cannot be achieved at Day 1.
- 5) Note that delegated authority is requested to allow the S.151 Officer to finalise policies and financial strategies, including the Treasury Management Strategy; these documents should come back to Scrutiny for review when practicable.
- 6) Highlight the importance of a regular and robust budget monitoring process by Scrutiny in order to allow a good overview of the detail and development of the budget as it emerges. Note that Executive will be receiving quarterly budget monitoring reports, recommend that these quarterly reports are considered by Scrutiny too.
- 7) Scrutiny note that the feedback on the Council Tax consultation did not wholly support the decision that has been made. The Committee would like to highlight that it is important for Cumberland Council to clearly articulate its motivations for policies and decisions to ensure that communities and local people understand reasons behind them.
- 8) Issues raised in the Council Tax consultation should be dealt with in an explanatory feedback document.

**RESOLVED** that the agreed recommendations above be presented to the Executive at their Special Budget meeting on 16 March 2023.

## **5. DATE AND TIME OF NEXT MEETING**

It was noted that the next meeting of the Committee would be held on Wednesday 22 March 2023 at Cumbria House, Carlisle.

The meeting ended at 6.06 pm